



*Dunbartonshire and Argyll & Bute  
Valuation Joint Board*

Council Offices  
16 Church Street  
Dumbarton  
G82 1QL

15 March 2024

Dear Sir/Madam

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**

You are requested to attend a hybrid meeting of the Valuation Joint Board to be held at **11.00 a.m. on Friday, 22 March 2024.**

In accordance with the Joint Board's Standing Orders Members will have the option to attend the meeting in person in **Tom Johnston Chamber, East Dunbartonshire Council Offices, 12 Strathkelvin Place, Kirkintilloch, Glasgow G66 1XT** or remotely via MS Teams. Joining details for those attending remotely will be provided separately on the Outlook Invite.

The business is as shown on the enclosed agenda.

Please advise [committee.admin@west-dunbarton.gov.uk](mailto:committee.admin@west-dunbarton.gov.uk) if you are unable to attend the meeting.

Yours faithfully

**ALAN DOUGLAS**

Clerk to the Valuation Joint Board

Distribution:-

Councillor Graham Archibald Hardie, Argyll & Bute Council  
Councillor Paul Donald Kennedy, Argyll & Bute Council  
Councillor Iain James MacQuire, Argyll & Bute Council  
Councillor Iain Shonny Paterson, Argyll & Bute Council  
Councillor Peter Wallace, Argyll & Bute Council

Councillor Jim Gibbons, East Dunbartonshire Council  
Councillor Stewart MacDonald, East Dunbartonshire Council  
Councillor Vaughan Moody, East Dunbartonshire Council  
Councillor Willie Paterson, East Dunbartonshire Council  
Councillor Andrew Polson, East Dunbartonshire Council  
Councillor Calum Smith, East Dunbartonshire Council

Councillor Karen Conaghan, West Dunbartonshire Council  
Councillor Gurpreet Singh Johal, West Dunbartonshire Council  
Councillor Jonathan McColl, West Dunbartonshire Council  
Councillor John Millar, West Dunbartonshire Council  
Councillor Lawrence O'Neill, West Dunbartonshire Council

All Substitute Members for information.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**

**FRIDAY, 22 MARCH 2024**

**AGENDA**

**1 APOLOGIES**

**2 DECLARATIONS OF INTEREST**

Members are invited to declare if they have an interest in any of the items of business on this agenda and the reasons for such declarations.

**3 MINUTES OF PREVIOUS MEETING 5 - 7**

Submit, for approval as a correct record, the Minutes of Meeting of the Valuation Joint Board held on 3 November 2023.

**4 ANNUAL ACCOUNTS FOR YEAR ENDING MARCH 2023 To Follow**

Submit report by the Treasurer presenting the Annual Accounts for the year ending 31 March 2023.

**5 EXTERNAL AUDIT ENQUIRIES – 2022/23 9 - 14  
ACCOUNTS**

Submit report by the Treasurer advising of the External Auditor's requirement for the provision of information regarding the Board's approach to dealing with fraud, litigation, laws and regulations as part of their audit of the Board's Statement of Accounts for 2022/23 and to allow the Board to comment on the response related to 'Those Charged with Governance'.

**6 CODE OF GOOD GOVERNANCE - ANNUAL 15 - 18  
SELF-ASSESSMENT**

Submit report by the Assessor and Electoral Registration Officer providing detail on the completion of the Joint Board's annual Local Code of Good Governance self-assessment for 2023/24. The report will advise Members of the progress made in completing or progressing a number of actions contained in the Plan and seek approval of the Action Plan arising from the self-assessment.

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**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**

At a Hybrid Meeting of the Dunbartonshire and Argyll & Bute Valuation Joint Board held in the Denny Meeting Room, 16 Church Street, Dumbarton and using MS Teams on Friday, 3 November 2023 at 11.00 a.m.

**Present:** Councillors Graham Archibald Hardie and Peter Wallace (Argyll & Bute Council); Councillors Vaughan Moody and Jim Gibbons (East Dunbartonshire Council); and Councillors Lawrence O'Neill and Jonathan McColl (West Dunbartonshire Council).

**Attending:** Russell Hewton, Assessor & Electoral Registration Officer (ERO); Darryl Rae, Depute Assessor & Electoral Registration Officer (ERO); Laurence Slavin, Treasurer; Janine Corr, Accountant; Rosemary Nelson, Principal Administration Officer – VJB and Lynn Straker, Committee Officer, West Dunbartonshire Council.

**Also Attending:** Tom Reid, Audit Director – Mazars.

**Apologies:** Apologies for absence were intimated on behalf of Councillors Stewart MacDonald and Calum Smith (East Dunbartonshire Council), Councillor Paul Donald Kennedy (Argyll & Bute Council) and Councillors Karen Murray Conaghan and Gurpreet Singh Johal (West Dunbartonshire Council)

**Councillor Vaughan Moody in the Chair**

**DECLARATIONS OF INTEREST**

It was noted that there were no declarations of interest in any of the items of business on the agenda.

**MINUTES OF PREVIOUS MEETING**

The Minutes of Meeting of the Valuation Joint Board held on 23 June 2023 were submitted and approved as a correct record.

## **REVENUE & CAPITAL BUDGETARY CONTROL REPORT TO 30 SEPTEMBER 2023 (PERIOD 6)**

A report was submitted by the Treasurer advising Members on the progress of the revenue budget and the capital programme for 2023/24.

Having heard the Accountant in further explanation of the report, the Joint Board agreed:-

- (1) to note that it was anticipated that £0.244m of revenue reserves would be required to be used in-year to balance the revenue account;
- (2) to note the virements as explained at 3.5 and 3.6;
- (3) to approve the payment of the ill health liability insurance cost of £50,546, in accordance with the financial regulations, as explained at 3.7; and
- (4) to note the projected capital re-profiling of spend and earmarked resource of £0.047m, to be carried forward into 2024/25 to fund the completion of the existing capital projects.

### **ASSESSORS SERVICE UPDATE**

A report was submitted by the Depute Assessor & Electoral Registration Officer advising Members of the General Background of Non-Domestic Rating and Council Tax and detailing progress, forthcoming priorities and next steps.

Having heard the Depute Assessor & Electoral Registration Officer in further explanation of the report, the Joint Board agreed:-

- (1) to note the progress and planning which is ongoing to effect reform brought about by the Non-Domestic Rating (Scotland) Act and the recommendations of the 'Barclay' Review including the transfer of the powers of the local Valuation Appeal Committees to the First Tier Tribunal of the Local Taxation Chamber of the Scottish Courts and Tribunals Service;
- (2) to note the progress in relation to the general maintenance of the Valuation Roll and the disposal of both 'running roll' appeals and appeals that are before the Upper Tribunal;
- (3) to note the progress in relation to the general maintenance of the Council Tax List, including the disposal of Council Tax proposals and appeals; and
- (4) to note the progress being made in relation to forthcoming priorities and next steps.

## **ELECTORAL REGISTRATION SERVICE UPDATE**

A report was submitted by the Principal Administration Officer providing members of the Joint Board with an update on the current position in relation to Electoral Registration.

Having heard the Principal Administration Officer in further explanation of the report, the Joint Board agreed to note the content of the report.

## **WORKFORCE PLANNING – UPDATE**

A report was submitted by the Assessor and Electoral Registration Officer advising Members of an update to the 2023/24 Workforce Plan which was approved at a meeting of the Valuation Joint Board on 3 March 2023 and to seek Members' approval of the updated Workforce Plan for 2023/24.

Having heard the Assessor and Electoral Registration Officer in further explanation of the report, the Joint Board agreed:-

- (1) to note the progress in relation to implementing the 2023/24 Workforce Plan; and
- (2) to note the completion of the audit action to include target dates against actions in the Workforce Plan.

## **PUBLIC SECTOR EQUALITY DUTY REPORT**

A report was submitted by the Depute Assessor & Electoral Registration Officer seeking members approval of The Public Sector Equality Duty Report and the approval of the Equality Outcomes contained within the report.

Having heard the Depute Assessor and Electoral Registration Officer in further explanation of the report, the Joint Board agreed to note the Public Sector Equality Duty Report.

## **NEXT MEETING OF VALUATION JOINT BOARD**

Members noted that the next meeting of the Valuation Joint Board would be a Hybrid Meeting on Friday, 22 March 2024 in the Tom Johnston Chamber, Southbank Marina, 8 Strathkelvin Place, Kirkintilloch G66 1XT.

The meeting closed at 11.15 a.m.



**DUNBARTONSHIRE and ARGYLL & BUTE VALUATION JOINT BOARD****Report by Treasurer****Valuation Joint Board – 22 March 2024**

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**Subject: External Audit Enquiries – 2022/23 Accounts****1. Purpose**

1.1 The purpose of this report is to inform the Board of the External Auditor's requirement for the provision of information regarding the Board's approach to dealing with fraud, litigation, laws and regulations as part of their audit of the Board's Statement of Accounts for 2022/23 and to allow the Board to comment on the response related to 'Those Charged with Governance'.

**2. Recommendations**

2.1 That the Board:

- Receive and comment upon, the enquiries for those charged with governance for the 2022/23 Accounts;
- Agree with the draft responses set out in appendix 1 to this report and approve their submission to the Board's external auditors.

**3. Background**

3.1 As part of the annual approach taken by the Board's external auditors, Mazars, they seek responses to a range of enquiries concerning the Board's approach and reporting arrangements for a number of key areas, in particular related to themes surrounding fraud, litigation, laws and regulations. The responses to these provided by Officers will inform the approach taken by Mazars to the audit of the 2022/23 Accounts.

**4. Main Issues**

4.1 In addition to the enquiries made to Officers, Mazars also require a response to a number of enquiries relating to the arrangements for identifying, responding to and managing risks around fraud from 'those charged with governance'. Details of the specific enquiries and a proposed response to each is provided in Appendix 1 for the Board to review and comment on ahead of agreeing the final version for submission to Mazars.

**5. People Implications**

5.1 There are no people implications.

**6. Financial and Procurement Implications**

6.1 There are no financial implications arising from this report.

**6.2** There are no procurement implications arising from this report.

**7. Risk Analysis**

**7.1** There are no specific risk implications arising from this report.

**8. Equalities Impact Assessment (EIA)**

**8.1** There are no direct equalities impacts arising from the report.

**9. Consultation**

**9.1** This report has been subject to consultation with appropriate Chief Officers.

**10. Strategic Assessment**

**10.1** This report relates to strong corporate governance.

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**Laurence Slavin**  
**Treasurer**  
**Date: 5 March 2024**

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**Person(s) to Contact:** Janine Corr, Accountant  
West Dunbartonshire Council  
  
Email: [janine.corr@west-dunbarton.gov.uk](mailto:janine.corr@west-dunbarton.gov.uk)

**Appendix:** Appendix 1: External Audit Enquiries to Those Charged with Governance

**International Standard for Auditing 240 - The auditor's responsibility to consider fraud in an audit of financial statements**

1) How does the Board, in its role as those charged with governance, exercise oversight of management's processes in relation to:

- undertaking an assessment of the risk that the financial statements may be materially misstated due to fraud or error (including the nature, extent and frequency of these assessments);
- identifying and responding to risks of fraud in the organisation, including any specific risks of fraud which management have identified or that have been brought to its attention, or classes of transactions, account balances, or disclosure for which a risk of fraud is likely to exist;
- communicating to employees of views on business practice and ethical behaviour (for example by updating, communicating and monitoring against the organisation's code of conduct); and
- communicating to those charged with governance the processes for identifying and responding to fraud or error?

**Response**

The Board's financial statements are prepared by an experienced and professionally qualified Accountant who is regulated by the standards of their respective Institute. The financial statements reflect the transactions which have been processed by the Board's financial systems. These systems are protected by internal controls and procedures which are regularly reviewed and tested by internal audit and our external auditors. Consequently although the material misstatement cannot be ruled out, its likelihood is low.

The Board has a code of conduct which describes the standards of conduct and practice which all Board employees should follow. The code of conduct is a key component of the Board's Code of Good Governance.

The Board's Whistleblowing Policy enables any individual to register, in confidence, any concerns regarding alleged misconduct and fraudulent or corrupt activity. This can be found on the Board's website and intranet.

2) How does the Board oversee management processes to identify and respond to the risk of fraud and possible breaches of internal control? Is the Board aware of any breaches of internal control during 2022/23? Please provide details.

**Response**

It is the responsibility of management to develop and maintain sound systems of risk management, governance and internal control. This includes the requirement to identify and respond to any identified breaches of internal control.

However it is noted that internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgement in decision making; human error; control processes being deliberately circumvented by employees and others; management overriding controls and unforeseeable circumstances.

In terms of oversight, the Board's Internal Audit service which is provided by West Dunbartonshire Council, plays a key role in this regard. Internal Audit work is not a substitute for management's responsibilities for the design and operation of these systems, and is not responsible for identifying all significant control failures.

However, the Internal Audit team has an important role in providing assurance on the Board's control environment and providing a view on the Board's processes for identifying control failures, and endeavours to plan its work so that work is focused on those areas

where there is higher risk. A risk-based audit plan is produced annually based on best practice, taking cognisance of the strategic and operational risk registers and engagement with senior managers. The methodology for prioritising audit work is set out in the audit strategy and plan. Findings are reported as Red, Amber or Green which aligns with the Board's risk management strategy. Red and Amber findings are reported to the Board together with management's agreed actions to address these issues.

3) Has the Board knowledge of any actual, suspected or alleged fraud during the period 1 April 2022 – 31 March 2023? Where appropriate please provide details.

**Response**

No actual, suspected or alleged fraud was reported.

4) Has the Board any suspicion that fraud may be occurring within the organisation? Please provide details.

- Has the Board identified any specific fraud risks within the organisation? Please provide details.
- Does the Board have any concerns that there are areas within the organisation that are at risk of fraud? Please provide details.
- Are there particular locations within the organisation where fraud is more likely to occur? Please provide details.

**Response**

No suspected fraud. The Board has an approved Risk Management Strategy which sets out policy in respect of business risk and provides a framework to structure the risk management approach. It covers the identification, quantification, control and financing of risks.

5) Is the Board satisfied that internal controls, including segregation of duties, exist and work effectively? Please provide details.

- If not, where are the risk areas?
- What other controls are in place to help prevent, deter or detect fraud?

**Response**

Key controls such as the segregation of duties, management review and supervision and authorisation and approval are evident in each of the Board's core systems. It is acknowledged that maintaining an effective control environment is challenging in a time of reducing resources and a changing operating environment. For this reason, internal audit will have a continued role in supporting the Board in ensuring that an adequate but appropriate control environment is in place.

6) Is the Board satisfied that staff are encouraged to report their concerns about fraud, and the types of concerns they are expected to report? Please provide details.

**Response**

The Board promotes a zero tolerance approach toward fraud and promotes a culture that enables individuals to identify potential fraud and empowers them to report their concerns in a safe and secure manner to the appropriate people at the right time.

The means by which employees can report fraud are publicised on the Board's website. Fraud awareness training is also provided annually.

7) From a fraud and corruption perspective, what are considered by the Board to be high risk posts within the organisation? Please provide details.

- How are the risks relating to these posts identified, assessed and managed?

**Response**

Fraud and corruption, and associated risks, come in many forms and, consequently, it is not easy to specifically identify specific posts where there are greater risks than others. However, there is a general recognition that there is an inherent risk of fraud within an organisation like a Board and the risk of fraud is managed through existing controls and procedures which are in place across the organisation. The Board takes assurance from

the established fraud policies in place and ongoing embedding of a culture of fraud awareness through a programme of anti-fraud training and the work of the Board's fraud team. This helps ensure that issues identified as a result of fraud investigations, result in recommendations to management to address gaps in control to ensure that risks are properly mitigated to acceptable levels.

8) Is the Board aware of any related party relationships or transactions that could give rise to instances of fraud? Please provide details.

- How are the risks associated with fraud related to such relationships and transactions mitigated?

**Response**

We are not aware of any related party relationships or transactions that could give rise to instances of fraud.

Disclosure of significant related party relationships is required for both members and officers in positions of influence.

9) Is the Board aware of any entries made in the accounting records of the organisation that it believes or suspects are false or intentionally misleading? Please provide details.

- Are there particular balances where fraud is more likely to occur? Please provide details.
- Is the Board aware of any assets, liabilities or transactions that it believes were improperly included or omitted from the accounts of the organisation? Please provide details.
- Could a false accounting entry escape detection? If so, how?
- Are there any external fraud risk factors which are high risk of fraud? Please provide details.

**Response**

We are not aware of any accounting entries which are suspected to be false or intentionally misleading. Should management become aware of any suspect accounting entries, these would be subject to immediate investigation through Internal Audit.

We are not aware of any assets, liabilities or transactions that have been improperly included or omitted from the Board's accounts. Should any issues arise it is expected that these would be identified through review and approvals processes.

Like any organisation there is a risk that management is unaware that there is some potential false accounting occurring however this is unlikely given the controls in place for processing transactions. An added control in this area is the review by the external audit team who provide added assurance for transactions which are in excess of the materiality value.

10) Is the Board aware of any organisational, or management pressure to meet financial or operating targets? Please provide details.

- Is the Board aware of any inappropriate organisational or management pressure being applied, or incentives offered, to you or colleagues to meet financial or operating targets? Please provide details.

**Response**

The Board understands that the Joint Board has financial and operating targets to meet and these are delivered and met through normal management arrangements. However we are not aware of any organisational or management pressure to meet financial or operating targets.

Budget monitoring is conducted with management and significant variances are investigated. There is regular reporting on Budgetary Control to the Board.

**International Standard for Auditing 250 – Consideration of laws and regulations in an audit of financial statements**

11) How does the Board gain assurance that all relevant laws and regulations have been complied with. For example:

- Is the Board aware of the process management has in place for identifying and responding to changes in laws and regulations? Please provide details.
- What arrangements are in place for the Board to oversee this process?
- Is the Board aware of the arrangements management have in place, for communicating with employees, non-executive directors, partners and stakeholders regarding the relevant laws and regulations that need to be followed? Please provide details.
- Does the Board have knowledge of actual or suspected instances where appropriate laws and regulations have not been complied with, and if so is it aware of what actions management is taking to address it? Please provide details.

**Response**

The Board is subject to a range of legal and regulatory frameworks. The Board has a Local Code of Good Governance the Board ensures that the Joint Board acts lawfully. All Board reports are subject to review and comment to ensure key issues are identified.

Accepting that there will be minor operational instances of non-compliance, we are not aware of any instances of significant non-compliance during the financial year. This is supported by the annual review of the Local Code of Good Governance.

**International Standard for Auditing 501 – Specific consideration of the potential for, and actual, litigation and claims affecting the financial statements**

12) Is the Board aware of any actual or potential litigation or claims that would affect the financial statements? Please provide details.

**Response**

The Board's financial statements disclose contingent liabilities and any provisions for legal claims. The Accountant responsible for the accounts preparation engages with the Board's Management Team, as part of the annual accounts preparation process to identify any ongoing or potential cases which require disclosure in the financial statements.

**International Standard for Auditing 570 – Consideration of the going concern assumption in an audit of financial statements**

13) How has the Board assessed and satisfied itself that it is appropriate to adopt the going concern basis in preparing the financial statements?

**Response**

Going concern has been assessed as part of Board's budget setting process in March 2023. The budget setting process requires that Management provide a view on the robustness of estimates and the adequacy of reserves.

No issues in relation to going concern were highlighted as part of the regular financial reporting to the Board.

14) Has the Board identified any events or conditions since the assessment was undertaken which may cast significant doubt on the organisation's ability to continue as a going concern? Please provide details.

**Response**

The Board agreed the 2023/24 budget on 3 March 2023 and that report presented future budget gaps that will need to be closed in subsequent years. Therefore, whilst the Board does have future budget gaps, this may mean there is a need to increase requisitions in future years.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD****Report by Assessor & Electoral Registration Officer****Valuation Joint Board – 22 March 2024**

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**Subject: Code of Good Governance – Annual Self-assessment****1.0 Purpose**

- 1.1 To report on the completion of the Joint Board's annual Local Code of Good Governance self-assessment for 2023/24.
- 1.2 To seek Joint Board Members' approval of the Action Plan arising from the self-assessment.
- 1.3 To advise Members of the progress made in completing or progressing a number of actions contained in the Plan.

**2.0 Background**

- 2.1 The "Delivering Good Governance in Local Government: Framework" (CIPFA/Solace, 2016) has applied to annual governance statements prepared since the financial year 2016/17.
- 2.2 To support annual governance statements, a self-assessment of the Joint Board's compliance with best practice in Good Governance, as contained within the above framework, is completed annually.

**3.0 Current Position**

- 3.1 A self-assessment was carried out in autumn 2023 with a number of areas for improvement being identified for action.
- 3.2 A corresponding Action Plan was drafted and is attached (Appendix 1) for Member's consideration.

**4.0 Next Steps**

- 4.1 The responsible parties identified within in the Action Plan will effect the remaining improvement actions as appropriate and the Action Plan will be reviewed for progress at regular Management Team Meetings.
- 4.2 The annual completion of a self-assessment against the CIPFA framework will be used to inform and support the Annual Governance Statement and help evidence the Joint Board's governance arrangements to Auditors as required.
- 4.3 A self-assessment will be carried out in autumn 2024, and annually thereafter, to ensure that Governance arrangements continue to comply with best practice and CIPFA Guidance.

## **5.0 Recommendations**

### **5.1 Members are asked to:-**

- (a) Note the completion of the 2023/24 self-assessment of the Joint Board's compliance with best practice in Good Governance.
  - (b) Approve the 2023/24 Good Governance Action Plan.
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#### Person to contact:

Russell Hewton (Assessor and ERO)

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Appendix 1: Good Governance Action Plan 2023/24

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**  
**CODE OF CORPORATE GOVERNANCE SELF ASSESSMENT ACTION PLAN**

<b>Name</b>	Russell Hewton	<b>Designation</b>	Assessor & Electoral Registration Officer
<b>Action Plan Date</b>	March 2024	<b>Year</b>	2023/24
<b>Update Date</b>	08/03/2024	<b>Version</b>	v1.1

The Action list contains:-

1. Actions relating to improvement actions identified during the 2024 self-assessment
2. Actions outstanding from previous Action Plans.
3. Actions with an ongoing relevance (e.g. annual reviews and future commitments)

<b>Framework Reference</b>	<b>Areas requiring Improvement</b>	<b>Responsibility</b>	<b>Target Date for Delivery</b>	<b>Progress/Additional Comments</b>
<b>Principle 1: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</b>				
1.1	Consider specific induction training for VJB members	Joint Board	June 2027	Training provided November 2023.  <b>Action retained as reminder for when new Board is formed.</b>
3.3	Ensure Civil Penalties are applied as appropriate	Assessor	April 2024	SAA Guidance on approach to AINs and CPs reviewed February 2024 – Internal processes being reviewed.
<b>Principle 2: Ensuring openness and comprehensive stakeholder engagement</b>				
1.2	Further expansion of the number of Valuations that are available at SAA Web portal for Reval 2026.	Depute Assessor	November 2025	
1.3	Include reasons for decisions in Proposal Disposal Notices.	Valuation Working Group	From January 2024	System developments specified. Procedures being written by VWG.
3.2	Review electoral participation strategy ahead of UKPGE, highlighting changes from Elections Act.	ERO/PAO	April 2024	
3.6	Review of archiving arrangements for Board papers/minutes	Assessor/ Depute Assessor	May 2024	Alternative approach is to digitise all VJB papers and maintain the records on the VJB website with copies saved to shared drive for contingency purposes.

Principle 3: Defining outcomes in terms of sustainable economic, social, and environmental benefits				
Principle 4: Determining the interventions necessary to optimise the achievement of the intended outcomes				
1.1	Present funding scenarios/options to Finance Working Group prior to drafting 2025/26 and subsequent Budget estimates (if required by Joint Board)	Assessor & ERO	In lead up to March 2025	If meeting requested by Joint Board or finance officers.
2.6	Consider reporting requirements from new proposals/appeals systems and update Reporting Framework accordingly.	Assessor/Depute/DAs/ICT Team	April 2024	
2.6	Review of Reporting Framework to have better oversight of Survey Workload to prevent backlogs reoccurring.	Valuation Working Group	April 2024	
2.8 and 3.2	Consider and plan for the cliff-edge effect of 'Barclay' funding ceasing after 2024/25.	Assessor/Treasurer/Joint Board	March 2024	Long term financial strategy highlights future budget gap.
Principle 5: Developing the entity's capacity, including the capability of its leadership and the individuals within it				
1.4	Review Workforce Plan on an ongoing basis – to include review of staffing levels, NDR Reform, Revaluation timetables and Election Act requirements and possible CT Reform.	Assessor	April 2024	Retain as annual reminder
Principle 6: Managing risks and performance through robust internal control and strong public financial management				
3.3	Setup system of checking induction procedures have been completed.	PAO	April 2024	
4.1	Implement Records Management Plans Improvement Actions	Depute Assessor & ERO	Ongoing	
4.1 and 4.2	Update Privacy Notices and implement Data Sharing Agreement to reflect provision of NDR and CT appeal data to SCTS	Depute Assessor	April 2024	
5.1	Ensure that 2025/26 and subsequent budgets take account of both the current budget gap and the future requirements of NDR and ER reform	Assessor & ERO/ Finance Working Group/ Treasurer	March 2025	
Principle 7: Implementing good practices in transparency, reporting, and audit to deliver effective accountability				
1.2	Increase in number of Portal Valuations to be displayed for Reval 2026.	Depute Assessor	November 2025	

**DUNBARTONSHIRE AND ARGYLL AND BUTE VALUATION JOINT BOARD****Report by Treasurer****Valuation Joint Board – 22 March 2024**

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**Subject: Updated Long Term Financial Strategy and Revenue and Capital Estimates 2024/2025.**

**1. Purpose of Report**

**1.1** The purpose of this report is to ask the Board to:

- (a) Approve the updated Long Term Financial Strategy, the 2024/25 revenue estimates and the level of constituent authority requisitions in 2024/25.
- (b) Approve the draft 2024/25 Capital Estimates.
- (c) Note the indicative revenue and capital budget positions for 2025/26 and 2026/27.

**2. Background**Long Term Financial Strategy

**2.1** As per the financial regulations, a revised Long Term Finance Strategy is prepared each financial year as part of the estimates process; last agreed by the Board in March 2023. It describes the short, medium and long term financial position of the Board and identifies the variables and assumptions which could affect the future funding position.

Revenue Estimates

**2.2** The financial regulations also require the preparation and approval of annual estimates relating to all service areas and services of the Board. The estimates provide details of the expenditure likely to be incurred in order to deliver the service. The estimates also provide detail on how this spend will be funded.

**2.3** Funding is provided by the Scottish Government to local authorities for Valuation Joint Board activities through Grant Aided Expenditure (GAE) allocations for:

- Valuation and Collection of Local Tax,
- Valuation and Collection of Non-Domestic Rates; and
- Electoral Registration.

**2.4** After consideration and approval of the estimates by the Board, the Board shall determine the allocation to be requisitioned from each constituent council, which are referred to as “Constituent Contributions” within budgetary control reports and the estimates papers. The proportional split per each constituent council, as previously agreed by the Board, is allocated based upon the GAE allocations.

- 2.5** The 2024/25 GAE allocations are still to be published on the Scottish Government website, therefore, it is proposed that the core budget is allocated based upon GAE allocations for the previous financial year, in this case 2023/24, which is consistent with the process followed in previous years.
- 2.6** The 2024/25 Scottish Government settlement to councils continues to provide funding to cover the costs of implementing the recommendations of the Barclay Review, details of which are provided at paragraph 3.7.

#### Capital Estimates

- 2.7** A 3 year capital programme is maintained and refreshed annually during the estimates process. Following good practice, the Board aims to set capital budgets prior to 1 April each year, to allow spend to start on the agreed programme.

### **3. Main Issues**

#### Long Term Finance Strategy

- 3.1** In preparing the 2024/25 Draft Estimates, an update of the Long Term Financial Strategy has been prepared, to help plan for longer term financial issues by providing early sight of financial and other pressures. The updated strategy is attached as Appendix 1.

#### Revenue

- 3.2** The 2024/25 draft estimate shown within Appendix 2 presents a balanced budget but only after use of £476,422 of reserves. It is financed as follows:

	£m
2024/25 Proposed standstill Constituent Contribution	2.611
2024/25 Scottish Government Barclay Review Funding	0.186
2024/25 DLUHC Funding (para 3.8)	0.126
Use of Reserves	0.477
<b>TOTAL FUNDING</b>	<b>3.400</b>

- 3.3** The main movements from the revised 2023/24 budget and the draft 2024/25 budget are detailed in Appendix 3.
- 3.4** In preparing the draft estimates, the following assumptions have been made in the 'mid range case' scenario:

	Assumption
Staff Turnover	3%
Pay Award	3%
Non pay inflation	3%
Constituent Contribution	Flat Cash
Utility Inflation	Electricity 10%
	Gas 13%
	Rates 2%

Increase in service fees & charges ie contract cleaning, refuse collection.	10% increase
Barclay Review Costs	3% increase. No funding has been committed by the Government thereafter.

**3.5** The monitoring of utility inflation and all other inflation will be kept under review during 2024/25. Reserves are currently sufficient to absorb any additional increase, however, the constituent authorities and the Board will be informed should there be a need to revisit the estimates.

**3.6** In September 2023, the Strathclyde Pension fund (SPF) approved a proposal to reduce the employer pension contributions of the main employer group (of which the Board are members). The current contribution rate of 23.3% will reduce to the following rates:

- 6.5% (of pensionable payroll) from 1 April 2024
- 6.5% (of pensionable payroll) from 1 April 2025
- 17.5% (of pensionable payroll) from 1 April 2026

The estimates shown within Appendix 2, incorporate these reduced contribution rates, the impact of which helps to significantly reduce the funding gap within 2024/25.

**3.7** The Scottish Government have provided a small increase (£0.005m) in funding for 2024/25 for the Barclay Review of NDR which brings the contribution to £0.186m. However, this represents an approximate reduction in funding of £0.114m (62%) to support the cost of NDR reform, based on the estimated costs to be incurred for 2024/25. There is no commitment of Barclay funding beyond 2024/25.

**3.8** The Department for Levelling Up, Housing and Communities has awarded the Board a specific grant of £0.125m in relation to Electoral Integrity New Burdens funding for the Elections Act 2022. The purpose of the grant is to provide support towards expenditure lawfully incurred or to be incurred in the implementation of the Elections Act 2022. It is expected that the majority of the grant will fund staffing costs and some associated supplies and services. Both the spend and the income has been incorporated within the estimate for 2024/25 only, shown on Appendix 2.

**3.9** Appendix 2 also shows the projected outturn for the current financial year 2023/24 and based upon this, the projected level of reserves held by the Board by the end of 2023/24 are set out as follows:

	<b>£m</b>
Reserve balance as at 31 March 2023	(0.831)
Use of reserves during 2023/24	0.194
<b>Reserve balance as at 31 March 2024 (incl. £0.100m prudential reserve)</b>	<b>(0.637)</b>

- 3.10** The Board's Prudential Reserves Policy states that the core "Prudential" Reserve be maintained at a level of 2% of net expenditure or £0.100m whichever is higher. The indicative balance as at the 31 March 2023 of £0.637m, as shown in the table above, represents an actual level of reserves held as 19%. It is proposed that the expected year end reserves are carried forward to be used to help meet budget gaps in future years.
- 3.11** However, while figures indicate that there are adequate reserves to fund the estimated budget gap for 2024/25 (appendix 2) of £0.477m, there are insufficient reserves available to fund any budget gaps beyond 2024/25.
- 3.12** The main reasons for this are:
- A significant increase in recent years in the cost of providing the service due to inflation; in particular recent pay awards.
  - The Constituent contributions have remained constant at £2.611m for the last 7 years.
  - A cut in Barclay Funding experienced since 2022/23, together with the cessation of SG funding assumed from 2025/26. New burdens resulting from the Barclay review and implemented in the Non Domestic Rates Act 2020 are a permanent increase in the workload of Assessors.
- 3.13** Furthermore, Annex 2 of the Long Term Finance Strategy (Appendix 1), provides the full extent of the situation, showing the anticipated budget gaps over the next 10 years. The budget gaps identified will require to be funded through either additional constituent authority contributions and/or service efficiencies.

#### Contributions from Authorities

- 3.14** As in previous years, it is recommended that the budget for the council requisition payment 2024/25 be apportioned to constituent councils on the basis of their GAE figures per Appendix 4, summarised as follows:

<b>Council</b>	<b>% Share</b>	<b>Requisition Payment £</b>
East Dunbartonshire	27.62%	721,117
West Dunbartonshire	28.05%	732,397
Argyll & Bute	44.33%	1,157,657
<b>TOTAL REVENUE COUNCIL CONTRIBUTION</b>		<b>2,611,171</b>

- 3.15** The Scottish Government has provided £0.186m 'Barclay' funding for NDR Reform as mentioned at 3.7 above, through the constituent Councils as follows:

<b>Council</b>	<b>Barclay Funding £</b>
East Dunbartonshire	45,320
West Dunbartonshire	48,410
Argyll & Bute	92,700
<b>TOTAL BARCLAY REVIEW CONTRIBUTION</b>	<b>186,430</b>

#### Capital

- 3.16** Based upon projections for the 2023/24 outturn (as noted within the budgetary control report for period 10, reported elsewhere on the agenda and detailed within Appendix 5), the Board is likely to carry forward resources of £0.044m fully earmarked in relation to the unix server renewal, NDR Reform costs and the firewalls and routers projects.
- 3.17** Appendix 5 also details the new indicative capital bids for 2024/25 to 2026/27 with an explanation of those bids provided in Appendix 6. Should these bids be approved, it is proposed that the cost of these are met from constituent contributions (based upon current 2023/24 GAE allocations) as follows:

	<b>Share %</b>	<b>Draft 2024/25 £</b>	<b>Indicative 2025/26 £</b>	<b>Indicative 2026/27 £</b>
<b>Total Capital Bids</b>		<b>39,781</b>	<b>18,000</b>	<b>11,000</b>
<b>Resources required</b>				
East Dunbartonshire Council	27.62%	10,986	4,971	3,038
West Dunbartonshire Council	28.05%	11,158	5,049	3,085
Argyll and Bute Council	44.33%	17,637	7,980	4,877
<b>TOTAL CAPITAL COUNCIL CONTRIBUTION</b>		<b>39,781</b>	<b>18,000</b>	<b>11,000</b>

## **4. Risk Analysis**

- 4.1** There are a number of assumptions within the draft budget and Long Term Finance Strategy. This may lead to financial variances if the assumptions prove to be materially incorrect. Officers will continue to monitor these variables on an ongoing basis and update the Board and the Financial Strategy as appropriate.

## **5. Conclusions and Recommendations**

- 5.1** The Joint Board is requested to:

- (a) Approve the updated Long Term Financial Strategy as detailed at Appendix 1.
- (b) Approve the draft 2024/25 revenue budget as detailed at Appendix 2.
- (c) Note the indicative revenue budgets for 2025/26 and 2026/27.
- (d) Approve the 2024/25 revenue requisition is based on each council's 2023/24 GAE figures with the apportionment as identified at 3.14 above;
- (e) Approve the 2024/25 Barclay Review funding based on the Scottish Governments allocation as identified at 3.15 above.
- (f) Approve the proposed 2024/25 capital spend (as detailed in Appendices 5 and 6) of £39,781 to be progressed and funded as detailed at 3.17 above.
- (g) Note the indicative capital bids for 2025/26 and 2026/27 (as detailed in Appendix 5 and Appendix 6).
- (h) Note the likely capital re-profiling of spend and earmarked resources to be carried forward from 2023/24 into 2024/25 to fund the completion of the existing capital projects.
- (i) Note the indicative capital programmes for 2025/26 to 2026/27 and indicative constituent contributions, based upon current GAE allocations. Requests for final approval will be requested year on year.

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**Laurence Slavin**  
**Treasurer**  
**Date: 01 March 2024**

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**Person to Contact:** Janine Corr, Accountant,  
West Dunbartonshire Council  
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Appendix 1 Draft Financial Strategy;

Appendix 2 Probable Outturn 2023/24;  
Draft Revenue Estimate 2024/2025;  
Indicative Estimates for 2025/26 and 2026/27.

Appendix 3 Main movement between 2023/24 revised estimate and 2024/25 draft estimate.

Appendix 4 Details of 2024/25 Constituent Contribution.

Appendix 5 Draft Capital Estimates 2024/25 and Indicative Estimates for 2025/26 and 2026/27.

Appendix 6 Details of the new 2024/25 – 2026/27 capital bids.





*Dunbartonshire and Argyll & Bute  
Valuation Joint Board*

# **LONG TERM FINANCIAL STRATEGY**

**22 March 2024**

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## 1 Introduction

1.1 The purpose of the Financial Strategy is to allow the Valuation Joint Board (“the Board”) to consider and plan for longer term financial issues by providing early sight of financial and other pressures. The Financial Strategy demonstrates that the Board is clear that the outcomes it plans to achieve link directly to the financial plans for the future and that any financial challenges identified which threaten the achievement of these outcomes are managed and prioritised in an orderly manner.

1.2 In recent years, the Scottish Government has provided a single year settlement for councils. This clearly makes it difficult to predict constituent contributions going forward, though it seems clear that the trend of reducing real term funding to councils may continue on an ongoing basis which is likely to result in pressure to reduce Board requisitions. Since 2012/13 the core constituent funding to the Board has either reduced or been ‘flat cash’.

It is anticipated that the Board will face ongoing financial challenges into the future. It is therefore likely that difficult choices will continue to be required – this Strategy provides a practical framework within which choices will be identified, debated and approved.

1.3 To provide clear and consistent direction for the Board, the following objectives have been identified for the Financial Strategy – it will ensure that:

- the Board has a comprehensive, coherent balanced budget;
- resources are allocated and deployed to facilitate delivery of services;
- all key strategic decisions on the allocation and deployment of resources are made within the appropriate financial context, with due regard to levels of risk;
- the Board is able to take full account of the impact of decisions on the overall financial resources of the Board in the short, medium and long term;
- the Board has flexibility to address new policy requirements, or significant changes to existing policies, within overall available financial resources; and
- there is an ongoing focus on securing efficiencies across the organisation.

1.4 The primary financial challenges facing the Board over the period of this Strategy will be delivering a coherent, balanced revenue budget year on year. To deliver this, the Board will need to continuously review existing and revised service delivery arrangements to determine if they are effective, efficient and sustainable, consider alternative methods of service delivery where appropriate and proactively identify opportunities to secure efficiencies or reduce service provision.

1.5 There is no doubt that the information generated through this process will result in options that require hard choices – one of the main challenges for the

Board over the next few years will be that, once chosen, these options will often require a lead-in period prior to implementation.

- 1.6 If the Financial Strategy is to be successful, and achieve the objectives outlined, it must be a dynamic, living document reviewed on a regular basis.
- 1.7 The financial strategy undertakes some sensitivity analysis to provide a picture of best case, worst case and mid range case in terms of financial projections. This allows the Board to see the risk associated with the range of variables within the financial issues/pressures identified.
- 1.8 This strategy projects budgets for ten years into the future and identifies risks and issues longer term. It is clear that the further away from the current date that projections go the less certain the projections become, however they will allow Board to consider longer term views and options.

**Cllr Vaughan Moody**  
**Convenor of the Board**

**Russell Hewton**  
**Assessor & ERO**

## 2. What is the point of a Financial Strategy?

- 2.1 The purpose of a Financial Strategy is to provide clear direction, supported by a practical framework and explicitly defined parameters, on how the Board will structure and manage its financial resources in the medium to long term to ensure they are deployed effectively to comply with both the statutory duties of the Board, and those of the Assessor & ERO.
- 2.2 The Board has taken into account guidance produced by the Institute of Public Finance (IPF) for local government organisations in Scotland on developing a Financial Strategy as well as best practice from local authorities. The Valuation Joint Boards follow the accounting practices for local authorities.
- 2.3 The ambition of the Board is to produce a Financial Strategy that brings together the corporate objectives of the Board along with all the relevant financial information in a clear and accessible document over the longer term.
- 2.4 The value of such a Strategy is that it should enable the Board to understand the wider policy and financial environment within which it operates, identify and respond flexibly to opportunities and threats, manage and mitigate risks and ensure that financial resources are contributing to the statutory duties of the Assessor & ERO.
- 2.5 The Strategy will also provide information to a range of stakeholders:

**Table 1 – Stakeholder Information**

<b>Stakeholder</b>	<b>Purpose of finance strategy</b>
For the Board and Elected Members	to decide how available financial resources will be used and prioritised
For Chief Officers, managers and employees	to reinforce and support their roles in financial management arrangements
For partners, including constituent councils	to share the Board's vision and help understand legislative demands on the Board

- 2.6 The Strategy identifies issues that will impact longer term so that the Board can plan ahead; it includes expenditure forecasts, and projected funding, where known.
- 2.7 Inevitably some of the information of the Financial Strategy will be based on assumptions and these will change over time - the Strategy will be reviewed and updated annually so that the Board can respond proactively to any such changes. This is particularly the case the longer into the future the projections are taken.
- 2.8 The Board has an agreed workforce plan, which informs this strategy.

### 3. Financial Summary

#### **Revenue Budget**

- 3.1 The 2023/24 budget process was progressed through the Board in the normal manner and the Board was able to set a balanced budget through the use of reserves.
- 3.2 Indicative budget gaps for 2024/25 (£0.591m) and 2025/26 (£0.877m, cumulative) were reported to Members during the budget setting process for 2023/24. These indicative budgets have now been reviewed and rolled forward to 2026/27.
- 3.3 A sensitivity analysis has been undertaken on the main areas of financial pressure from 2024/25, 2025/26 and 2026/27 (Years 1, 2 and 3 respectively) using key assumptions based on a best case, worst case and mid range case scenarios. The assumptions are set out in table 2:

**Table 2 – Assumptions: sensitivity analysis**

	<b>Mid Range Projection</b>	<b>Best Case</b>	<b>Worst Case</b>
Pay award	<ul style="list-style-type: none"> <li>▪ 3% Year 1</li> <li>▪ 3% Years 2 &amp; 3</li> </ul>	<ul style="list-style-type: none"> <li>▪ 3% Years 1</li> <li>▪ 2% Years 2 &amp; 3</li> </ul>	<ul style="list-style-type: none"> <li>▪ 5% Years 1</li> <li>▪ 3% Years 2 &amp; 3</li> </ul>
Non Pay inflation	<ul style="list-style-type: none"> <li>▪ 3% Year 1</li> <li>▪ 3% Year 2 &amp; 3</li> </ul>	<ul style="list-style-type: none"> <li>▪ 3% Year 1</li> <li>▪ 2% Year 2 &amp; 3</li> </ul>	<ul style="list-style-type: none"> <li>▪ 7% Year 1</li> <li>▪ 5% Year 2 &amp; 3</li> </ul>
Constituent Contribution	<ul style="list-style-type: none"> <li>▪ No increase</li> </ul>	<ul style="list-style-type: none"> <li>▪ 4% increase Years 2 &amp; 3</li> </ul>	<ul style="list-style-type: none"> <li>▪ 4% decrease Years 2 &amp; 3</li> </ul>
Barclay Funding (Years 2 & 3 only)	<ul style="list-style-type: none"> <li>▪ No funding</li> </ul>	<ul style="list-style-type: none"> <li>▪ Grant awarded for Yr 2 &amp; 3 at same level as 24/25</li> </ul>	<ul style="list-style-type: none"> <li>▪ No funding</li> </ul>

- 3.4 Market volatility and increasing inflation rates make it increasingly difficult to predict and factor into future estimates. The sensitivity analysis as described above, has been carried out using the best estimate at the time of preparation. Given the uncertainty, the monitoring of utility inflation and all other inflation will be kept under review during 2024/25.
- 3.5 These assumptions provide a range of anticipated outcomes in terms of future budget gaps as summarised in Table 3:

**Table 3 – Outcome of sensitivity analysis – Projected Budget Gaps**

	<b>2024/25 £m</b>	<b>2025/26 £m</b>	<b>2025/27 £m</b>	<b>Cumulative £m</b>
Mid Range Projection	0.477	0.783	1.133	2.393
Best Case	0.477	0.466	0.785	1.728
Worst Case	0.529	0.950	1.316	2.795

Table 3 illustrates that, following the review of the financial position, and under the “mid range” set of assumptions that the gaps for 2024/25 to 2026/27 have changed due to assumptions such as pay award, non pay inflation, Constituent Contributions and estimated Barclay funding.

The expectation is that the Board will plan on the “mid range” projection outcome above, however Members may consider a prudent approach and consider the worst case.

### **Capital Budgets**

- 3.6 Consideration has been given to the Board’s likely capital spend requirements from 2024/25 to 2026/27. The expectation is to request the contributing councils for a requisition annually and this projection should assist these councils with their ongoing capital planning.

**Table 4 – Anticipated capital spend**

	<b>2024/25</b> <b>£</b>	<b>2025/26</b> <b>£</b>	<b>2026/27</b> <b>£</b>
Anticipated new project spend	39,781	18,000	11,000
<b>Anticipated contribution from councils</b>	<b>39,781</b>	<b>18,000</b>	<b>11,000</b>

- 3.7 Table 5 provides a summary of the Board’s projections for revenue and capital for 2024/25 to 2026/27. At this point, funding is unknown beyond 2024/25 and therefore assumptions have been made. Note these projections are based on the “mid range” outcome from the sensitivity analysis identified at 3.3 above. This illustrates that, even after application of reserves, there is a projected funding gap in 2025/26. Consequently there is an intention to engage with each of the constituent authorities during 2024/25 with the view to increasing their contributions beyond 2024/25 to help bridge the funding gap.

**Table 5 - Three Year Summary - Revenue and Capital**

	<b>2024/25</b> <b>£m</b>	<b>2025/26</b> <b>£m</b>	<b>2026/27</b> <b>£m</b>
<b>Revenue Budget</b>			
<b>Anticipated Spend</b>	3.400	3.394	3.744
<b>Funded by:</b>			
Constituent Contributions (Core Funding)	(2.611)	(2.611)	(2.611)
Constituent Contributions (Barclay Funding)	(0.186)	(0)	(0)
DLUHC new burdens funding 2024/25	(0.126)	(0)	(0)
Use of Reserves	(0.477)	(0.160)	(0)
<b>Cumulative Funding Gap</b>	<b>0.000</b>	<b>0.623</b>	<b>1.133</b>

	2024/25 £m	2025/26 £m	2026/27 £m
<b>Capital Budget</b>			
<b>Anticipated Spend</b>	<b>0.084</b>	<b>0.018</b>	<b>0.011</b>
<u>Funded by:</u>			
Capital Contributions from Councils	0.040	0.018	0.011
Unapplied Capital Reserves held	0.023	0.000	0.000
Scottish Government	0.021	0.000	0.000
<b>Cumulative Funding Gap</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>

#### 4. National Context

##### The Financial Settlement/ Government Grant

- 4.1 The Scottish Government has provided draft settlement figures for 2024/25 to councils at this stage. Therefore, it is difficult to forecast contributions to the Board beyond 2024/25.
- 4.2 The VJB's budget has come under increasing pressure in recent years and contains an ongoing gap between net expenditure and constituent Council contributions, as can be seen in Table 5 above and Annex 2. This has arisen during a sustained period of tightening of Local Government funding, affecting constituent Council contributions to the Joint Board. During the same time, the Assessor & ERO has been subject to an increased number of statutory duties and both internal and external cost pressures.
- 4.3 The Scottish Government has allocated Scotland-wide funding for 2024/25. The allocation is below the estimated costs to be incurred by Assessors in implementing the recommendations of the Barclay Review of NDR. No commitment has been made for any additional funding from the Scottish Government beyond 2024/25. This anticipated reduction in funding will have a significant impact on the widening of the budget gap going forward as shown within Annex 2.

#### 5. Local Context

- 5.1 The environment within which the Board operates has changed significantly in recent years and is likely to alter further over the period of this strategy due to changes in legislation, policy and other national developments (a recent example of this being the Barclay Review and the Non-Domestic Rating (Scotland) Act 2020 arising from that review) and the sweeping changes in Electoral Legislation in the form of the Elections Act 2022.

##### **The Planning Context**

- 5.2 The Board's Service Plan for 2022-25 sets out the clear vision:

“We professionally compile and maintain the Valuation Rolls, Council Tax Valuation Lists and Registers of Electors for the Argyll & Bute, East Dunbartonshire and West Dunbartonshire council areas and, building on our established professionalism, we aim to provide high quality, effective and responsive services to all of our stakeholders”

- 5.3 To achieve this vision the Board will work with its key partners and the Financial Strategy underpins the delivery of the vision, priorities and objectives identified in the Service Plan.

## **6. Financial Management**

### ***Corporate Governance***

- 6.1 The Board positively promotes the principles of sound corporate governance within all aspects of its activities.
- 6.2 Corporate governance is about the structures and processes for decision-making, accountability, controls and behaviour throughout the Board. It is based around key principles of openness, equality, integrity and accountability.
- 6.3 The fundamental principles of corporate governance are reflected in the various dimensions of Board business, including:
- Ensuring the compliance with statutory duties on a sustainable basis;
  - Establishing effective management structures and processes which include clearly defined roles and responsibilities for officers;
  - Developing and maintaining effective risk management systems that form part of the Board’s strategic decision making process;
  - Ensuring high standards of propriety and probity in the stewardship of the Board’s funds and the management of the Board’s affairs; and
  - A commitment to openness in the Board’s affairs and the provision of full, accurate and clear information to all stakeholders.
- 6.4 The Board’s Financial Regulations, and any amendments to them, are approved by Board and are an essential component of the corporate governance of the Board.
- 6.5 The Treasurer has been designated as "the proper officer" and is responsible for advising the Board on all financial matters including the determination of Accounting Policies. This role is part of the responsibility of the Chief Officer – Resources from West Dunbartonshire Council.
- 6.6 The Financial Regulations are designed to facilitate the smooth running of the Board, protect its interests and the interests of members and officers, and ensure the proper administration of the Board’s financial affairs.

### **Roles and Responsibilities**

- 6.7 It is important to set out clearly the roles and responsibilities of the key parties involved in the Financial Strategy and the management of overall financial resources of the Board.

### **Board Members**

- 6.8 Board Members, through the full Board are responsible for considering, monitoring and approving budgets and the overall Financial Strategy for the Board. Approved budgets must be financially balanced and demonstrate value for money and consider sustainability.
- 6.9 The Board scrutinises performance and management of resources, with internal and external audit information being reported. The Board's year end position and relevant audit comments are reported and monitored at the Board.
- 6.10 Throughout the year the Board receives reports which allow progress against approved budgets to be scrutinised. Members' personal development opportunities are provided through an ongoing annual programme of seminars (provided to individual Members through their relevant Council) which will include updates on financial aspects.

### **The Board Management Team**

- 6.11 The Management Team (made up of Assessor & ERO, Depute Assessor & ERO, 3 x Divisional Assessors and Principal Admin Officer) is responsible, individually and collectively, for ensuring that best value and value for money is achieved across the Board, in service delivery, internal processes and systems of control, procurement of goods/services and the use of assets.
- 6.12 The Management Team is responsible for the management of budgets to deliver the services in line with the statutory requirements of the Assessor & ERO and remain accountable in exercising overall financial control.

### **The Treasurer**

- 6.13 The Treasurer has a statutory role to ensure the correct arrangements are in place for the proper administration of the financial affairs of the Board. The Treasurer has the authority to comment on any financial decision and advises the Management Team, the Assessor and Board members on all financial matters.

### **Internal Audit of West Dunbartonshire Council**

- 6.14 Internal Audit provides assurance to the Board and the Assessor that the internal processes of the Board are being managed appropriately in line with the statutory requirements and outcomes are being delivered in the most efficient and effective manner.

### **External Audit**

- 6.15 The role of External Audit is to provide assurance to the Auditor General and the Accounts Commission that the Board has spent public money properly to

deliver outcomes in an efficient and effective manner. This is considered with a financial context, as well as performance and governance.

- 6.16 They provide assurance to Board members, the Management Team and general public that the Board's performance is reported in accordance with the extant financial standards and presents a fair account of the Board's activities.

#### **Managing the Budget**

- 6.17 The Board has an effective method of developing both the revenue budget and capital programme that aims to align resources with the Assessor & ERO's statutory duties.

#### **Revenue Budget**

- 6.18 The current process for considering the development of the revenue budget is undertaken by the Management Team. The process is undertaken with due consideration of, and agreement on, current policy and financial parameters for the budget, expenditure pressures and/or efficiencies.

#### **Capital Programme**

- 6.19 The Board is committed to developing its strategic financial planning. With this in mind, the Strategy brings forward a projection on Capital needed over the forthcoming years.

#### **Freedoms and Flexibilities**

- 6.20 Virements between budgets are allowed, subject to the limitations and approval requirements identified in the Financial Regulations.

#### **Requisitioning**

- 6.21 The funding requirement for the Electoral Registration Officer is currently requisitioned in accordance with S58 of the Representation of the People Act 1983, and for the Assessor in accordance with Sch 2 para 8(1) of the Valuation Joint Boards (Scotland) Order 1995.

### **7. Financial Outlook**

- 7.1 Key financial issues are known or anticipated events and activities which will have to be addressed within the Board's overall financial resources in the short-term (within three years), medium-term (within five to ten years) or long-term (over ten years). Annex 1 provides an analysis of issues.
- 7.2 Events and activities include efficiencies, planned savings, changes to service priorities and delivery, and known potential pressures - the financial impact of an event or activity may be one-off, recurring or time-limited.
- 7.3 Valuation Joint Board is expected to receive Constituent Funding of £2.611m in 2024/25. Funding has also been made available through Councils for Barclay Review costs of £0.186m giving a total of £2.797m.

7.4 This Financial Strategy provides detailed revenue forecasts covering the next 3 financial years, 2024/25 to 2026/27. The forecasts for the first year being more accurate as expected levels of demand and cost for Board services are more likely to be accurate in 2024/25 than in future years. The level of funding for 2025/26 onwards is not yet known. The strategy projects that ongoing funding will remain constant in the 'mid range projection' scenario, with the exception of the Barclay funding as mentioned at 4.3. Annex 2 also provides a summary of the financial projections for the next 10 years.

7.5 As part of the budget process the Board agrees an optimum target for an unallocated Prudential Reserve of £0.100m. At present this strategy assumes that the Prudential Reserve is calculated in the same manner for the period from 2024/25 onwards.

#### ***Employee Pay Awards***

7.6 Future employee pay awards for 2024/25 onwards have not been agreed, however, for the purpose of the Finance Strategy pay award expectations has been assumed at 3% in 2024/25 onwards in the 'mid range projection' scenario.

#### ***Future Challenges***

7.7 The future will continue to present new challenges and demand additional duties which will exert cost pressures, including:-

- The change from 5 yearly (previously 7 yearly in 2010 and 6 yearly in 2017) NDR Revaluations to 3 yearly cycles will significantly compress workloads and increase resource requirements with tasks such as information collection, analysis, writing of guidance/practice notes, and valuation of all non-domestic properties now requiring to be done every 3 years;
- The NDR appeal system has been reviewed and introduced a two-stage proposal and appeal process from 1 April 2023, which introduced increased administrative procedures, and tight, prescriptive deadlines for many part of the new process;
- Increased information provision, transparency and consultative requirements as detailed in the Barclay Review of NDR;
- A review of the valuation of plant & machinery is to be carried out by the Scottish Government and could result in significant changes to current approaches and valuation methods;
- The removal of the exemption from the valuation roll for certain properties within, and parts of, public parks has introduced more subjects to the Valuation Rolls and creates an ongoing task of maintain these;
- Additional annual checks required on the operation of self-catering units, requiring over 2000 properties to be written to requesting information and for that information to be considered on return;

- The Implementation of the Elections Act 2022 including the requirement to issue Voter Identification cards, extensions to overseas voting rights and more frequent renewals of absent vote;
- Changes to the rateability of certain elements of plant and machinery related to renewable energy production from 1 April 2023;
- Unplanned electoral events such as an independence referendum;
- Planning for and delivering Electoral Registration services for a UK Parliamentary General Election which will take place during the next year, likely with very little notice. This will be the first major electoral event delivered with new burdens from the Election Act 2022;
- Possibility of a review of Electoral Legislation in Scotland;
- Possibility of a review of Council Tax Legislation in Scotland which could lead to significant additional workloads;
- The ongoing uncertainty over future funding and the volatility with regards inflation.

***Consequences of continued financial challenges***

7.8 With many activities being statutory requirements with mandatory timetables for completion, and with approximately 80% of the Board's expenditure being on staff costs, any savings of significance will require more reductions in staffing levels. With several rounds of Voluntary Retirement and Severance having been completed, any future reduction would be likely to be dependent on applying further redundancies. Effects of applying efficiencies and staffing reductions on service provision could include:-

- The one area of service provision which is not tightly determined by timetables is the entry of new properties onto the Council Tax List. If this area of function was treated as a lower priority than at present the result would be time delays before council taxpayers could be issued with bills, with inherent build-up of back-dated liabilities, reductions in the in-year collection of Council Tax monies by constituent Councils and reductions in performance in relation to one of the Assessor's key performance indicators;
- Failure to meet demand in terms of public enquiries and electoral registration/absent voter applications, especially around the peak periods in the run-up to any electoral events. This could result in the loss of electors' votes or failure to provide registers to the Returning Officers at future electoral events;
- Delays in dealing with NDR and council tax proposals, potentially leaving stakeholders over paying for longer. This could also result in failure to meet the statutory dates for disposal of proposals/appeals and/or an increase in referrals to the Upper Tier Tribunal, at additional cost;

- The loss of experience and or skills could lead to increased Rateable Value loss and reductions of Council Tax bands on appeal, resulting in loss of income or increased uncertainty of future income to the constituent Councils; or
- Failure to meet statutory duties in respect of completion of the annual electoral canvass could lead to legal action being taken against the ERO or intervention action being taken by the Electoral Commission and/or government; or
- Failure to issue Voter ID cards timeously will result in electors losing their right to vote at elections.

## 8. Reserves

8.1 A key aspect of the consideration of the Board's revenue and capital budgets is the position of the relevant Reserves.

8.2 The Board's Prudential Reserves Policy states that the core "Prudential" Reserve be maintained at a level of 2% of net expenditure or £0.100m, which ever is higher.

8.3 Reserves can be held for two main purposes:

- A working balance to help cushion the impact of uneven cash flows - this forms part of general reserves;
- A means of building up funds, often referred to as earmarked reserves, to meet unknown or predicted liabilities.

8.4 For each reserve held, there should be a clear protocol on:

- The reason for/purpose of the reserve;
- How and when the reserve can be used;
- Procedures for the reserve's management and control; and
- A process and timescale for review of the reserve.

8.5 The Board's reserves as at 1 April 2023 and projected for 1 April 2024, 2025 and 2026 are summarised below:

	1/4/23	1/4/24	1/4/25	1/4/26
	£m	£m	£m	£m
<b><u>Revenue Reserve</u></b>				
Prudential Reserve	0.100	0.100	0.100	0.000
Earmarked Reserve	0.476	0.481	0.000	0.000
Unearmarked Reserve	0.255	0.056	0.060	0.000
<b>Total Revenue Reserve</b>	<b>0.831</b>	<b>0.637</b>	<b>0.160</b>	<b>0.000</b>
% of net expenditure	25%	19%	5%	0%
<b><u>Capital Reserve</u></b>				
Earmarked Reserve	0.059	0.044	0.000	0.000
<b>Total Capital Reserve</b>	<b>0.059</b>	<b>0.044</b>	<b>0.000</b>	<b>0.000</b>
<b>Total Reserves Held</b>	<b>0.890</b>	<b>0.681</b>	<b>0.160</b>	<b>0.000</b>

## **9. Monitoring and Reporting Arrangements**

- 9.1 The Financial Strategy will be monitored by the Management Team and the Treasurer on a regular basis - there will also be capacity to review the Strategy as and when required, particularly when a new issue arises or the impact of major policy or initiative becomes clearer.
- 9.2 The Financial Strategy will be revised when there are changes to estimates, projections or policy which have a major financial impact.
- 9.3 The financial management principles and expectations have been communicated and are understood by all budget holders.
- 9.4 The Financial Strategy has been drawn up with the full involvement of the Assessor & ERO and, will be communicated to the Management Team and throughout the organisation.
- 9.5 During the years covered in the strategy, it is planned that the Board will receive budgetary control reports at each meeting analysing variances +/-5%.

## **10. Risk Management**

- 10.1 The Board's strategic and operational risks registers (including risks relating to the Financial Strategy and delivery of the Financial Strategy) continue to be assessed, reviewed, and managed in line with the strategic priorities.

## **11. Approach to Generating Future Budgets**

- 11.1 Currently revenue budgets are generated through the traditional process known as "Cost of Current Level of Service" with "incremental budgeting". So, in general, budgets follow the current cost of delivery of Board statutory duties allowing for known cost increases/reductions to be built-in and for unavoidable burdens/ reductions to also be recognised as part of the cost of providing a service reflecting current Board duties. In general this process should, in theory, generate a budget which reflects Board priorities on the basis that services are set up to deliver those priorities. In essence, the base position is taken from the previous year's budget and this is adjusted for known movements.
- 11.2 Annex 2 summarises possible budget gaps over the next 10 years based upon current levels of service and a particular set of assumptions. The budget gaps identified will require to be funded through either the use of reserves, additional constituent authority contributions, potential additional Government grant and/or service efficiencies.
- 11.3 Whilst reserves are sufficient to absorb any issues that may arise during 2024/25, projections indicate that the Board's Reserves (including the Prudential Reserve) will be fully utilised by 2025/26 and indeed, leave a

budget gap to be financed as highlighted in table 5 above. Consequently there is an intention to engage with each of the constituent authorities during 2024/25 with the view to increasing their contributions beyond 2024/25 to help bridge the funding gap. Furthermore, should there be no opportunities for additional income, it is likely that options for future service efficiencies will require to be developed with options presented to the Board for approval to ensure the viability of the service in the longer term.

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**Issues (Short / Medium / Long- term)**

These issues, which will need to be addressed in some way, were identified by senior management during consultation on the Financial Strategy and the impact can be one-off or recurring. Some shorter term issues (3-5 years) will continue into the medium term (5-10 years) and longer term (+10 years). This list is not exhaustive.

<b>Risk Area</b>	<b>Issues Identified</b>	<b>Action Taken</b>	<b>Responsible Officer</b>
Strategic Issues	Impact of Scottish Government Funding levels on constituent contributions and Barclay implementation. In particular, the direct 'Barclay' funding from Scottish Government will come to an end creating an cliff-edge issue relating to income.	Longer term financial strategy to help identify possible risks on budget gaps to take necessary action at an early stage	Assessor & Treasurer
Non-Domestic Rating	Scottish Government has amended the NDR Revaluation cycle from 5-yearly to 3-yearly with effect from 2023	Monitor Legislation as it develops. Consider resource implications, including staffing levels	Assessor & Treasurer
Electoral Registration Service	Changes to electoral processes arising from the UK Government's 'Elections Bill, including Voter ID cards, extended overseas voting rights and more frequent renewals of Absent Votes	Monitor Legislation as it develops. Consider resource implications, including staffing levels	ERO & Treasurer
Electoral Registration Service	Changes to electoral processes arising from the Scottish devolved powers in relation to electoral registration	Monitor Legislation as it develops. Consider resource implications, including staffing levels	ERO & Treasurer
Council Tax Service	Changes to Council Tax Legislation as a result of an expected review of Council Tax in Scotland	Monitor Legislation as it develops. Consider resource implications, including staffing levels	Assessor & Treasurer

**Longer Term Financial Projections**

Based upon a set of assumptions (noted below), the 3 year indicative budget has been projected forward (in the mid range projection scenario) to identify projected gaps between income and expenditure, if no other changes in the Board's services take place:

	NET EXPENDITURE	STANDSTILL COUNCIL CONTRIBUTION	BARCLAY FUNDING	DLHC NEW BURDENS FUNDING	USE OF RESERVES	INDICATIVE BUDGET GAP
	£000	£000	£000	£000	£000	£000
DRAFT BUDGET 2024/25	3,400	(2,611)	(186)	(126)	(477)	(0)
INDICATIVE BUDGET 2025/26	3,394	(2,611)	0	0	(160)	623
INDICATIVE BUDGET 2026/27	3,744	(2,611)	0	0	0	1,133
INDICATIVE BUDGET 2027/28	3,821	(2,611)	0	0	0	1,210
INDICATIVE BUDGET 2028/29	3,947	(2,611)	0	0	0	1,336
INDICATIVE BUDGET 2029/30	4,078	(2,611)	0	0	0	1,467
INDICATIVE BUDGET 2030/31	4,214	(2,611)	0	0	0	1,603
INDICATIVE BUDGET 2031/32	4,357	(2,611)	0	0	0	1,746
INDICATIVE BUDGET 2032/33	4,506	(2,611)	0	0	0	1,895
INDICATIVE BUDGET 2033/34	4,662	(2,611)	0	0	0	2,051

**Mid Range Assumptions:**

- Pay award 3% increase
- Employers Superannuation 6.5% 24/25 & 25/26, 17.5% thereafter
- Non Staffing Lines – inflation 3% increase
- Electricity 10% increase
- Gas 13% increase
- Rates 2% increase
- Council contributions Standstill
- Barclay Review Funding 2024/25 agreed funding. No funding thereafter
- Service Fees & Charges 10% increase

# Item 7 Appendix 2

## DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD DRAFT REVENUE ESTIMATES

2022/23 OUTTURN £	DESCRIPTION	REVISED 2023/24 ESTIMATE £	2023/24 PROBABLE OUTTURN £	2022/23 VARIANCE £	DRAFT 2024/25 ESTIMATE £	YR on YR MOVEMENT £	INDICATIVE 2025/26 ESTIMATE £	INDICATIVE 2026/27 ESTIMATE £
1,661,821	APT&C - SALARIES	1,815,009	1,751,846	(63,163)	2,110,218	295,209	2,087,193	2,152,826
45,429	APT&C - OVERTIME	15,000	15,000	0	6,000	(9,000)	6,000	6,000
42,521	APT&C - TEMP	90,623	68,390	(22,233)	42,350	(48,273)	43,620	44,929
332,618	APT&C - SUPERANN	355,155	340,933	(14,222)	137,064	(218,091)	135,668	376,745
179,037	APT&C - N.I.	187,579	174,696	(12,883)	207,787	20,208	207,445	213,968
6,354	TRAINING COSTS	15,350	15,350	0	15,350	0	15,350	15,350
23,083	TRAVEL & SUBSISTENCE	38,000	38,000	0	38,000	0	38,000	38,000
1,883	OTHER EMPLOYEE COSTS	2,500	1,677	(823)	2,000	(500)	2,000	2,000
9,508	PENSION INCREASES	11,500	10,401	(1,099)	11,441	(59)	12,585	13,844
37,779	ILL HEALTH RET'MENT PREMIUMS	40,000	50,546	10,546	52,062	12,062	53,624	55,233
<b>2,340,033</b>	<b>EMPLOYEE COSTS</b>	<b>2,570,716</b>	<b>2,466,839</b>	<b>(103,876)</b>	<b>2,622,271</b>	<b>51,556</b>	<b>2,601,485</b>	<b>2,918,895</b>
44,401	RATES	46,690	35,914	(10,776)	36,632	(10,058)	37,365	38,112
690	FURNITURE & FITTINGS	-	699	699	2,000	2,000	2,000	2,000
8,840	ELECTRICITY	18,642	20,468	1,826	22,515	3,873	24,766	27,243
18,762	GAS	20,395	19,576	(819)	22,121	1,726	24,997	28,247
25,174	CONTRACT CLEANING	27,692	26,915	(777)	29,607	1,915	32,567	35,824
1,996	OFFICE ACCOMMODATION	1,996	1,996	0	1,996	0	1,996	1,996
5,112	REPAIRS & MAINTENANCE	13,000	13,000	0	13,000	0	13,000	13,000
1,202	REFUSE COLLECTION	995	1,305	309	1,435	440	1,579	1,737
5,204	OTHER PROPERTY COSTS	3,808	3,808	0	4,188	381	4,607	5,068
<b>111,381</b>	<b>PROPERTY COSTS</b>	<b>133,218</b>	<b>123,681</b>	<b>(9,537)</b>	<b>133,495</b>	<b>277</b>	<b>142,878</b>	<b>153,226</b>

DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
DRAFT REVENUE ESTIMATES

2022/23 OUTTURN	DESCRIPTION	REVISED 2023/24 ESTIMATE	2023/24 PROBABLE OUTTURN	2022/23 VARIANCE	DRAFT 2024/25 ESTIMATE	YR on YR MOVEMENT	INDICATIVE 2025/26 ESTIMATE	INDICATIVE 2026/27 ESTIMATE
£		£	£	£	£	£	£	£
189	CLOTHING UNIFORMS ETC	200	254	54	200	0	200	200
13,772	COMPUTER EQUIPMENT	16,470	14,433	(2,037)	3,090	(13,380)	3,183	3,278
1,471	OFFICE EQUIPMENT	250	500	250	500	250	500	500
16,106	COMPUTER LICENCES	97,862	17,394	(80,469)	163,165	65,303	168,060	173,102
5,101	MACHINE RENTAL / LEASE	5,564	5,142	(422)	5,296	(268)	5,455	5,618
0	ICT CONSULTANCY	5,000	0	(5,000)	0	(5,000)	0	0
2,596	OTHER S & S	44,403	44,403	0	18,779	(25,624)	2,500	2,500
<b>39,235</b>	<b>SUPPLIES &amp; SERVICES</b>	<b>169,749</b>	<b>82,125</b>	<b>(87,623)</b>	<b>191,030</b>	<b>21,281</b>	<b>179,898</b>	<b>185,199</b>
8,225	AUDIT FEES & OUTLAYS	9,468	8,972	(496)	9,779	311	10,660	11,619
<b>8,225</b>	<b>PAYMENTS TO OTHER BODIES</b>	<b>9,468</b>	<b>8,972</b>	<b>(496)</b>	<b>9,779</b>	<b>311</b>	<b>10,660</b>	<b>11,619</b>
142,506	PRINTING & POSTAGES	177,886	151,932	(25,954)	172,923	(4,963)	178,110	183,454
1,422	STATIONERY	1,500	1,500	0	1,545	45	1,591	1,639
21,609	TELEPHONES	31,000	25,996	(5,004)	26,776	(4,224)	27,579	28,406
8,902	TELEPHONES/INTERNET REG.	8,118	9,658	1,540	9,948	1,830	10,246	10,554
4,657	BOOKS & PUBLICATIONS	7,600	5,411	(2,189)	5,411	(2,189)	5,411	5,411
0	LAND VAL. APPEAL COURT (LEGAL FEES VALUATION)	6,000	6,000	0	10,000	4,000	10,000	10,000
25,678	ELECTORAL SYSTEM SUPPORT	44,029	44,029	0	48,432	4,403	53,275	58,603
342	ELECTORAL PARTICIPATION	4,000	0	(4,000)	4,000	0	4,000	4,000
122,982	CENTRAL ADMIN COSTS	122,982	122,982	0	133,793	10,811	137,807	141,941
14,881	INSURANCE	16,497	14,910	(1,587)	15,357	(1,140)	15,818	16,293
15,487	OTHER ADMIN COSTS	17,247	16,875	(373)	17,247	0	17,247	17,247
<b>358,466</b>	<b>ADMIN COSTS</b>	<b>436,859</b>	<b>399,292</b>	<b>(37,567)</b>	<b>445,431</b>	<b>8,572</b>	<b>461,085</b>	<b>477,547</b>
1,774	COURSES & CONFERENCES	6,000	6,000	0	6,000	0	6,000	6,000
1,925	MISCELLANEOUS	1,925	3,200	1,275	3,200	1,275	3,200	3,200
41,173	VALUATION APPEALS PANEL	-	0	0	0	0	0	0
(6,694)	TEMPORARY INTEREST	(119)	(119)	0	(119)	0	(119)	(119)
<b>38,178</b>	<b>OTHER EXPENDITURE</b>	<b>7,806</b>	<b>9,081</b>	<b>1,275</b>	<b>9,081</b>	<b>1,275</b>	<b>9,081</b>	<b>9,081</b>
								0
<b>2,895,519</b>	<b>GROSS EXPENDITURE</b>	<b>3,327,816</b>	<b>3,089,991</b>	<b>(237,825)</b>	<b>3,411,088</b>	<b>83,272</b>	<b>3,405,086</b>	<b>3,755,567</b>

DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
DRAFT REVENUE ESTIMATES

2022/23 OUTTURN £	DESCRIPTION	REVISED 2023/24 ESTIMATE £	2023/24 PROBABLE OUTTURN £	2022/23 VARIANCE £	DRAFT 2024/25 ESTIMATE £	YR on YR MOVEMENT £	INDICATIVE 2025/26 ESTIMATE £	INDICATIVE 2026/27 ESTIMATE £
(2,375)	RENTAL INCOME	(2,250)	(2,250)	0	(2,250)	0	(2,250)	(2,531)
(9,407)	SALES FEES & CHARGES	(9,000)	(9,000)	0	(9,000)	0	(9,000)	(9,000)
(50)	MISC INCOME	0	0	0	0	0	0	0
<b>(11,832)</b>	<b>GROSS INCOME</b>	<b>(11,250)</b>	<b>(11,250)</b>	<b>0</b>	<b>(11,250)</b>	<b>0</b>	<b>(11,250)</b>	<b>(11,531)</b>
<b>2,883,687</b>	<b>NET EXPENDITURE</b>	<b>3,316,566</b>	<b>3,078,741</b>	<b>(237,825)</b>	<b>3,399,838</b>	<b>83,272</b>	<b>3,393,836</b>	<b>3,744,035</b>
(2,611,171)	CONSTITUENT CONTRIBUTION	(2,611,171)	(2,611,171)	0	(2,611,171)	0	(2,611,171)	(2,611,171)
(181,000)	CONSTITUENT CONTRIBUTION - BARCLAY	(181,000)	(181,000)	0	(186,430)	(5,430)	0	0
(19,872)	DLUHC GRANT NEW FUNDING 23/24	(22,258)	(22,258)	0	0	22,258	0	0
	SPE GRANT C/FWD FROM 22/23	(26,145)	(26,145)	0	0	26,145	0	0
0	DLUHC GRANT C/FWD FROM 22/23	(6,970)	(6,970)	0	0	6,970	0	0
0	DLUHC GRANT NEW FUNDING 24/25	0	0	0	(125,515)	(125,515)	0	0
(20,940)	BARCLAY C/FWD FROM 22/23	(37,133)	(37,133)	0	0	37,133	0	0
(50,703)	TRANSFER TO/FROM RESERVES	(431,890)	(194,065)	237,825	(476,722)	(44,833)	0	0
<b>(0)</b>	<b>BUDGET GAP/ (SURPLUS)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>782,665</b>	<b>1,132,864</b>
<b>RESERVES BROUGHT FORWARD</b>			<b>(830,782)</b>		<b>(636,717)</b>			
<b>TRANSFER TO/FROM RESERVES IN YEAR</b>					<b>194,065</b>		<b>476,722</b>	
<b>EARMARKED BALANCE</b>			<b>0</b>		<b>0</b>			
<b>RESERVES CARRIED FORWARD</b>			<b>(636,717)</b>		<b>(159,995)</b>			
<b>PRUDENTIAL TARGET</b>			<b>(100,000)</b>		<b>(100,000)</b>			
<b>EXCESS RESERVES FROM PRUDENTIAL TARGET</b>			<b>(536,717)</b>		<b>(59,995)</b>			



**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**

**EXPLANATION OF MAIN 2024/25 REVENUE BUDGET MOVEMENTS > £5,000**

	£	£
2023/24 Revised Net Expenditure		3,316,566
2024/25 Draft Net Expenditure		3,399,838
<b>Increase in Net Expenditure</b>		<b><u>83,272</u></b>
 <b><u>Pressures</u></b>		
Additional cost of 23/24 payaward (Basic Pay)	27,225	Additional Increase between the budgeted payaward and the actual 2023/24 payaward.
Additional cost of 2024/25 Basic Pay	172,498	Allowance for Annual Pay increase and incremental movements upwards on payscale.
Additional costs in relation to DLUHC new funding (Election Act 2022)	<u>95,486</u>	Additional costs 2024/25 only. Fully Funded from DLUHC Grant Income.
<b>Increase in Basic Pay</b>		295,209
<b>Increase in National Insurance</b>		20,208
		Associated increase in NI in relation to increase in basic pay.
<b>Increase in Superannuation</b>		57,625
		Associated increase in Superannuation in relation to increase in basic pay. This is offset by an overall reduction in Superannuation (£0.275m) due to a reduction in the employers contribution rate. See Decreases note below.
<b>Increase III Health retirement premium</b>		12,062
		Budget increased in line with actuals. 2023/24 spend approved by Board in November 2023.
<b>Increase in property costs</b>		5,599
		Inflationary increase in relation to electricity & gas.
<b>Increase in Computer Licenses</b>		65,303
		Increase in the costs reflects the reinstatement of budget for the costs associated with the new Assessor System funded initially from staffing restructure. 23/24 budget vired to fund employee costs as approved by Board in November 2023. Budget has reverted back to fund the associated system licence costs.
<b>Increase in Central Admin Costs</b>		<u>10,811</u>
		Increase to reflect actual cost of service received from West Dunbartonshire Council in relation to ICT, Finance, Legal & HR Support Costs.
<b>TOTAL PRESSURES</b>		<b><u>466,817</u></b>

**Decreases**

<b>Reduction in Employers Superannuation Contribution Rate</b>	(274,961)	Strathclyde Pension Fund Actuaries have completed their actual valuation of the Fund as at 31 March 2023. The valuation process determines the employer contribution rates to be paid from 1st April 2024. As such, the results reflect a reduction in rate from 23.3% to 6.5%.
<b>Reduction in Overtime Costs</b>	(9,000)	23/24 one off costs as approved by Board in November 2023.
<b>Reduction in Temp Staff</b>	(48,273)	23/24 one off costs in relation to the digitalisation of files as approved by Board in November 2023.
<b>Reduction in Rates</b>	(10,058)	Budget reduced in line with 23/24 actuals, allowing for an element of inflation.
<b>Reduction in computer equipment</b>	(13,380)	23/24 one off video equipment costs, fully funded from DLUHC grant income.
<b>Reduction in ICT Consultancy</b>	(5,000)	Removal of budget which reflects ICT costs over and above service level agreement (SLA). It is expected that all capital projects will be covered by current SLA arrangements.
<b>Reduction in supplies &amp; services</b>	(25,624)	23/24 one off costs, fully funded from DLUHC grant income.
<b>TOTAL DECREASES</b>	<b><u>(386,296)</u></b>	

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**

**ALLOCATION OF CONSTITUENT CONTRIBUTIONS**

	<b>2022/23 GAE Allocation %</b>	<b>2023/24 GAE Allocation %</b>
<b>ELECTORAL REGISTRATION</b>		
EAST DUNBARTONSHIRE COUNCIL	33.59	33.62
WEST DUNBARTONSHIRE COUNCIL	32.22	32.16
ARGYLL & BUTE COUNCIL	34.20	34.22
	<u>100.00</u>	<u>100.00</u>
<b>VALUATION &amp; COLLECTION OF LOCAL TAX</b>		
EAST DUNBARTONSHIRE COUNCIL	33.59	33.62
WEST DUNBARTONSHIRE COUNCIL	32.22	32.16
ARGYLL & BUTE COUNCIL	34.20	34.22
	<u>100.00</u>	<u>100.00</u>
<b>VALUATION &amp; COLLECTION OF NDR</b>		
EAST DUNBARTONSHIRE COUNCIL	15.95	15.94
WEST DUNBARTONSHIRE COUNCIL	19.95	20.06
ARGYLL & BUTE COUNCIL	64.10	64.00
	<u>100.00</u>	<u>100.00</u>

<b><u>ALLOCATION</u></b>		
EAST DUNBARTONSHIRE COUNCIL	27.56	27.62
WEST DUNBARTONSHIRE COUNCIL	28.03	28.05
ARGYLL & BUTE COUNCIL	44.41	44.33
<b>TOTAL</b>	<u>100.00</u>	<u>100.00</u>

	<b>2023/24 Contribution (based on 22/23 GAE allocation above) £</b>	<b>2024/25 Contribution (based on 23/24 GAE allocation above) £</b>
<b><u>CONSTITUENT CONTRIBUTION</u></b>		
EAST DUNBARTONSHIRE COUNCIL	719,654	721,117
WEST DUNBARTONSHIRE COUNCIL	731,813	732,397
ARGYLL & BUTE COUNCIL	1,159,704	1,157,657
<b>TOTAL</b>	<u>2,611,171</u>	<u>2,611,171</u>



**DUNBARTONSHIRE & ARGYLL & BUTE VALUATION JOINT BOARD**  
**DRAFT CAPITAL ESTIMATES**

DESCRIPTION	2024/25			2025/26	2026/27
	PROJECTS RE- PROFILED FROM 2023/24	NEW BIDS	INDICATIVE ESTIMATE	NEW BIDS	NEW BIDS
	£	£	£	£	£
<b><u>PRIOR YEAR PROJECTS</u></b>					
NDR REFORM COSTS (21/22)	17,131	0	17,131		
UNIX SERVER RENEWAL (21/22)	25,000	0	25,000	0	0
FIREWALLS AND ROUTERS (22/23)	1,797	0	1,797	0	0
<b><u>24/25 PROJECTS</u></b>					
LAPTOP REFRESH	0	7,567	7,567	0	0
SERVER REPLACEMENT		13,110	13,110		
SWAN 2 - LINE RENEWAL	0	19,104	19,104	0	0
<b><u>25/26 PROJECTS</u></b>					
LAPTOP REFRESH	0	0	0	8,000	0
HIGH VOLUME SCANNER REPLACEMENT	0	0	0	10,000	0
<b><u>26/27 PROJECTS</u></b>					
IT PERIPHERALS REFRESH	0	0	0	0	2,500
LAPTOP REFRESH	0	0	0	0	8,500
<b>GROSS EXPENDITURE</b>	<b>43,928</b>	<b>39,781</b>	<b>83,709</b>	<b>18,000</b>	<b>11,000</b>
UNAPPLIED CAPITAL RECEIPTS CARRIED FORWARD	(22,807)	0	(22,807)	0	0
CFCR	(513)	0	(513)	0	0
SCOTTISH GOVERNMENT GRANT	(20,608)	0	(20,608)	0	0
CONSTITUENT CONTRIBUTION	0	(39,781)	(39,781)	(18,000)	(11,000)
<b>GROSS INCOME</b>	<b>(43,928)</b>	<b>(39,781)</b>	<b>(83,709)</b>	<b>(18,000)</b>	<b>(11,000)</b>
<b>NET EXPENDITURE</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>0</b>



**DETAILS OF NEW 2024/25-2026/27 CAPITAL BIDS**

	<b>Estimated Cost £</b>
<b><u>2024/25 Forecast</u></b>	
<u>Laptop Refresh</u> Replacement of 11 Laptops (5 year rolling replacement).	7,567
<u>Server Replacement</u> Replacement of two existing production servers (5 year rolling replacement).	13,110
<u>SWAN2 - Line renewal</u> Renewal of network lines to both Clydebank and Campbeltown. Indicative upfront cost obtained from WDC IT.	19,104
<b>TOTAL 2024/25</b>	<b><u><u>39,781</u></u></b>
<b><u>2025/26 Forecast</u></b>	
<u>Laptop Refresh</u> 11 Laptops to be replaced (5 year rolling replacement).	8,000
<u>High Volume Scanner Replacement</u> Scheduled replacement of high volume scanners used for scanning of incoming mail, and for digitisation of existing files. 2 scanners (1 per office). Approximate estimated cost of £5,000 each.	10,000
<b>TOTAL 2025/26</b>	<b><u><u>18,000</u></u></b>
<b><u>2026/27 Forecast</u></b>	
<u>Laptop Refresh</u> 11 Laptops to be replaced (5 year rolling replacement).	8,500
<u>IT Peripherals Refresh</u> Rolling renewal of monitors, keyboards etc.	2,500
<b>TOTAL 2026/27</b>	<b><u><u>11,000</u></u></b>



## DUNBARTONSHIRE AND ARGYLL &amp; BUTE VALUATION JOINT BOARD

## Report by Treasurer

## Valuation Joint Board – 22 March 2024

**Subject: Revenue & Capital Budgetary Control Report to 31 January 2024  
(Period 10)****1. Purpose**

- 1.1 The purpose of this report is to advise Members on the progress of the revenue budget and the capital programme for 2023/24.

**2. Background****2.1 Revenue**

At the meeting of the Joint Board on 3 March 2023, Members agreed the revenue estimates for 2023/24 and a total net budget of £3.249m, funded from constituent contributions of £2.792m (including £0.181m for costs associated with the implementation of actions from the Barclay Review) and reserves (including earmarked reserves) of £0.457m.

- 2.2 Since the budget was agreed, budget adjustments have taken place through the recognition of the remaining balance of the Scottish Parliamentary Election (SPE) Grant Funding brought forward from 2020/21, additional underspend of Barclay funding and external funding from the Department for Levelling Up, Housing & Communities (DLUHC) being carried forward from 2022/23 as identified at year end and receipt of new DLUHC funding in 2023/24, revising the 2023/24 budget to £3.316m as follows:

	<b>£000</b>
Agreed budget 2023/24 (Board – March 2023)	3.249
<b>Additional grant c/fwd from 2022/23:</b>	
Barclay Funding	0.012
DLUHC – Voter ID (22/23)	0.007
SPE Grant Funding (22/23)	0.026
<b>New funding:</b>	
DLUHC – Voter ID (23/24)	0.007
DLUHC – Electoral Integrity Programme	0.015
<b>Revised budget 2023/24 as at Period 10</b>	<b>3.316</b>

**2.3 Capital**

At the meeting of the Joint Board on 3 March 2023, Members also agreed the capital estimates for 2023/24 of £0.059m, funded mainly from a carry forward of resources from 2022/23 (£0.051m) and additional funding from constituent contributions of £0.008m to fund new 2023/24 capital projects.

- 2.4 Since then, further 2022/23 capital re-profiling has been identified (£0.009m), revising the 2023/24 budget to £0.068m.

### **3. Main Issues**

#### **3.1 Revenue**

The summary report at Appendix 1 highlights that the total net expenditure is expected to be £0.238m lower than budget and is attributed mainly to new vacancies arising in year (£0.104m), a reduction in computer and ICT consultancy costs shown within supplies & services (£0.088m) and a reduction in administration Costs (£0.038m). This means that the Board will require less use of general reserves in order to breakeven for the year; using £0.194m of reserves, rather than the £0.432m budgeted.

**3.2** Appendix 2 provides information on the main variances +/-5%.

**3.3** Although the report indicates a favourable variance, the projected variance should be viewed in the knowledge that there are a number of variable factors which could arise between now and 31 March 2024 and could affect the year end results.

**3.4** The 2023/24 projected spend shown within Appendix 1, assumes full utilisation of any grant income carried forward from prior years or any new grant funding received in year. However, should any underspend occur against such funds instead, any unspent grant will be earmarked and carried forward into the next financial year.

#### **3.5 Capital**

Appendix 3 highlights a projected in-year variance of £0.044m which relates to project re-profiling. Appendix 4 provides further details on this overall variance.

### **4. Conclusion and Recommendation**

**4.1** Members are asked to:

- i) Note that it is anticipated that £0.194m of revenue reserves will be required to be used in-year to balance the revenue account;
- ii) Note the projected capital re-profiling of spend and earmarked resource of £0.044m, to be carried forward into 2024/25 to fund the completion of the existing capital projects.

.....  
**Laurence Slavin**  
**Treasurer**  
**Date: 23 February 2024**

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**Person to Contact:** Janine Corr, Accountant  
West Dunbartonshire Council  
janine.corr@west-dunbarton.gov.uk

**Appendix 1**  
**Appendix 2**  
**Appendix 3**  
**Appendix 4**

Revenue BCR Period 10  
Revenue analysis for variances +/-5%  
Capital BCR Period 10  
Capital variance analysis



# Item 8 Appendix 1

DUNBARTONSHIRE & ARGYLL & BUTE VALUATION JOINT BOARD  
REVENUE BUDGETARY CONTROL 2023/24

MONTH END DATE

31 January 2024

PERIOD

10

DESCRIPTION	AGREED BUDGET 2023/24 - MARCH 2023 (a)	ADDITIONAL C/FWD BARCLAY FUNDING FROM 2022/23 (b)	DLUHC EXPENDITURE & INCOME 2023/24 (C/FWD & NEW FUNDING) (c)	SPE C/FWD FROM 2022/23 (d)	AGREED BUDGET VIREMENT - JUNE 23 - REPLACEMENT ASSESSORS SYSTEM (e)	AGREED VIREMENT - OCTOBER 23 - FILE DIGITISATION & OVERTIME (f)	REVISED BUDGET 2023/24 (g) = (a) + (b) + (c) + (d) + (e) + (f)	SPEND TO DATE 2023/24	TOTAL PROJECTED SPEND 2023/24	VARIANCE 2023/24	VARIANCE %	STATUS
EMPLOYEE COSTS	£ 2,625,689	£ 11,989	£ 0	£ 0	£ (132,265)	65,303	£ 2,570,716	£ 2,065,099	£ 2,466,839	£ (103,876)	-4%	Favourable
PROPERTY COSTS	133,218	0	0	0	0	0	133,218	80,098	123,681	(9,537)	-7%	Favourable
SUPPLIES & SERVICES	47,414	0	29,228	26,145	132,265	(65,303)	169,749	56,283	82,125	(87,623)	-52%	Favourable
PAYMENT TO OTHER BODIES	9,468	0	0	0	0	0	9,468	2,759	8,972	(496)	-5%	Favourable
ADMINISTRATION COSTS	436,859	0	0	0	0	0	436,859	212,845	399,292	(37,567)	-9%	Favourable
OTHER EXPENDITURE	7,806	0	0	0	0	0	7,806	9,123	9,081	1,275	16%	Adverse
<b>GROSS EXPENDITURE</b>	<b>3,260,455</b>	<b>11,989</b>	<b>29,228</b>	<b>26,145</b>	<b>0</b>	<b>0</b>	<b>3,327,816</b>	<b>2,426,207</b>	<b>3,089,991</b>	<b>(237,825)</b>	<b>-7%</b>	<b>Favourable</b>
MISC INCOME	(11,250)	0	0	0	0	0	(11,250)	(7,659)	(11,250)	0	0%	Nil Variance
<b>NET EXPENDITURE</b>	<b>3,249,205</b>	<b>11,989</b>	<b>29,228</b>	<b>26,145</b>	<b>0</b>	<b>0</b>	<b>3,316,566</b>	<b>2,418,548</b>	<b>3,078,741</b>	<b>(237,825)</b>	<b>-7%</b>	<b>Favourable</b>
<b>FINANCED BY:</b>												
CONSTITUENT CONTRIBUTIONS	(2,611,171)	0	0	0	0	0	(2,611,171)	(2,175,976)	(2,611,171)	0	0%	Nil Variance
2022/23 DLUHC FUNDING C/FWD	0	0	(6,970)	0	0	0	(6,970)	(6,970)	(6,970)	0	0%	Nil Variance
2023/24 DLUHC FUNDING	0	0	(22,258)	0	0	0	(22,258)	(22,258)	(22,258)	0	0%	Nil Variance
2022/23 SG BARCLAY FUNDING C/FWD	(25,144)	(11,989)	0	0	0	0	(37,133)	0	(37,133)	0	0%	Nil Variance
2023/24 SG BARCLAY FUNDING	(181,000)	0	0	0	0	0	(181,000)	(150,833)	(181,000)	0	0%	Nil Variance
2022/23 SPE FUNDING C/FWD	0	0	0	(26,145)	0	0	(26,145)	(26,145)	(26,145)	0	0%	Nil Variance
<b>TOTAL FUNDING</b>	<b>(2,817,315)</b>	<b>(11,989)</b>	<b>(29,228)</b>	<b>(26,145)</b>	<b>0</b>	<b>0</b>	<b>(2,884,677)</b>	<b>(2,382,182)</b>	<b>(2,884,677)</b>	<b>0</b>	<b>0%</b>	<b>Nil Variance</b>
<b>TRANSFER TO/ (FROM) RESERVES</b>	<b>(431,890)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(431,890)</b>	<b>(36,367)</b>	<b>(194,065)</b>	<b>237,825</b>	<b>55%</b>	<b>Favourable</b>

## Item 8 Appendix 2

DUNBARTONSHIRE & ARGYLL & BUTE VALUATION JOINT BOARD  
 REVENUE BUDGETARY CONTROL 2023/24  
 REVENUE ANALYSIS FOR VARIANCES +/-5%

MONTH END DATE

31 January 2024

PERIOD

10

Budget Details							
Budget Area	Budget	Spend to Date	% Spend to Date of Total Budget	Forecast Spend	Forecast Variance	Status	
	£	£	%	£	£	%	
<b>PROPERTY COSTS</b>	133,218	80,098	60%	123,681	(9,537)	-7%	↑
<b>Main Issues</b>	The main reason for this underspend relates to the annual charge for Non Domestic Rates being less than budgeted.						
<b>Mitigating Action</b>	None required at this time						
<b>Anticipated Outcome</b>	It is likely this budget will underspend by the year end.						
<b>SUPPLIES &amp; SERVICES</b>	169,749	56,283	33%	82,125	(87,623)	-52%	↑
<b>Main Issues</b>	The revised 2023/24 budget included the licence costs and consultancy costs associated with the new Assessor system. Delays in the procurement process, will mean that this budget will not be fully spent by March 2024.						
<b>Mitigating Action</b>	None required at this time						
<b>Anticipated Outcome</b>	It is likely this budget will underspend by the year end.						
<b>ADMINISTRATION COSTS</b>	436,859	212,845	49%	399,292	(37,567)	-9%	↓
<b>Main Issues</b>	The main reason for this underspend is due to the cost of printing and postages being less than expected.						
<b>Mitigating Action</b>	None required at this time						
<b>Anticipated Outcome</b>	It is likely this budget will underspend by the year end.						

DUNBARTONSHIRE & ARGYLL & BUTE VALUATION JOINT BOARD

REVENUE BUDGETARY CONTROL 2023/24

REVENUE ANALYSIS FOR VARIANCES +/-5%

MONTH END DATE

31 January 2024

PERIOD

10

Budget Details							
Budget Area	Budget	Spend to Date	% Spend to Date of Total Budget	Forecast Spend	Forecast Variance	Status	
<b>OTHER EXPENDITURE</b>	7,806	9,123	117%	9,081	1,275	16%	↑
<b>Main Issues</b>	The reported overspend relates to an increase in the cost of Pension Fund Actuarial Fees being higher than anticipated.						
<b>Mitigating Action</b>	None required at this time						
<b>Anticipated Outcome</b>	It is likely this budget will underspend by the year end.						

## Item 8 Appendix 3

DUNBARTONSHIRE & ARGYLL & BUTE VALUATION JOINT BOARD  
CAPITAL BUDGETARY CONTROL 2023/24

MONTH END DATE

31 January 2024

PERIOD

10

DESCRIPTION	AGREED 2023/24 BUDGET	UPDATED RE- PROFILING FROM 2022/23	REVISED 2023/24 BUDGET	SPEND TO DATE	PROJECTED SPEND	VARIANCE	ANTICIPATED RE-PROFILING INTO 2024/25	OVER/ (UNDER)
	£	£	£	£	£	£	£	£
<b><u>PRIOR YEAR PROJECTS</u></b>								
PLANNED UPGRADE OF SERVERS (C/FWD 20/21)	0	45	45	0	0	(45)	0	(45)
FLEXI SYSTEM (C/FWD 20/21)	0	8,486	8,486	7,064	8,486	0	0	0
NDR REFORM COSTS (21/22)	20,608	81	20,689	3,559	3,559	(17,131)	(17,131)	0
UNIX SERVER RENEWAL (21/22)	24,958	42	25,000	0	0	(25,000)	(25,000)	0
FIREWALLS AND ROUTERS (22/23)	5,000	0	5,000	0	3,203	(1,797)	(1,797)	0
<b><u>23/24 PROJECTS</u></b>								
LAPTOP REFRESH (23/24)	6,300	202	6,502	6,725	6,725	223	0	223
NEW MONITORS (23/24)	2,200	0	2,200	1,382	2,022	(178)	0	(178)
<b>GROSS EXPENDITURE</b>	<b>59,067</b>	<b>8,856</b>	<b>67,923</b>	<b>18,731</b>	<b>23,995</b>	<b>(43,928)</b>	<b>(43,928)</b>	<b>(0)</b>
UNAPPLIED CAPITAL RECEIPTS CARRIED FORWARD	(29,446)	(8,856)	(38,302)	(16,349)	(15,495)	(22,807)	(22,807)	(0)
CFCR	(513)		(513)	0	0	(513)	(513)	0
SCOTTISH GOVERNMENT GRANT CARRIED FORWARD	(20,608)		(20,608)	0	0	(20,608)	(20,608)	0
CONSTITUENT CONTRIBUTION	(8,500)		(8,500)	(2,382)	(8,500)	0	0	0
<b>GROSS INCOME</b>	<b>(59,067)</b>	<b>(8,856)</b>	<b>(67,923)</b>	<b>(18,731)</b>	<b>(23,995)</b>	<b>(43,928)</b>	<b>(43,928)</b>	<b>(0)</b>
<b>NET EXPENDITURE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

DUNBARTONSHIRE & ARGYLL & BUTE VALUATION JOINT BOARD  
CAPITAL BUDGETARY CONTROL 2023/2024  
VARIANCE ANALYSIS

MONTH END DATE

31 January 2024

PERIOD

10

Budget Details						
Budget Area	Budget	Spend to Date	% Spend to Date of Total Budget	Forecast Spend	Forecast Variance	Status
	£	£	%	£	£	%
<b>NDR Reform Costs</b>	20,689	3,559	17%	3,559	(17,131)	-83% ↑
<b>Project Description</b>	Development / Purchase of Remote Survey System					
<b>Main Issues/Progress update</b>	This budget is to deliver remote survey tools to the valuation teams. These will interface with the replacement Assessors system and as such, results of the tender are awaited to ensure that the hardware procured is suitable for the replacement system.					
<b>Unix Server Renewal</b>	25,000	0	0%	0	(25,000)	-100% ↑
<b>Project Description</b>	Replacement of the primary server for Valuation and Council Tax data.					
<b>Main Issues/Progress update</b>	This is now contingent on the replacement system, with the results of the tender awaited to feed into the specification of the server. It is anticipated that this will still fall within the allocated budget for the project.					



**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD****Report by Assessor & Electoral Registration Officer****Valuation Joint Board – 22 March 2024**

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**Subject: Workforce Planning****1.0 Purpose**

- 1.1 To advise Members of progress in relation to Workforce Planning within the Joint Board.
- 1.2 To seek Members' approval of the 2024 update to the Workforce Plan.

**2.0 Background**

- 2.1 Workforce planning is part of the Joint Board's overall approach to Best Value and Good Governance. It provides a proactive mechanism to ensure delivery of strategic objectives by identifying and implementing strategies to ensure the provision of:
  - The right number of employees;
  - With the right skill sets;
  - In the right location;
  - At the right time; and,
  - At the right cost.
- 2.2 At its meeting in March 2020, the Joint Board approved its first formal Workforce Plan. It is good practice to revise the Workforce Plan annually.

**3.0 Progress**

- 3.1 Actions continue to be effected from the Workforce Plan, including planned recruitments and provision of formal training.
- 3.2 Additionally, recruitment to fill a number of vacancies arising from in-year retirements and resignations were completed at various times throughout the year.
- 3.4 The Joint Board's Management Team has reviewed the external and internal factors affecting the Board's resource requirements and have drafted a 2024 update to the Workforce Plan which is attached (Appendix 1) for Members' consideration

**4.0 Next Steps**

- 4.1 If approved by the Joint Board, the 2024 Update to the Plan will be communicated to all employees and the actions contained within the Plan will be effected.

**4.2** The Plan will be reviewed regularly by the Joint Board's Management Team to ensure the appropriate level of progress is being made and that the required outcomes are being met. Actions will be adjusted if they are not having the desired impact or if circumstances change.

**4.3** Reports on progress will be provided to the Joint Board twice a year (at a minimum).

## **5.0 Recommendations**

**5.1** Members are asked to:-

(a) Note the progress in relation to implementing the Workforce Plan,

(b) Approve the latest 2024 Update to the Workforce Plan,

(c) Note that progress will be monitored and evaluated and further actions will be taken as circumstances require.

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Person to contact:

Russell Hewton (Assessor and ERO)

Tel: 0141 562 1260

E-mail: [russell.hewton@dab-vjb.gov.uk](mailto:russell.hewton@dab-vjb.gov.uk)

### **Appendices:**

Appendix 1: Workforce Planning – March 2024

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**

**WORKFORCE PLAN**

**Update – March 2024**

**1.0 Introduction**

The Valuation Joint Board approved its first formal Workforce Plan in March 2020, reflecting the critical point at which the Board was in terms of balancing new and planned statutory duties with the ongoing requirement to close an existing ‘core’ budget gap.

Workforce planning is a proactive approach which seeks to enable delivery of strategic objectives by identifying and implementing strategies to ensure the provision of:

- The right number of employees;
- With the right skill sets;
- In the right location;
- At the right time; and,
- At the right cost.

Effective workforce planning is informed by:

- Consideration of the Joint Board’s current and future objectives;
- Statutory obligations of the Assessor, Electoral Registration Officer, and of the Joint Board;
- The needs of its service users;
- The amount of funding available; and,
- The wider policy and legislative environment in which the organisation operates.

Workforce Planning is considered in parallel with Service and Financial Planning. A significant amount of the Board’s revenue budget is devoted to workforce costs. This plan is therefore important in informing the Board’s Long Term Financial Strategy.

This annual review will:-

- (a) Provide an update on changes and events which have impacted the plan in the last year,
- (b) Advise on the progress of actions contained in the plan,
- (c) Advise of issues and changes affecting future plans
- (d) Propose the actions required to meet the Joint Board’s ongoing workforce requirements.

For the Methodology adopted to Workforce Planning and for the Assessor & ERO’s principal service requirements, see the 2020 Workforce Plan and the current Service Plan.

An internal audit review carried out in 2023 identified that “*Where target delivery dates for action plans are not specific it is more challenging to measure overall progress on the*

*Workforce Plan actions. In addition, where completed actions from prior year are included, it may not be clear on the new actions identified for the current plan which require approval.*

*Also, where interim reporting is not in place the Board will not have the ability to monitor and review action plan progress to ensure any issues arising with progress are highlighted and discussed.*

An update report was presented to the Board in November 2023. The schedule of Board papers has been updated to include an annual interim update each year.

## **2.0 Workforce Planning – Context**

2023/24 has been the first year returning to the new normal following the COVID-19 pandemic. Having implemented the Board's new Agile Working policy on 1 February 2023, a large number of employees have taken the opportunity to work in a more agile fashion.

This new policy has allowed the Board to attract workers from further afield than may have been practical before. For the first time in many years, the Board had a period where every post in the establishment was filled.

The continued shortage of chartered rating surveyors continues to impact the organisation, with 8 out of 10 valuer posts currently occupied by a trainee. This has a huge training and development overhead on the organisation. Additionally, many trainees are still attending courses of study, with time away from the office needed to attend university courses. The shortage of qualified valuers to guide and mentor trainees continues to hamper development.

The latest item of NDR Reform in the form of an annual audit of self-catering properties has introduced another significant new annual burden from 01/04/2023. This has required a large amount of staffing resource to complete and will do so each year going forward.

Many COVID-related appeals submitted at various points remain outstanding, and continue to be a risk as the deadline for disposal of these looms. Although the government legislated to reduce the effect of these, the legislation passed to date does not 'rule out' such appeals entirely, as had been the stated intention. Over 2000 such appeals remain on the books and require to be dealt with by the end of 2024. These will be listed for hearing by the new Local Taxation Chamber (LTC) during this year. Much of the work involved in preparing cases for LTC requires to be completed by qualified valuers.

The Elections Act 2022 has brought about a number of changes in relation to reserved polls. Many of these new burdens are forecast to significantly increase the expected workload on the run up to the next UKPGE, which must take place before 25 January 2025.

### **3.0 Workforce Plan - Progress**

Notwithstanding the above, a number of the actions contained in the 2023 update to the Workforce Plan, including planned recruitments and provision of formal training, were completed. Further detail is provided at Appendix 1.

Various rounds of recruitment took place to fill vacancies arising from resignations and retirements. This included recruitment processes for the posts of:

2 x Divisional Valuers  
Divisional Assessor  
Technician  
Trainee Technician  
Trainee Valuer  
Clerical Assistant  
4 x temporary Clerical Assistants

The extent of recruitment and induction had a significant effect on the workloads of recruiting and line managers.

In addition to the above, temporary electoral registration canvassers are employed for a period during the autumn canvass, and a small number for the spring canvass.

### **4.0 Updates to the Workforce Plan**

Many of the issues which drove the requirements of the last update to the Workforce Plan and their impacts on the Joint Board, remain valid, including:-

- (a) The move to 3-yearly NDR Revaluations with one year between valuation date and the Revaluation with effect from 2023. Draft values are to be prepared for 30 November in the year before each Revaluation year. A project plan is already in place for the 2026 Revaluation, with work streams having started.
- (b) The commencement of a new 2-stage, proposal and appeals system in relation to NDR, and the transfer of functions of local Valuation Appeal Committees to the Scottish Courts and Tribunal Service. A significant amount of work has been carried out in transferring existing appeals and documentation to the new LTC. Additionally, a rewrite of systems and processes has been undertaken to comply with the new legislation in force from 01/04/2023.
- (c) The introduction of new criteria for defining properties as self-catering accommodation with effect from April 2022 which requires the reviews of over 2,000 valuation roll entries annually. This involves writing out to each property on an annual basis requesting evidence of lettings, and subsequently reviewing that evidence, and altering the Valuation Roll/Valuation List as necessary where a property no longer meets the criteria. Further changes to this legislation come in to force on 01/04/2024.
- (d) The continuing constraints on local government funding, exacerbated by a reduction in Barclay related funding which had been expected until March 2025. There has

been no further commitment beyond March 2025 from the Scottish Government to fund these ongoing new burdens.

It is to be noted that much of the recruitment planned to implement NDR Reform has already taken place, although posts in general have been filled with trainees instead of qualified persons. This creates an overhead on our qualified staff and managers who are involved in the training and development of our trainees.

During the last year, the need for a replacement Assessors case management and valuation system arose. In order to fund this, a restructure of the valuation teams took place. This involved creating three equal sized teams (from two previously). An additional Divisional Assessor post was created. In order to fund the new system and the additional Divisional Assessor, five other (vacant) posts were permanently deleted from the establishment. It is expected that a new system will create efficiencies, allowing services to be delivered by the much reduced workforce. The Board approved this approach in June 2023.

Delays in the procurement process of the new system enabled some of the set aside funds to employ 4 temporary clerical assistants. This allowed a project of records digitisation to begin.

The Elections Act 2022 delivered further changes effecting the Electoral Registration service.

- (a) The requirement to provide Voter Identification (ID) to vote at reserved elections. This will require the production and distribution of Voter Authority Certificates by the ERO where electors do not hold relevant approved documents.
- (b) Absent Voters on the UK Parliamentary Register will be required to reapply for an absent vote every three years, and will apply online for their absent vote.
- (c) The extension of the overseas voting franchise by removal of the existing 15 year limit on overseas electors' right to vote in UK Parliamentary elections.

The UK Government recognised the additional administrative burdens that these changes have brought. Additional funding for the years 2022/23 and 2023/24 has been received, with further expected funding in 2024/25. The funding for 2024/25 is to allow the ERO to have suitable resource in place to deal with the expected additional work on the run up to the UKPGE. The funding has allowed 4 temporary clerical assistants to be employed until 31/03/2025.

More detail of effects of the above, and the proposed actions to address these during 2024/25 are included in the analyses at Appendices 2A and 2B (below).

Two vacancies exist at present in the organisation. A technician vacancy which arose due to a retiral, is likely to be filled by a trainee technician in the short term. A vacant clerical assistant post (due to resignation) is being reviewed, with the possibility of utilising it to increase resilience and capacity in the organisations secretariat.

## **5.0 Future Workforce Requirements**

Future requirements are very dependent on any changes to legislation across the three service areas.

### **5.1 Non Domestic Rating**

No further changes are expected at present. The current requirements for staffing look to remain constant in future years.

Qualified staff are working at (or even over) capacity at present. This is not sustainable in the long run, however at present we have been unable to attract sufficient numbers of qualified staff required to deliver services. This will improve over time as trainees become qualified

### **5.2 Council Tax Valuation**

Assessors have been asked in the last year to provide indicative costs to the Scottish Government of carrying out a Council Tax Revaluation. This would be a significant additional work stream for the organisation. It is more than 30 years since the last domestic revaluation was carried out. If this was to be legislated for by the Scottish Government, around 9 new posts, at varying levels, would be required to deliver the Revaluation of over 143,000 properties. This will also require surveys to be undertaken of properties which have been altered.

### **5.3 Electoral Registration**

The UK Government have committed funding for 2024/25 to cover the additional burdens from the Elections Act 2022 on the run up to the UKPGE. A close watch will be kept throughout the year to gauge how much of the expected additional workload is due to the General Election, and how much is now business as usual. No commitment has been given by the UK Government to fund the additional resource after 31/03/2025.

The Scottish Government have consulted on planned changes to Electoral legislation in Scotland. As any new burdens arising from the planned bill become clear, this plan will be further updated.

The Assessor will need to stay alert to the demands of ongoing change and react accordingly. Where vacancies arise, consideration will be given to the most suitable use of the resources, funding and structure we have available.

## APPENDIX 1: WORKFORCE PLAN - PROGRESS

External Drivers	Agreed Actions	Responsibility	Target Date	Progress
<u>Budget pressure</u>	<p>Voluntary Early Retirement and Voluntary Severance scheme to remain open to staff.</p> <p>Utilise the opportunities offered by natural churn.</p> <p>Consider retention (rather than loss) of technical posts through Barclay Funding</p>	<p>Assessor &amp; ERO</p> <p>Assessor &amp; ERO</p> <p>Assessor &amp; ERO / Treasurer</p>	<p>Review 01/04/2024</p> <p>Review 01/04/2024</p> <p>Review as part of budget setting 01/01/2024</p>	<p>An underspend was delivered in 2022/23 and is projected for 2023/24 thereby relieving some of the pressure on reserves in the short term. Current forecasts are that reserves will be insufficient to plug the funding gap from 2025/26 onwards. The Long Term Financial Strategy notes the funding gap and the need for increased council requisitions.</p> <p>Unplanned churn has dropped significantly from previous years, limiting the ability for savings to be made during recruitment processes. Pressures on the existing workforce are such that delays to recruitment processes negatively impact team morale and performance.</p> <p>Heavy reliance on overtime to deliver the 2023 Revaluation highlights that we are running close to the line, and that cutting staffing numbers would have a negative impact on service delivery. Appetite for overtime is low, resulting in overtime not always being a viable option for service delivery.</p>
<u>NDR Reform</u>	<p>Continue to provide / accelerate formal training to Undergraduate Trainee Valuers and APC training to Graduate Trainee Valuers</p>	<p>Depute Assessor/ Divisional Assessors</p>	<p>Review 01/04/2024</p>	<p>Formal education has continued and several trainees made progress in that regard.</p> <p>4 trainees are now registered with the RICS to begin working towards chartered status.</p> <p>Regular training sessions are being delivered by the VWG to increase knowledge and confidence.</p>
<u>NDR Reform</u>	<p>Provide flexible and overtime working for peak times and project pinch points – disposal of Proposals likely to be the next need for this, followed by carrying out of 2026 Revaluation</p>	<p>Depute Assessor</p>	<p>Review 01/01/2025</p>	<p>Overtime was utilized on two occasions; in the lead up to publication of the Draft Revaluation Roll, and on the lead up to publication of the Final Revaluation Roll. Monies were vired from normal salaries budget which saw underspends due to vacancies. Appetite in general for overtime is low,</p>

External Drivers	Agreed Actions	Responsibility	Target Date	Progress
				so this cannot always be relied on to be a reliable fall back position.
<u>Civil Penalties Process</u>	Review ongoing resource requirements of CP process	Assessor	01/05/2024	<p>Further Agresso training delivered to increase number of trained users in January 2023.</p> <p>Following an initial bedding-in period where reminders were issued as a matter of course, this is now only done where time permits, meaning more instances of non-compliance will proceed to Civil Penalty stage sooner. This has proven to be resource intensive, however is yielding results in increasing the return rate of AINs. AIN issue and follow up will become a regular, ongoing tasks to spread this workload, rather than it being focused on certain points of the revaluation cycle.</p> <p>Consideration being given to use vacant clerical assistant post to provide assistance and resilience to Secretary who carries out this process at present.</p>
<u>Canvass Reform</u>	<p>Complete an analysis of the annual canvass and review procedures for future</p> <p>Staff and Canvasser training to be reviewed for any changes arising from above review.</p> <p>Consider clerical/admin staffing levels and/or specific posts for change or removal.</p>	<p>PAO</p> <p>PAO</p> <p>ERO/PAO/Treasurer</p>	<p>01/04/2024</p> <p>01/07/2024</p> <p>Review as part of budget setting 01/01/2024</p>	<p>Annual Canvass feedback has been collated and the report is being written.</p> <p>Canvasser training was reviewed/reviced in line with lessons learned from 2022 Canvass, and will be considered again on completion of the 2023 review.</p> <p>Considered at budget setting, and in light of additional funding from UK Government for large expected increase in workload, 4 temporary clerical assistants have been employed until 31/03/2025.</p>

Internal Drivers	Agreed Actions	Responsibility	Target Date	Progress
Depleted experience in the technical/valuation teams.	Continue to provide formal training to Undergraduate Trainee Valuers and APC training to Graduate Trainee Valuers	Depute Assessor	Review 01/04/2024	4 trainees are registered for RICS APC process.
At March 2024: 8 Trainee Valuers : 2 Valuers	Continue to provide qualified staff with CPD and other learning opportunities, including attendance at LTC Hearings, Upper Tribunal Hearings and Lands Valuation Appeal Court.	Depute Assessor	Review 01/04/2024	Various training courses provided. In house training being delivered every three weeks.
4 Trainee Technicians: 2 Technicians	Valuation Working Group compiling detailed suite of instructions, which will aid staff training and development	Depute Assessor	01/04/2024	Work ongoing on process instructions.

**APPENDIX 2A: 2023/24 - ENVIRONMENTAL ANALYSIS, WORKFORCE MODELLING AND ACTION PLANNING (EXTERNAL FACTORS)**

Main Drivers	Implications/Scenarios	Other factors including Demand and Supply	Conclusions and Actions	Responsibility	Target Date	Monitoring and Evaluation
<p>Budget pressure Static or reduced council contributions. Existing budget gap increasing in future years Inflationary and other pay rises Future exhaustion of existing 'reserves'</p>	<p>Unable to:- * fund existing staffing levels * provide current service levels and/or * deliver on future duties.</p>	<p>Efforts to achieve operational efficiencies and improve productivity will be ongoing continually</p> <p>New and better use of IT systems will be considered to assist with the above.</p> <p>Direct funding specifically for NDR/Barclay Reforms and, Elections Act</p> <p>Joint Board Working Group established to consider closing the funding gap</p>	<p>Voluntary Early Retirement and Voluntary Severance scheme to remain open to staff.</p> <p>Utilise the opportunities offered by natural churn.</p> <p>Consider retention (rather than loss) of technical posts through Barclay Funding</p>	<p>Assessor &amp; ERO</p>	<p>Review 01/04/2024</p>	<p>Budget reports will measure whether relevant savings are being made.</p> <p>KPI and other performance reports will measure any effect on service delivery</p>
<p><u>NDR Reform</u> 3-yearly Revaluation cycle with 1-yr 'Tone' date.</p> <p>New proposals and appeals process.</p> <p>Addition of some (parts of) public parks to the valuation roll increases maintenance.</p> <p>Provision of comparison information to ratepayers.</p> <p>Increased transparency.</p> <p>New Self-Catering subjects criteria.</p>	<p>Valuation cycle compressed – processes which are currently 'end-on-end' will need to be carried out simultaneously/in parallel.</p> <p>Capture of new subjects and valuation information will have a 'front-end'/start-up resource implication</p> <p>Increased maintenance activity</p> <p>Increased workload from new and sometimes unplanned legislation, which take time to</p>	<p>Direct funding specifically for NDR/Barclay Reforms, although this has been cut back for the next two financial years, and then stops completely.</p> <p>Market dearth of appropriately qualified surveyors</p> <p>Inflationary market for qualified surveyors</p> <p>Delaying effect on training, especially of Graduate Trainees, caused by the COVID pandemic and home working.</p>	<p>The appointments made in the last few years have reduced the need to further bolster the valuation teams – but see comments (appendix 2B) re replacement of posts which will become vacant during the year</p> <p>Continue to provide/accelerate formal training to Undergraduate Trainee Valuers and APC training the Graduate Trainee Valuers</p>	<p>Depute Assessor/ Divisional Assessors</p>	<p>Review 01/04/2024</p>	<p>NDR Reform/'Barclay' funding has been committed to the retention of technical staff.</p> <p>KPI and other performance reports will measure any effect on service delivery</p> <p>Management Team will monitor progress with respect to delivery of R2026 and, proposal disposal.</p>

Main Drivers	Implications/Scenarios	Other factors including Demand and Supply	Conclusions and Actions	Responsibility	Target Date	Monitoring and Evaluation
Changes to ratability of certain items of plant and machinery associated with renewable energy production, effective from 1/4/23.	implement procedures and train staff, and the ongoing resource of complying with the new legislation.					
<u>Elections Act</u> Various changes including:- * Voter Authority Certs * AV renewals at 3 yrs * Online absent votes (UK only) – divergence issues * Extension to overseas elector franchise	Increased numbers of applications/checks etc  Increased electorate requires more maintenance  Production of Voter Authority Certificates  Divergence of process with devolved registration duties	EMS changes required.  Some new grant funding made available from DLUHC for 2022/23, 2023/24, and 2024/25.  Recruitment to clerical posts have attracted far fewer applications in recent years than was the case in the past	Maintain an awareness of the emerging requirements and recruit/train as required.  Staff training to be reviewed for all new duties  Utilisation of DLUHC funding to Improve training facilities in both offices  Utilisation of DLUHC funding for 2024/25 to increase resource available for processing on the run up to UKPGE.	PAO  PAO  ERO  PAO	01/01/2024  01/11/2023  01/12/2023  01/03/2024	Training completed. Processes updated.  Management Team reports (See Reporting Framework) will monitor service delivery  Training facilities available and in regular use.  4 temporary clerical assistants employed.
<u>COVID</u> Working from home during the pandemic has increased the	Demand for home working  Display Screen Safety Assessments will be	ICT equipment  Potential requirement for office equipment	Phased renewal of laptops	Assessor	01/04/2024	Capital bids to be made for equipment each financial year. Capital bid with Board for approval

Main Drivers	Implications/Scenarios	Other factors including Demand and Supply	Conclusions and Actions	Responsibility	Target Date	Monitoring and Evaluation
demand for home/blended working	<p>required for each home worker</p> <p>Several tasks/functions require an office presence</p>	ICT systems need improvement to allow blended/remote working to be more efficient	<p>Implementation of suitable workstations</p> <p>Seek new core Assessors system</p>	<p>Assessor</p> <p>Assessor</p>	<p>01/04/2024</p> <p>01/04/2024</p>	<p>Requirements from DSSAs awaited.</p> <p>Budget approved for replacement Assessors System. Procurement underway.</p>

**APPENDIX 2B: 2023/24 - ENVIRONMENTAL ANALYSIS, WORKFORCE MODELLING AND ACTION PLANNING (INTERNAL FACTORS)**

Internal Factor	Implications/Scenarios	Other factors including Demand and Supply	Conclusions and Actions	Responsibility	Target Date	Monitoring and Evaluation
Depleted experience in the technical/valuation teams	<p>Loss of experience/knowledge</p> <p>Inability to fulfill statutory duties.</p> <p>Possible delays in progressing Revaluation</p> <p>Higher risk of appeal losses following Revaluation</p> <p>Possible reduction in performance in relation to service provision and KPIs</p>	<p>See above.</p> <p>Availability of formal, CPD and APC training opportunities.</p>	<p>Continue to provide formal training to Undergraduate Trainee Valuers and APC training the Graduate Trainee Valuers</p> <p>Continue to provide qualified staff with CPD and other learning opportunities, including attendance at VAC, Lands Tribunal and Lands Valuation Appeal Court.</p> <p>Aim to have trainees qualified and in post as Valuers</p>	<p>Depute Assessor/Divisional Assessor</p> <p>Depute Assessor/Divisional Assessor</p> <p>Depute Assessor/Divisional Assessor</p>	<p>Review 01/04/2024</p> <p>Review 01/04/2024</p> <p>First expected 01/11/2025</p>	<p>A variety of metrics are already in place to monitor service provision including Revaluation progress.</p> <p>A notable drop in KPIs has already been realised. Back logs of work discovered that have been left by former employees.</p>

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD****Report by Depute Assessor & Electoral Registration Officer****Valuation Joint Board – 22 March 2024**

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**Subject: Assessors Service Update****1.0 Purpose**

The purpose of the report is to advise Members of:-

- 1.1** General Background of Non-Domestic Rating and Council Tax;
- 1.2** Progress in relation to maintenance of the Non-Domestic Rating (NDR) valuation roll;
- 1.3** Progress in relation to disposal of 2017 NDR Revaluation and 'running roll' appeals;
- 1.4** Progress in relation to disposal of 2023 NDR proposals;
- 1.5** Progress in relation to the annual review of Self Catering subjects;
- 1.6** Progress in relation to the Assessor's Council Tax valuation function;
- 1.7** Progress in relation to disposal of Council Tax proposals and appeals;
- 1.8** Forthcoming priorities and next steps;

**2.0 General Background on Non-Domestic Rating**

- 2.1** The Assessor is required to carry out a general Revaluation of all Non-Domestic properties. Historically this was generally carried out every 5 years however, from 1 April 2023, Revaluations now take place every 3 years. The latest general Non-Domestic Revaluation took effect from 1st April 2023 with a valuation date of 1 April 2022. This was the first Revaluation since 2017.
- 2.2** Once a Revaluation Roll is made up, the Assessor is required to maintain the Roll for his area by amending it to reflect a number of circumstances including physical changes to properties. Any such change to the Valuation Roll may be challenged by relevant parties. From 1 April 2023 this process consists of two stages – an initial proposal stage to the Assessor with the option to appeal an Assessor's decision to the Local Taxation Chamber (LTC).
- 2.3** Complex appeals proceeded to the Lands Tribunal for Scotland rather than the local Valuation Appeal Committee and in these cases, no statutory disposal dates apply. A number of appeals from the 2005, 2010 and 2017 Valuation Rolls remain outstanding and have now transferred from the Lands Tribunal to the Upper Tribunal of the LTC.

**2.4** The Non-Domestic Rating system has been subject to significant reform in recent years. The Non-Domestic Rating (Scotland) Act was passed in March 2020 and subsequent Regulations since have specified a range of dates, from November 2020 to April 2023, on which various sections of the Act came into force. Grant funding of £236,000 was available, (comprising of carried forward funds of £55k and new funding of £181k), for the 2022/23 financial year to assist with the implementation of the reforms. Funding for 2023/24 & 2024/25 has been capped at £181k and £186k despite funding bids of £261k and £300k respectively being made to the Scottish Government. Funding for these ongoing new burdens after 2024/25 remain uncertain. We continue to seek to embed NDR reform into “business as usual” practices going forward.

**2.5** The existing powers and duties of the independent local Valuation Appeal Panels/Committees passed to the First Tier Tribunal (FTT) of the newly formed LTC of the Scottish Courts and Tribunals Service (SCTS) on 1 April 2023. The LTC will deal with both Non-Domestic and Council Tax appeals.

### **3.0 General Background on Council Tax**

**3.1** The Assessor is required to maintain the Council Tax Valuation List for his area by amending it to reflect new, altered and demolished properties. Additionally he must dispose of any proposals which are made against any entry in the Council Tax Valuation Lists and deal with any subsequent appeals scheduled for hearing at the LTC.

### **4.0 Current Position as at 29 February 2024**

#### **4.1 Maintenance of the Non-Domestic Rating Valuation Roll**

**4.1.1** The final 2023 Revaluation Roll was made up on 15 March 2023 and came in to force on 1 April 2023. New valuations for 15,180 properties were published online at the Assessors Portal.

**4.1.2** Since April, 712 alterations have been made to the Valuation Roll.

#### **4.2 Disposal of 2017 Revaluation and ‘running roll’ appeals**

**4.2.1** Of the 9199 appeals received between 1 April 2017 and 31 March 2023, 7768 have been disposed of leaving 1,431 outstanding.

**4.2.2** The vast majority of the outstanding appeals are material change of circumstance appeals lodged on the basis of the Covid outbreak. These require to be disposed of by the end of 2024.

**4.2.3** There remain some appeals which relate to electricity generators which are stayed pending the outcome of a Valuation Appeal Committee/Lands Valuation Appeal Court case.

**4.2.4** All outstanding Non-Domestic appeals transferred from local Valuation Appeal Panels/Committees passed to the FTT of the newly formed LTC Chamber of the SCTS on 1 April 2023. As part of the transfer process the SCTS have written to appellants to seek clarification on whether they still wish to pursue outstanding appeals. We will have a more definite position on outstanding appeals once the outcome of this process is known. All remaining appeals will be cited and throughout the remainder of 2024.

**4.2.5** To date, three NDR hearings have been scheduled. No substantive cases were heard at either of the first two hearings. The third hearing will take place on 24 April with 89 appeals cited. The notification of hearing arrangements under the SCTS are shorter and present challenges in forward planning of workloads. The SCTS have indicated that 2017 Revaluation hearings could be held at three weekly intervals. This will be a significant workload for the valuation teams throughout 2024 particularly as the 2023 Revaluation disposal programme runs concurrently.

### **4.3** Non-Domestic Revaluation 2023 proposals

**4.3.1** 1258 Non-Domestic Revaluation proposals were received in the permitted 5 month window to 31st August 2023. The Scottish Government extended the normal 4 month window through amended Regulations.

**4.3.2** A disposal strategy has been created which aligns with the national strategy of the Scottish Assessors' Association. The current target is to consider all proposals by early 2025. This may have to be reconsidered depending on the resource requirements of the 2017 appeal disposal programme.

### **4.4** Annual Review of Self Catering subjects

**4.4.1** The Council Tax (Dwellings and Part Residential Subjects) (Scotland) Amendment Regulations 2021 introduced significant changes to the requirements for Self-Catering classification in the Valuation Roll. The largest change impacting Assessors is the annual provision of evidence of 70 days letting in a financial year. Existing Self-Catering subjects in the Valuation Roll which no longer meet the criteria are deleted from the Roll and entered into the Council Tax Valuation List.

**4.4.2** The exercise to reconsider all existing Self-Catering Unit entries has required a write out to 2253 Self-Catering Unit operators advising them of the changes in legislation and new qualifying requirements, along with a request to provide evidence that they have met the requirement for the financial year. Over the course of the financial year to date, 226 SCUs have been deleted from the Valuation Roll and entered the Council Tax Valuation List. This number will increase before year end.

**4.4.3** The exercise undertaken this year brought about a response rate of around 80%. The Council Tax (Dwellings and Part Residential Subjects) (Scotland) Amendment Regulations 2024 comes into effect from 1 April 2024 and imposes a 56 day time limit for supporting evidence of lettings to be supplied to the Assessor. Failure for not providing evidence results in the property being deleted from the Valuation Roll, and added to the Council Tax Valuation List.

**4.4.4** The exercise relating to the 2022/23 exercise has required extensive staffing resources. We will shortly be commencing the same exercise to check eligibility for the current financial year. The new 56 day time limit should allow us to draw conclusions quicker for some subjects however the substantive part of the exercise still requires manual consideration of supporting evidence for over 2000 subjects. The SAA have developed an online form which is due to launch in April which is intended to cut down on some of the manual processing elements of this task. The work stream will continue to significantly impact on available resources each year as this is a new annual requirement.

**4.4.5** The retrospective nature of this task which involves verifying evidence of lettings for the previous financial year. This inevitably results in changes to the Valuation Roll or List being effected significantly beyond our traditional KPI targets.

**4.4.6** The scale of the exercise has diverted resources away from routine maintenance of the Valuation Roll and List. As we approach the financial year end staff are concentrating efforts on catching up with these workloads. It is anticipated there will be further indirect impact on KPI targets.

**4.4.7** Proposed changes to Council Tax charges for second homes for 2024/25 has resulted in a recent flurry of SCU applications which require to be considered.

#### **4.5** Maintenance of the Council Tax Valuation List

**4.5.1** Since April, 903 properties have been added to the Council Tax List and 427 have been deleted bringing the total number of dwellings in the Joint Board area to 148,450.

#### **4.6** Sold House Band Increases

**4.6.1** Following the restructure of the valuation teams a “root and branch” review was undertaken of the sold house banding re-appraisal process. The Assessor is required to review the band a property has been placed in, where a property has been subject to a material increase, and it is subsequently sold. A backlog of such reviews has been highlighted in East and West Dunbartonshire council areas which are receiving attention. Some of these checks will result in backdated band increases. Legislation dictates that the date of first sale following the alteration must be used in such circumstances. These checks have been prioritised as a result.

#### **4.7** Council Tax Proposals and Appeals

**4.7.1** There are 140 Council Tax Proposals and Appeals outstanding.

**4.7.2** Since April 2023 Council Tax appeals have been transferring from local Valuation Appeal Panels/Committees to the LTC. As part of the transfer process the LTC have written to appellants to seek clarification on whether they still wish to pursue outstanding appeals. We will have a more definite position on outstanding appeals once the outcome of this process is known.

**4.7.3** Appellants now have to lodge Council Tax appeals directly with the LTC, where they disagree with the Assessors decision notice issued in respect of their Proposal.

#### **4.8** Digitisation of Council Tax files

**4.8.1** We have commenced a project to scan our paper file records for Council Tax. The project commenced in November 2023. The digitisation of records offers a number of benefits in terms of space saving, improved accessibility for hybrid workers and reduced risk of loss or damage. Temporary clerical assistants have been employed in Clydebank and Campbeltown offices to undertake the project with support from existing staff. As at 1<sup>st</sup> March progress is noted as;

Council Area	Total Number scanned
Argyll & Bute	10,578
East Dunbartonshire	11,339
West Dunbartonshire	11,467
Total	33,384

#### **5.0** Forthcoming Priorities and Next Steps

**5.1** For the remainder of the calendar year, we will be focussing on Non-Domestic 2017 and 2023 proposal and appeal disposal programmes. Under the new legislation Proposal Determination Dates are required to be set for the 1258 proposals received. Scheduling will remain fairly typical to previous revaluation cycles with bulk category subjects such as shops, offices and industrials grouped together.

**5.2** We will shortly issue Annual Self Catering questionnaires to confirm the 2023/24 financial year position. Where Self Catering entries no longer meet the criteria they will be deleted from the Valuation Roll and added the Council Tax list as dwellings.

**5.3** A review of workload allocations will be carried out in April 2024 to ensure a fair and equitable split across valuation teams. This follows our recent restructure of the valuation teams from two teams to three.

**5.4** The Council Tax scanning project will continue where resources permit.

#### **6.0** Recommendations

**6.1** Members are asked to note:-

(a) Progress in relation to the general maintenance of the Valuation Roll and the disposal of both 2017 appeals and 2023 proposals.

(b) Progress in relation to the new SCU annual audit for the qualifying year 2022/23 and preparations for the forthcoming 2023/24 audit.

(c) Progress in relation to the general maintenance of the Council Tax List, including the disposal of Council Tax proposals and appeals,

- (d) The identification of a backlog of sold house reviews which may result in retrospective band increases and the work being undertaken to address the issue.
- (e) The commencement and progress of our Council Tax record digitisation project.
- (f) Progress being made in relation to forthcoming priorities and next steps.

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**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD****Report by the Electoral Registration Officer****Valuation Joint Board – 22 March 2024**

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**Subject: Electoral Registration Service update****1.0 Purpose**

To provide the members of the Joint Board with an update on the current position in relation to Electoral Registration.

**2.0 Background**

The report provided to the Joint Board at the last meeting on 3 November 2023 referred to the 2023 Canvass, changes arising from the Elections Act 2022, upcoming election and UK Parliamentary Boundary Reviews.

**3.0 Current Position - General****3.1 Electoral Registration Processes**

All registration applications, including postal and proxy voter applications, whether made on-line or paper format, continue to be processed in line with statutory timetables.

**4.0 Canvass 2023**

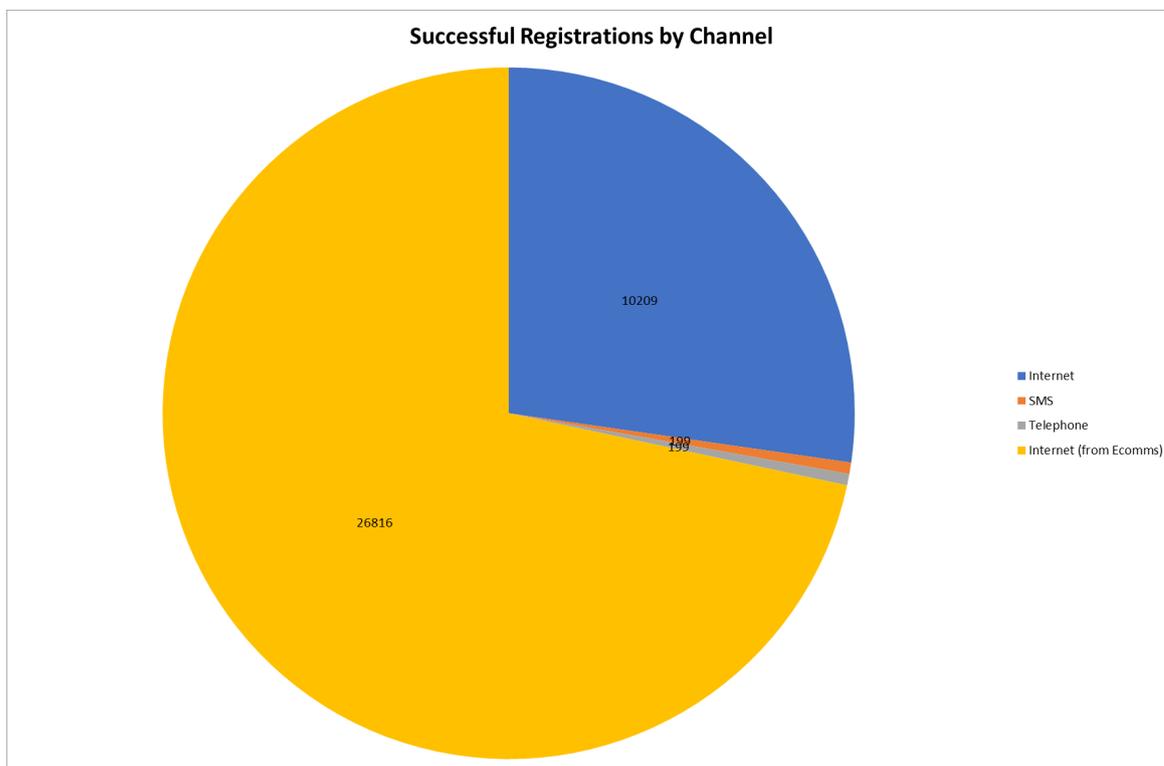
**4.1** The Electoral Registers were published on schedule on 1 December 2023.

**4.2** The previous Board report explained data matching results and relevant statistics were provided.

**4.3** Overall canvassers found the use of tablets beneficial. Feedback from canvasser questionnaires will be evaluated and included in the Annual Canvass report.

**4.4** The chart below shows the popularity of using the internet to make a response.

**4.5** The Internet figure shows those who received a paper canvass form and decided to respond online. The Internet (from Ecomms) figure show those Route 1 and Route 2 properties which made an online response, following receipt of an encouragement email from us.



**4.6** Internet (from Ecomms) returns in 2022 were 20426 so responses greatly increased (to 26816) in 2023.

**4.7** Comparison of Route 2 response rates from 2022 to 2023 below show a percentage increase across the board.

Local Authority	2022 % return	2023 % return	change
Argyll & Bute	55.5	59.5	+4%
East Dunbartonshire	50.9	57.3	+6.4%
West Dunbartonshire	35.6	41.1	+5.5%

## **5.0 Follow-Up of Invitations to Register (ITRs)**

**5.1** The canvass forms, which are issued during the autumn canvass, are used to identify potential new electors who are then sent an Invitation to Register (ITR). If an application is not made, as a result of that invitation, the ERO must issue up to two reminders, one of which must be a personal visit.

**5.2** Canvassers will visit properties between Monday 4 March and Monday 1 April 2024.

The number of properties to be visited:

Argyll & Bute	1647
East Dunbartonshire	1190
West Dunbartonshire	1633

## **6.0 Fresh Signature for Absent Voters**

**6.1** Due to Elections Act legislative changes, which came into effect on 31 October 2023, EROs are required to send a notice, in writing, to every elector who has a devolved absent vote and whose signature on the personal identifiers record is more than five years old:

- requiring them to provide a fresh signature if they wish to remain an absent voter, and
- informing them of the date on which they would cease to be entitled to vote by post or by proxy in the event of a failure or refusal to provide a fresh signature (i.e. six weeks from the date of sending the notice)

**6.2** We wrote to 2,034 absent voters on 12 January 2024. Reminders were issued to 617 electors on 8 February 2024.

**6.3** The absent votes for those who have not provided fresh details (321 electors) were cancelled on 23 February 2024.

**6.4** Any elector who is removed from the devolved absent voter list through this process will be advised by notice and, at the same time, invited to reapply for an absent vote should they wish to.

**7.0 Elections Act 2022**

**7.1** Applications for Voter Authority Certificates (VAC) remain low at this point although it is expected to increase on the announcement of a UK Parliamentary General Election which will be our first large scale electoral event which requires voters to produce identification at polling stations.

**7.2** The UK Government have committed to providing grant funding of £125,515 for the financial year 2024/25, to cover the anticipated increase in administrative and staff processing costs in the run up to the UKPGE due to the changes arising from the Elections Act 2022. Four temporary clerical assistants have been employed to ensure we have the capacity required.

**7.3** The new online digital service for electors to apply for a postal (and some proxy) votes for reserved elections became live in October 2023.

**7.4** Applications are currently low and manageable within normal workloads.

**7.5** Staff have received training from DLUHC and software provider Idox on processing of these applications.

**7.6** A risk action list and project plan is in place to identify and mitigate risks. Elector confusion is now a risk in that many may not realise they must now complete two absent vote applications, one of which could be online and the other must be paper. Messaging on communications sent out is under constant review to ensure the best possible guidance is given to electors.

**7.7** Overseas electors can now make registration applications, via the new UK Government digital service, no matter how many years they have been resident outside the UK. The 15 year time limit was removed with effect from 16 January 2024.

**7.8** As at date of writing this report the statistics for overseas applications are below:-

Applications received	123
Those accepted	95
Those rejected	8
Those on hold (require further information or evidence)	20

## **8.0 UK Parliamentary Boundary Review**

**8.1** A full UK review of constituency boundaries has taken place. This required local authorities to revise polling district boundaries, and the Registers of Electors were published on 1 December 2023 based on these changes. The new UK constituencies only come in to force at the next UKPGE.

**8.2** Following publication, East Dunbartonshire Council advised that they were reviewing one of their Constituencies.

**8.3** Glasgow North East still appeared as a constituency on its' own when it should have been combined with Mid Dunbartonshire.

**8.4** This resulted in East Dunbartonshire Registers being re-published on 1 March 2024.

## **9.0 UK Parliamentary General Election (UKPGE)**

**9.1** Planning is underway for a UK Parliamentary General election albeit no date is known as yet.

**9.2** The risk action list and project plan mentioned in 7.6 above includes risks relating to a UKPGE.

**9.3** Staff are currently updating instructions, providing refresher training, and will run a test election to ensure all new processes work as they should.

**9.4** Meetings are taking place with the Returning Officers of all three councils.

**9.5** A draft Data Sharing Agreement has been sent to councils for approval. The Electoral Commission suggested it is best practice that EROs have this in place so all data is transferred securely and in the same manner.

## **10.0 Recommendations**

**10.1** Members are asked to note the content of this report.

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