



Orkney and Shetland Valuation Joint Board



Item: 9

Orkney and Shetland Valuation Joint Board: 24 June 2025.

Best Value Performance Report.

Report by Assessor and Electoral Registration Officer.

1. Overview

- 1.1. As a result of the annual audit process for 2019/20, the Board's external auditors recommended that the robustness of performance reporting and reporting against Best Value should be improved by clearly setting out historical performance targets in addition to current performance, to enable monitoring of improvement. Reporting on Best Value should be clearly linked to the themes of Best Value set out in statutory guidance.
- 1.2. The annual performance related targets and outcomes, in relation to the statutory Valuation functions, for the reporting period 1 April 2024 - 31 March 2025, are detailed in Appendix 1, with supplementary information included in section 3 below.

2. Recommendations

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

3. Performance Targets and Outcomes

Council Tax Targets and Outcomes – Orkney and Shetland

- 3.1. Within the table below, the 2024/25 targets and outcomes are compared with the 2023/24 targets and outcomes and subsequently (in section 4.11) compared to the average targets set by the remaining 13 Assessors in Scotland to ascertain the Orkney and Shetland performance as a means to establishing value for money.

Valuation List (Council Tax List)	2023/24	2024/25
Total number of entries at 1 April	24,063	24,232
Number of new dwellings added in 2024/25 (Includes former Self Catering Units)	329	232
Number of new dwellings added in 2024/25 (Excludes former Self Catering Units)	200	167
% entered in List within 3 months of occupation (Target 85%)	68.82%	71.69%
% entered in List within 6 months of occupation (Target 95%)	75.67%	74.61%
% entered in List more than 6 months after occupation (Target less than 5%)	24.33%	25.39%
Total number of entries at 31st March	24,232	24,337

- 3.2. The above summary of performance outcomes for 2024/25 are compared to the outcomes for 2023/24 to gauge any deviations from set targets.
- 3.3. All performance and outcomes are analysed against the number of new dwellings (including Self Catering Units) added to the Valuation List for the financial year with the number of new dwellings coming into existence (excludes Self Catering Units) for information purposes.
- 3.4. The number of new dwellings added has fallen this year, which makes the performance disappointing, especially as we have had a consistent staffing team during the reporting period. However, the year-on-year change is minimal, and we are witnessing a continuation of the trend first seen last year where our performance was considerably hit by the retrospective additions to the List of failures from the Self-Catering audit.
- 3.5. While the performance is disappointing, the full statistics in Appendix 1 indicate that, when Self-Catering entries are removed, we are in fact exceeding our targets. This is a slight improvement on last year, and reflects a new, but very competent and efficient Technician team that is now in place following retirements in recent years.
- 3.6. By way of further explanation in terms of the impact of the Self-Catering audit on Council Tax statistics, in accordance with recent legislation, since 1 April 2022 these properties are subject to an annual audit to confirm they meet the criteria to be considered non-domestic. As this relates to the number of nights let during the financial year, the audit can only take place retrospectively, and therefore all failures are put back to the Valuation List in a timescale always exceeding 12 months.

- 3.7. Last year I predicted that the audit would cause less impact on our statistics as ratepayers became more familiar with the process, but that has not so far proved to be the case.
- 3.8. As a consequence of that sentiment, while a small target reduction was adopted for 2024/25, in retrospect, this was nowhere near realistic. For the current financial year, it seems more realistic to make a larger reduction of these targets while sizeable numbers of Self-Catering audit failures seem likely to continue. For 2025/26 the following targets are proposed:

	Target 2023/24	Target 2024/25	Target 2025/26
% Entered in List within 3 months of occupation	87%	85%	70%
% Entered in List within 6 months of occupation	96%	95%	75%
% Entered in List more than 6 months after occupation (less than)	4%	5%	25%

Council Tax Targets – Other Assessors

- 3.9. The average of the other 13 Assessor areas (excluding Orkney and Shetland) are given below as a comparison to the targets set for Orkney and Shetland VJB for 2024/25, as the proposed targets for 2025/26 are unavailable at the time of the report preparation.

	Other Assessors	Orkney and Shetland
% Entered in List within 3 months of occupation	78.77%	85%
% Entered in List within 6 months of occupation	87.19%	95%
% Entered in List more than 6 months after occupation (less than)	12.81%	5%

- 3.10. While the comparison is to be treated with some caution due to the one-year lag, it does show that the OSVJB targets exceed the average of all other Assessors' performance targets. From recent discussions with other Assessors, it is clear that the ones most affected by Self-Catering properties are also intending to significantly reduce their targets.

Valuation Roll Targets and Outcomes – Orkney and Shetland

Valuation Roll	2023/24	2024/25
Total number of entries at 1 April	5,034	4,992
Total Rateable Value at 1 April	£95,463,270	£95,276,630
Number of amendments made to Roll	384	410
% entered in Roll within 3 months of effective Date (Target 70%)	41.15%	29.76%
% entered in Roll within 6 months of effective date (Target 90%)	51.56%	47.56%
% entered in Roll more than 6 months after effective date (Target less than 10%)	48.44%	52.44%
Total number of entries at 31 March	4,992	5,031
Total Rateable Value 31 March	£95,276,630	£104,250,275

3.11. We have disappointingly fallen short on all targets, and most concerningly is the drop in performance for entries within 3 months. There are three reasons for this:

- the Self-Catering audit.
- Lack of resource
- The new revaluation cycle.

3.12. While the Self-Catering audit had a statistical impact on Council Tax figures, it has a more indirect impact on the non-domestic figures. This is because the audit is carried out by the non-domestic valuers, and thus they are taken away from routine non-domestic work. This is a particular problem for our small offices due to the lack of clerical staff – we have no option but to use non-domestic valuers for the task – whereas other Assessors have most of this work carried out by clerical staff.

3.13. In terms of staff resource, we lost a non-domestic valuer in each office over the course of 2024/25. In effect, this meant that over the entire year we were running at a staffing capacity of around 75%, and then time is taken up training incoming staff, so the overall impact is greater. This is the first time we have had this situation since the non-domestic workforce was increased in 2019. The positive news is that we were successful in recruiting talented new graduate valuers.

3.14. The final reason for the performance impact is the 3-yearly revaluation cycle. Much of 2024/25 was spent dealing with non-domestic revaluation proposals (formerly appeals). This work did not really feature in 2023/24, though in hindsight we should have done more in the previous year. The lack of progress in that year was a countrywide situation as we came to terms with the requirements of the new proposal system, and time was

spent doing the background work to actual disposals. It is unlikely that this situation will improve for the foreseeable future, as 2025/26 will be an intense period of activity dealing with the remaining 2023 revaluation proposals and delivering a draft revaluation for the end of November 2025, ahead of final revaluation on 1 April 2026.

3.15. A modest decrease in the entry within 3 months target had taken place last year, but that was not realistically enough. The issue was that we did not really have sufficient knowledge of working in the 3-yearly cycle to understand the full impact.

	Target 2023/24	Target 2024/25	Target 2025/26
% Entered in Roll within 3 months of effective date	75%	70%	45%
% Entered in Roll within 6 months of effective date	90%	90%	65%
% Entered in Roll more than 6 months after effective date	10%	10%	35%

3.16. As can be seen above, a more significant fall in the targets is proposed. While this is a considerable drop, these are emerging as more realistic and fair targets.

Valuation Roll Targets – Other Assessors

3.17. The average of the 13 other Assessor areas (excluding Orkney and Shetland) are given below as a comparison to the targets set for Orkney and Shetland VJB for 2024/25, as the proposed targets for 2025/26 are unavailable at the time of the report preparation.

	Other Assessors	Orkney and Shetland
% Entered in Roll within 3 months of effective date	60.42%	70%
% Entered in Roll within 6 months of effective date	78.3%	90%
% Entered in Roll more than 6 months after effective date	21.69%	10%

3.18. As with the Council Tax List statistics, the OSVJB targets are set higher than the average of all other Assessors, but again it should be treated with some caution due to the 1-year lag. Again though, it is understood that most, if not all other Assessors are considering dramatically reducing targets as a result of performance in the past financial year.

For Further Information please contact:

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Implications of Report

1. **Financial** – there are no financial implications arising directly from this report.
2. **Corporate Governance** – Not applicable.
3. **Human Resources** – Not applicable.
4. **Equalities** – An Equality Impact Assessment is not required for performance reporting.
5. **Island Communities Impact** – An Island Communities Impact Assessment is not required for performance reporting.
6. **Environmental and Climate Risk** – Not applicable.
7. **Risk** – there is a risk of staff demotivation if targets are not met, potentially leading to vacancies, so it is important that these are realistic.
8. **Procurement** – Not applicable.
9. **Health and Safety** – Not applicable.

List of Background Papers

None.

Appendix

Appendix 1 – Statistics April 2025

ORKNEY & SHETLAND VALUATION JOINT BOARD
Performance Information 2024/25

Valuation List (Council Tax List)

Total number of entries at 1st April 2024	24232
Number of new dwellings added in 2024/25 (Includes former Self Catering Units)	232
% entered in List within 3 months of occupation (Target 85%)	71.69%
% entered in List within 6 months of occupation (Target 95%)	74.61%
% entered in List more than 6 months after occupation (Target less than 5%)	25.39%

Number of new dwellings added in 2024/25 (Excludes former Self Catering Units)	167
% entered in List within 3 months of occupation (Target 85%)	94.56%
% entered in List within 6 months of occupation (Target 95%)	98.32%
% entered in List more than 6 months after occupation (Target less than 5%)	1.68%
Total number of entries at 31st March 2025	24337

Valuation Roll

Total number of entries at 1st April 2024	4992
Total Rateable Value at 1st April 2024	£95,276,630
Number of amendments made to Roll in 2024/25 (Includes Self Catering Units)	410
% entered in Roll within 3 months of effective Date (Target 70%)	29.76%
% entered in Roll within 6 months of effective date (Target 90 %)	47.56%
% entered in Roll more than 6 months after effective date (Target less than 10%)	52.44%

Number of amendments made to Roll in 2024/25 (Excludes Self Catering Units)	240
% entered in Roll within 3 months of effective Date (Target 70%)	41.25%
% entered in Roll within 6 months of effective date (Target 90 %)	61.25%
% entered in Roll more than 6 months after effective date (Target less than 10%)	38.75%

Total Reduction on appeal 2023 to 2026	1.20%
Total number of entries at 31st March 2025	5031
Total Rateable Value 31st March 2025	£104,250,275

Register of Electors

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

		<u>ORKNEY</u>	<u>SHETLAND</u>
Total electorate at 1st December 2024	Full Register	17818	17738
	Open Register	8131	9001

STAFFING

Total budgeted cost of all staff in providing the Valuation and Electoral Registration services in 2024/25.	£835,000
Number of full time equivalent staff posts.	13

VALUATION ROLL STATISTICS AS AT 1st APRIL 2025

Category	ORKNEY		SHETLAND	
	Number	Rateable Value	Number	Rateable Value
Shop	270	£3,212,995	244	£2,866,415
Public House	10	£113,150	9	£217,000
Offices inc. Banks	217	£2,305,040	189	£2,911,975
Hotel Etc.	54	£1,039,325	33	£1,524,305
Industrial Subjects	588	£5,602,210	495	£17,910,210
Leisure Entertainment	545	£2,631,035	356	£3,002,920
Garages & Petrol Stations	25	£225,925	67	£517,620
Cultural	34	£261,925	20	£596,850
Sporting Subjects	384	£227,585	303	£226,025
Education & Training	31	£3,224,530	48	£3,236,975
Public Service Subjects	202	£3,815,805	291	£6,481,015
Communications	18	£434,410	20	£781,950
Quarries Mines Etc.	28	£105,875	16	£214,325
Petrochemical	3	£6,240,200	8	£28,395,750
Religious	98	£418,520	145	£277,425
Health, Medical	35	£1,904,850	31	£923,325
Other	83	£524,500	76	£329,435
Care Facilities	29	£702,025	26	£846,850
Advertising	0	£0	0	£0
Undertakings	0	£0	0	£0
Total	2654	£32,989,905	2377	£71,260,370

COUNCIL TAX STATISTICS AS AT 1st APRIL 2025

(Including garages and stores)

BAND	ORKNEY		SHETLAND	
	NUMBER	PERCENTAGE	NUMBER	PERCENTAGE
A	2523	20.98%	3602	29.26%
B	2951	24.54%	1886	15.32%
C	2532	21.06%	2926	23.77%
D	1972	16.40%	1944	15.79%
E	1618	13.46%	1550	12.59%
F	396	3.29%	327	2.66%
G	27	0.22%	75	0.61%
H	6	0.05%	2	0.02%
Totals	12025	100%	12312	100%