

Item: 12

Orkney and Shetland Valuation Joint Board: 20 June 2024.

Best Value Performance Report.

Report by Assessor and Electoral Registration Officer.

1. Purpose of Report

To report to the Board the annual performance related targets and outcomes, in relation to the statutory Valuation functions, for the reporting period 1 April 2023 to 31 March 2024 as detailed in Appendix 1.

2. Recommendations

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

3. Background

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

4. Introduction

4.1.

The Orkney and Shetland Valuation Joint Board's performance related targets and outcomes for 2023/24 are shown in Appendix 1.

4.2.

Within section 5 below, the 2023/24 targets and outcomes are compared with the 2022/23 targets and outcomes and additionally compared to the average targets set by the remaining 13 Assessors in Scotland to ascertain the Orkney and Shetland performance as a means to establishing value for money.

5. Performance Targets and Outcomes

5.1. Council Tax Targets and Outcomes – Orkney and Shetland

| | 2022/23 | 2023/24 |
|---|---------|---------------|
| Total number of entries at 1st April | 23,854 | 24,063 |
| Number of new dwellings added in 2023/24 (Includes former Self Catering Units) | 196 | 329 |
| Number of new dwellings added in 2023/24 (Excludes former Self Catering Units) | 130 | 200 |
| % entered in List within 3 months of occupation (Target 87%) | 95.98% | 68.82% |
| % entered in List within 6 months of occupation (Target 96%) | 99.08% | 75.67% |
| % entered in List more than 6 months after occupation (Target less than 4%) | 0.92% | 24.33% |
| Total number of entries at 31st March | 24,063 | 24,232 |

5.1.1.

The above summary of performance outcomes for 2023/24 are compared to the outcomes for 2022/23 to gauge any deviations from set targets.

5.1.2.

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

5.1.3.

There has been a significant increase (54%) in the number of new dwellings added to the Valuation List in the year 2023/24, thereby increasing workload. It should be noted in this context that for at least 5 months of the year, in Orkney we were carrying a vacancy of 0.5 FTE.

Unfortunately, none of the targets have been met, with performance considerably poorer compared to 2022/23. However, this is worthy of further examination, and if you turn to the fuller figures within Appendix 1, you will see that if self-catering entries are stripped out, performance is on target.

The change to legislation which allows self-catering units to be entered/remain on the Valuation Roll has affected the performance targets in two different ways – firstly, the process is actioned retrospectively, where any unit which does not meet the legislative requirements and has to be transferred back to the Valuation List, will always be actioned well beyond 6 months of the entry date; and secondly, in this first year of the legislation change, it has increased our workload considerably, though more so on the Non-Domestic side.

It should however be noted that the situation will have less of an impact in 2024/25, as there will likely be far fewer self-catering properties switching between the tax bases going forward, as the majority of non-genuine subjects will have been removed during the 2022/23 audit.

The historic 3 month target for adding new dwellings to the Valuation List has remained at a target of 87% for a number of years, despite being exceeded annually (prior to this year). While a fall in performance was anticipated for 2023/24, with the self-catering legislation creating a new workstream, there was no real benchmark to indicate what the expected performance target might look like, and so the targets were kept at that same historic level as for the last financial year. Going forward however it seems reasonable to marginally reduce that targets for 2024/25 as follows:

| | Target 23/24 | Target 24/25 |
|---|--------------|--------------|
| % Entered in List within 3 months of occupation | 87% | 85% |
| % Entered in List within 6 months of occupation | 96% | 95% |
| % Entered in List more than 6 months after occupation (less than) | 4% | 5% |

As can be seen, the drop is not significant, but does acknowledge the change to our workstreams, while hopefully remaining an aspirational target for staff to work towards.

5.2. Council Tax Targets – Other Assessors

5.2.1.

The average of all of the 13 Assessor areas (excluding Orkney and Shetland) are given below as a comparison to the targets set for Orkney and Shetland VJB for the 2023/24 financial year, as the proposed targets for 2024/25 are unavailable at the time of the report preparation.

| | Other Assessors | Orkney and Shetland |
|---|-----------------|---------------------|
| % Entered in List within 3 months of occupation | 84.31% | 87% |
| % Entered in List within 6 months of occupation | 93.46% | 96% |
| % Entered in List more than 6 months after occupation (less than) | 6.54% | 4% |

5.2.2.

Although they will drop marginally for this year, the OSVJB targets exceed the average of all other Assessors' performance targets. Orkney and Shetland are therefore not out of line with Scottish Assessors Association performance indicators.

5.2.3.

The 2023/24 performance outcomes show Orkney and Shetland has fallen below the targets set in all areas, though it is worth noting again the points in section 5.1.3 above, outlining the reasons for this.

5.3. Valuation Roll Targets and Outcomes – Orkney and Shetland

| | 2022/23 | 2023/24 |
|---|-------------|--------------------|
| Total number of entries at 1st April | 5,040 | 5,034 |
| Total Rateable Value at 1st April | £85,605,100 | £95,463,270 |
| Number of amendments made to Roll | 225 | 384 |
| % entered in Roll within 3 months of effective Date (Target 75%) | 70.49% | 41.15% |
| % entered in Roll within 6 months of effective date (Target 90%) | 86.75% | 51.56% |
| % entered in Roll more than 6 months after effective date (Target less than 10%) | 13.25% | 48.44% |
| Total number of entries at 31st March | 5,034 | 4,992 |
| Total Rateable Value 31st March | £84,668,575 | £95,276,630 |

5.3.1.

Disappointingly, we have fallen well short of all Valuation Roll targets for 2023/24, with performance also falling well below 2022/23 levels. There are two main reasons for this – firstly, the self-catering audit; and secondly, the 2023 Revaluation – with further explanation below.

5.3.2.

With low numbers of valuation staff, the allocation of resources had to be directed and allocated in accordance to the valuation cycle of workloads during 2023/24. Due to staff allocation towards the completion of the 2023 Revaluation, business as usual workloads which fell within the 2022/23 financial year were delayed until 2023/24.

Valuation staff resources were under pressure due to undertaking the task of the initial self-catering audit, reflecting the change in legislation – larger Assessors offices have the ability to utilise existing clerical staff for much of this task, but in the Orkney and Shetland VJB we do not have this fallback resource, therefore the task has to entirely be undertaken by our Non-Domestic Valuation staff. In that regard, staff are currently embarking on the self catering annual audit once again, which should be less time consuming this year, but we have a considerable workload of 2023 Revaluation Proposals to be dealt with over this year, before once again embarking on another Non-Domestic Revaluation in 2025/26.

It is very difficult to anticipate performance for this year with new and changing workloads, but it is becoming clear, that while the changes in legislation for Non-Domestic Rating has reduced the total number of Revaluation proposals (formerly appeals) being submitted, the work in dealing with those we have received has increased markedly.

We also currently have a Valuer staff vacancy in our Kirkwall office, and again focussing on our low staff numbers, this means that a significant additional burden is placed on other valuation staff, especially in Orkney.

As with Council Tax, the 3 month target for adding new dwellings to the Valuation List has remained static for a number of years. Also, similar to Council Tax, while a fall in performance was anticipated for 23/24, because there was no real benchmark to indicate what the final KPI might look like, the targets were kept at that same historic level for last financial year. Going forward however it seems reasonable to marginally reduce that for 24/25 as follows:-

| | Target 23/24 | Target 24/25 |
|---|--------------|--------------|
| % Entered in Roll within 3 months of effective date | 75% | 70% |
| % Entered in Roll within 6 months of effective date | 90% | 90% |
| % Entered in Roll more than 6 months after effective date | 10% | 10% |

There is only a proposed drop in target percentage for entries within 3 months of effective date. While it is a more significant decrease compared to Council Tax, that is reflective of the more profound structural changes to workstreams, i.e. 3 yearly revaluations, 1 year tone date and significant increase in proposal workload.

5.4. Valuation Roll Targets – Other Assessors

5.4.1.

The average of all of the 13 Assessor areas (excluding Orkney and Shetland) are given below as a comparison to the targets set for Orkney and Shetland VJB for the 2023/24 financial year, as the proposed targets for 2024/25 are unavailable at the time of the report preparation.

| | Other Assessors | Orkney and Shetland |
|---|-----------------|---------------------|
| % Entered in Roll within 3 months of effective date | 66.5% | 75% |
| % Entered in Roll within 6 months of effective date | 84.31% | 90% |
| % Entered in Roll more than 6 months after effective date | 15.69% | 10% |

5.4.2.

The OSVJB targets are set higher than the average of all other Assessors performance targets, even allowing for the reduction proposed for 2024/25.

5.4.3.

The 2023/24 performance outcomes show Orkney and Shetland has fallen short of the targets set in the above three areas, with explanation for this given in 5.3.2.

6. Corporate and Service Plans

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

7. Value for Money

7.1.

The Orkney and Shetland Valuation Joint Board undertakes the three statutory functions, i.e. the preparation, publication and maintenance of the Electoral Register, Valuation Roll and Council Tax List (Valuation List), on behalf of the two Local Valuation Authorities. As the duties are statutory, and not optional, there is limited scope to reduce costs without impacting on the level of service provision to all stakeholders.

7.2.

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

8. Financial Implications

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

9. Governance Aspects

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

10. Contact Officer

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11. Appendix

Appendix 1: Statistics April 2024.

ORKNEY & SHETLAND VALUATION JOINT BOARD
Performance Information 2023/24

Valuation List (Council Tax List)

| | |
|--|--------|
| Total number of entries at 1st April 2023 | 24063 |
| Number of new dwellings added in 2023/24 (Includes former Self Catering Units) | 329 |
| % entered in List within 3 months of occupation (Target 87%) | 68.82% |
| % entered in List within 6 months of occupation (Target 96%) | 75.67% |
| % entered in List more than 6 months after occupation (Target less than 4%) | 24.33% |

| | |
|--|--------|
| Number of new dwellings added in 2023/24 (Excludes former Self Catering Units) | 200 |
| % entered in List within 3 months of occupation (Target 87%) | 94.31% |
| % entered in List within 6 months of occupation (Target 96%) | 96.64% |
| % entered in List more than 6 months after occupation (Target less than 4%) | 3.36% |
| Total number of entries at 31st March 2024 | 24232 |

Valuation Roll

| | |
|--|-------------|
| Total number of entries at 1st April 2023 | 5034 |
| Total Rateable Value at 1st April 2023 | £95,463,270 |
| Number of amendments made to Roll in 2023/24 (Includes Self Catering Units) | 384 |
| % entered in Roll within 3 months of effective Date (Target 75%) | 41.15% |
| % entered in Roll within 6 months of effective date (Target 90 %) | 51.56% |
| % entered in Roll more than 6 months after effective date (Target less than 10%) | 48.44% |

| | |
|--|--------|
| Number of amendments made to Roll in 2023/24 (Excludes Self Catering Units) | 255 |
| % entered in Roll within 3 months of effective Date (Target 75%) | 47.06% |
| % entered in Roll within 6 months of effective date (Target 90 %) | 54.90% |
| % entered in Roll more than 6 months after effective date (Target less than 10%) | 45.10% |

| | |
|--|-------------|
| Total Reduction on appeal 2023 to 2026 | 0.30% |
| Total number of entries at 31st March 2024 | 4992 |
| Total Rateable Value 31st March 2024 | £95,276,630 |

Register of Electors

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

| | | <u>ORKNEY</u> | <u>SHETLAND</u> |
|---------------------------------------|---------------|---------------|-----------------|
| Total electorate at 1st December 2023 | Full Register | 17584 | 17731 |
| | Open Register | 8376 | 9151 |

STAFFING

| | |
|---|----------|
| Total budgeted cost of all staff in providing the Valuation and Electoral Registration services in 2023/24. | £852,600 |
| Number of full time equivalent staff posts. | 13 |

VALUATION ROLL STATISTICS AS AT 1st APRIL 2024

| Category | ORKNEY | | SHETLAND | |
|---------------------------|-------------|--------------------|-------------|--------------------|
| | Number | Rateable Value | Number | Rateable Value |
| Shop | 269 | £3,286,410 | 243 | £2,876,565 |
| Public House | 10 | £113,150 | 11 | £291,000 |
| Offices inc. Banks | 198 | £2,264,170 | 191 | £2,854,775 |
| Hotel Etc. | 53 | £1,078,675 | 33 | £870,855 |
| Industrial Subjects | 538 | £5,214,580 | 491 | £8,905,235 |
| Leisure Entertainment | 537 | £2,646,185 | 333 | £2,930,650 |
| Garages & Petrol Stations | 73 | £465,130 | 78 | £555,160 |
| Cultural | 31 | £236,775 | 16 | £586,200 |
| Sporting Subjects | 384 | £227,585 | 303 | £226,195 |
| Education & Training | 30 | £3,150,530 | 47 | £3,368,575 |
| Public Service Subjects | 202 | £3,935,145 | 293 | £6,512,065 |
| Communications | 18 | £434,410 | 20 | £781,950 |
| Quarries Mines Etc. | 28 | £105,875 | 16 | £214,325 |
| Petrochemical | 2 | £6,228,500 | 3 | £28,198,900 |
| Religious | 91 | £377,970 | 139 | £290,735 |
| Health, Medical | 36 | £1,905,650 | 31 | £917,825 |
| Other | 89 | £637,575 | 99 | £1,030,730 |
| Care Facilities | 29 | £702,025 | 27 | £854,550 |
| Advertising | 0 | £0 | 0 | £0 |
| Undertakings | 0 | £0 | 0 | £0 |
| Total | 2618 | £33,010,340 | 2374 | £62,266,290 |
| Of which have zero value | 32 | | 24 | |

COUNCIL TAX STATISTICS AS AT 1st APRIL 2024

(Including garages and stores)

| BAND | ORKNEY | | | SHETLAND | |
|---------------|--------------|-------------|--------------|-------------|--|
| | NUMBER | PERCENTAGE | NUMBER | PERCENTAGE | |
| A | 2519 | 21.10% | 3625 | 29.48% | |
| B | 2953 | 24.74% | 1891 | 15.38% | |
| C | 2507 | 21.00% | 2920 | 23.74% | |
| D | 1941 | 16.26% | 1925 | 15.65% | |
| E | 1599 | 13.39% | 1542 | 12.54% | |
| F | 387 | 3.24% | 321 | 2.61% | |
| G | 26 | 0.22% | 72 | 0.59% | |
| H | 6 | 0.05% | 2 | 0.02% | |
| Totals | 11938 | 100% | 12298 | 100% | |