

AYRSHIRE VALUATION JOINT BOARD

Minutes of the meeting held on Tuesday 4 June 2019 at 10.30 a.m. within
Council Chamber, North Ayrshire Council, Irvine

Item 1 - Sederunt

Present:

East Ayrshire: Councillors: Gordon Jenkins, Maureen McKay, and Jim McMahon.

North Ayrshire: Councillors: John Easdale, Donald Reid, Jean McClung, and Donald Lees Reid.

South Ayrshire: Councillors: Siobhian Brown (Chair), and Martin Dowey.

In Attendance: Helen McPhee, Assessor and Electoral Registration Officer (ERO); John McConville, Head of Valuation Services and Assistant ERO; Harry McCormick, Principal Admin and IT Development Officer; Tim Baulk, Head of Finance and ICT (SAC); Tom Simpson, Service Lead - Corporate Accounting (SAC); Karen Briggs, Service Lead – Legal and Licensing (SAC) (Clerk); Steven Hill, Senior Accountant (EAC); Laura Miller, Chief Internal Auditor (SAC); and Alison Nelson, Co-ordinator – Democratic Support(SAC).

Apologies: Councillors John McFadzean and Elena Whitham (East Ayrshire Council); Councillors Margaret George and John Glover (North Ayrshire Council) and Councillors Andy Campbell, Iain Campbell and William Grant (South Ayrshire Council).

Item 1 – Sederunt

As detailed above.

Item 2- Declarations of Interest

There were no declarations of interest by Members in terms of the Councillors' Code of Conduct.

Item 3 – Minutes of the Previous Meeting

The Minutes of the meeting of the AVJB held on 5 March 2019 were submitted.

Decided: to approve the Minutes of the meeting held on 5 March 2019.

Proposed by: Councillor Donald Reid
Seconded by: Councillor Gordon Jenkins

Item 4 – Matters Arising

The Board noted that there were no matters arising from the previous minutes.

Item 5 – Internal Audit Annual Report 2018/19 and Internal Audit Plan

There was submitted a report (circulated) dated 21 May 2019 by the Chief Internal Auditor to Ayrshire Valuation Joint Board (AVJB) presenting the AVJB's annual report on the Internal Audit activity during 2018/19 (including an independent opinion of the adequacy and effectiveness of the governance, risk management and internal controls systems for the year ended 31 March 2019) and seeking approval of the 2019/20 Internal Audit Plan.

The Chief Internal Auditor outlined the recommendations within the report 2018/19 and Internal Audit Plan. The Plan was compiled with the objective of giving an evidence-based opinion for the AVJB at the end of the financial year. The plan was prepared in consultation with the Assessor and ERO and Senior Management Team.

The plan for 2019/20 – 2021/22 was intended to provide reassurance to the AVJB over how other areas of risk will be considered in future years. This however was subject to ongoing review and change.

The Public Section Internal Audit Standards (PSIAS) requires that the Chief Internal Auditor continually reviewed and adjusted the plan in accordance with changes to the organisation's business, risks, operations, programs, systems and controls. Any material variations to the proposed 2019/20 audit plan would be brought back to the Board for approval.

Members raised the issue of 'unplanned elections' and enquired as to whether this should be included in the plan. The Chief Internal Auditor intimated that she would take a note of this and advised that the AVJB should be in a good position to deal with such events.

Decided:

- (1) to note the annual report and statement on internal contracts for 2018/19;
- (2) to approve the proposed AVJB Internal Audit Plan for 2019/20; and
- (3) to consider the proposed rolling three year strategic programme of AVJB Internal Audit work for 2019/20 – 2021/22.

Proposed: Councillor Donald L Reid
Seconded: Councillor John Easdale

Item 6 – 2018/19 Annual Accounts (Unaudited)

There was submitted a report (circulated) dated 29 May 2019 by the Treasurer to the Board presenting the unaudited Annual Accounts for the year ended 31 March 2019 ('the unaudited accounts').

The Service Lead – Corporate Accounting reported that the unaudited Accounts recorded a General Fund surplus for the year of £11,974 compared with a budgeted deficit of £146,005 which was the planned contribution from reserves for the year.

Accumulated General Fund reserves of £475,833 were held by the Board at 1 March 2019. Proposals for the application of accumulated General Fund reserves to contribute to the 2019/20 budget were approved by the Board at its meeting of 5 March 2019. Following the conclusion of the audit process, the overall reserves position would be reassessed.

Following a question from a Member, seeking clarity on the difference between Usable and Unusable Reserves, the Service Lead – Corporate Accounting explained in further detail and referred the Member to pages 35 and 36 of his report.

A further question was raised regarding the pension fund and its ability to pay at existing rates. The Service Lead – Corporate Accounting advised that this was a specialised area of finance however he was not aware of the Pension Actuary raising any concerns.

Decided:

- (1) to consider the unaudited Annual Accounts (Appendix 1) prior to their submission to the Board's external auditors, noting that all figures remain subject to audit; and
- (2) to request the Treasurer report back to the Board following completion of the audit.

Item 7 – Property Update Report

There was submitted a report (circulated) dated 2 April 2019 by the Assessor and ERO updating the Board on the proposed refurbishment of 9 Wellington Square, Ayr.

The Assessor and ERO updated the Board and advised that an estimate of the proposed refurbishment work would be in the region of £250,000. Should the refurbishment work be funded from reserves it would leave a balance of approximately £50,000, this is inclusive of the proposed draw from reserves for 2019/20 revenue budget. The Assessor and ERO suggested that, with the assistance of colleagues in Procurement Services, the tender process could commence to establish the exact costs of the refurbishment work with a further paper being presented to the Board.

A full discussion then took place in relation to: - the possible reduction in the reserve fund; the potential cost of the refurbishment work and the overall financial position of the AVJB in the future. The Head of Finance and ICT advised that a further report to the Board would address these issues so that Members were fully aware of the Board's financial position going forward.

Decided:

- (1) to note the contents of the report and to agree that the Assessor should engage with procurement to establish costs and report back to the Board; and
- (2) to note that, should a special meeting be required prior to the September Board meeting, this could be arranged by the Clerk to the Board.

Item 8 – Annual Report 2018 - 2019

There was submitted a report (circulated) dated 22 May 2019 by the Assessor and ERO reflecting on 2018/19 and highlighting challenges affecting the future direction of the Board.

The Assessor & ERO drew Members' attention to 3.4 of the report which detailed the reasons for the proposed adjustments to targets.

Decided:

- (1) to note the content of the report;
- (2) to note the potential impact of the Barclay Review;
- (3) to recognise that any alteration of the funding regime from the Cabinet Office would have a profound effect on AVJB financially, although this would be offset by the review of canvass procedures; and
- (4) to agree the suggested targets for 2019/20.

Item 9 – Valuation and Performance Report

There was submitted a report (circulated) dated 20 May 2019 by the Head of Valuation Services and Assistant ERO advising Members on progress achieved in Valuation and Council Tax for financial year 2018/19 providing an update to the ongoing reporting performance during the first month of the new financial year 2019/20.

The Head of Valuation Services and Assistant ERO advised that Appendix 1 of the report provided a breakdown of Non-Domestic Subjects; Council Tax; VAC Hearing Dates; Performance in Council Tax; Non-Domestic Valuation and Domestic Alterations with Sales from 1 April 2018 to 31 March 2019.

Appendix 1 also detailed performance in Council Tax; Non Domestic Valuation and Domestic Alterations with Sales for the period 1 April 2019 to 30 April 2019.

Questions were raised and responded to by the Head of Valuation Services and Assistant ERO in relation to the Domestic Alterations with Sales and subsequent band increases.

Decided: to note the content of the report.

Item 10 – Public Performance Report 2018/19

There was submitted a report (circulated) dated 23 May 2019 by the Head of Valuation Services and Assistant ERO seeking Members approval of the Ayrshire Valuation Joint Board Public Performance Report 2018/19.

A Member suggested that the graphic on the Valuation Roll for Non-Domestic Subjects page be replaced.

A further Member noted disappointment that the number of 16-18 year olds registered had decreased from the previous year.

Decided: to approve the Ayrshire Valuation Joint Board Public Performance Report 2018/19.

Item 11 – Delivering Good Governance – 2018/19 Assessment

There was submitted a report (circulated) dated 21 May 2019 by the Assessor and ERO reporting on the completion of the Ayrshire Valuation Joint Board's Annual Local Code of Delivering Good Governance for 2018/19 and, to invite Members of the Board to review the 2018/19 year end assessment against the Board's Governance and Performance Framework and its Corporate Plan.

Appendix 1 of the report sets out the assessment questions against each of the five core objectives as stated in the Corporate Plan. In terms of the new Electoral Management System (CORE System) the Assessor and ERO advised that, due to legal reasons, she could not take the proposed implementation forward. She further advised that she would be meeting with representatives from Renfrewshire VJB and Dumfries and Galloway Council to start the process of preparing a tender specification for a new bespoke system that would serve the Board for future years.

A member raised concern about the comment made under the heading Nos 5 – Supported and Motivated Colleagues – there is a risk that without succession planning, the Board could lose essential skills and knowledge. The Assessor and ERO acknowledged that this was a concern however processes were in place to motivate and retain staff i.e. formal qualifications and the recruitment of Trainee Valuers and clerical staff.

Decided: to review and agree the 2018/19 report.

Item 12 – Electoral Registration Report

There was submitted a report (circulated) dated 24 May 2019 by the Principal Admin and IT Development Officer updating Members on the position with regard to the Board's functions concerning Electoral Registration.

Members raised questions in relation to the European voters who, according to media reports, were unable to vote here at the European Parliamentary Election held on 23 May 2019. The Principal Admin and IT Officer advised that European voters wishing to vote here, and not in their country of origin, required to complete and return a Declaration. Approximately 2,200 were issued with a 35% response rate; this figure was similar to that of the last European Parliamentary Election in 2014.

The Principal Admin and IT Officer drew Members' attention to Appendix 1 of the report and advised that using information from education schools listings had identified nearly 1400 potential young electors across Ayrshire that were not registered. A targeted exercise was undertaken which resulted in a 40% response rate and 550 additions of under 18's to the register.

Decided: to note the content of the Report.

Item 13 – Staffing Report

There was submitted a report (circulated) dated 23 May 2019 by the Head of Valuation Services and Assistant ERO advising Members of current staffing issues.

Decided:

- (1) to note that the end of year review for 2018/19 of the Assessor and ERO's performance against agreed key objectives was carried out by an Appraisal Panel of AVJB members on 21 March 2019, and objectives were set for the current year 2019/20; and
- (2) to note the content of the Report.

Item 14 – Revised Communication Strategy

There was submitted a report (circulated) dated 1 May 2019 by the Assessor and ERO presenting the Revised Communication Strategy to the Board.

Decided: to note the content of the Report and approve the Communication Strategy.

Item 15 – Date and Time of Next Meeting

The Board noted that the next meeting would be held on **Tuesday 17 September 2019** at 10.30am within the Council Chamber, East Ayrshire Council Headquarters, London Road, Kilmarnock.

The meeting ended at 12.30pm