

AYRSHIRE VALUATION JOINT BOARD

**Minutes of the meeting held on Tuesday 14 January 2020 at 10.30 a.m. within
North Ayrshire Council Headquarters, Cunninghame House Irvine.**

Item 1 - Sederunt

Present:

East Ayrshire: Councillors: Gordon Jenkins, John McFadzean (Chair), Maureen McKay, and Jim McMahan.

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

South Ayrshire: Councillors: Siobhian Brown and William Grant.

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; Tom Simpson, Service Lead - Corporate Accounting (SAC); Wynne Carlaw, Service Lead – Democratic Governance (SAC) (Clerk); Laura Miller, Chief Internal Auditor (SAC); Steven Hill, Senior Accountant (EAC); and Alison Nelson, Co-ordinator – Democratic Support (SAC).

Apologies: Councillor Jacqui Todd (East Ayrshire Council); Councillor Margaret George (North Ayrshire Council); and Councillors Andy Campbell, Iain Campbell, Martin Dowey (South Ayrshire Council).

The Chair agreed to take Item 7 before Item 6 on the Agenda.

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 Ayrshire Valuation Joint Board (the Board) held on 17 September 2019 were submitted.

Decided: to approve the Minutes of the Board meeting held on 17 September 2019.

Item 4 – Matters Arising

There were no matters arising from the Minutes of the meeting held on the 17 September 2019.

Item 5 – Revised Internal Audit Plan 2019/20

There was submitted a report (circulated) dated 18 December 2019 by the Chief Internal Auditor to the Ayrshire Valuation Joint Board seeking approval for a revision to the Internal Audit Plan for 2019/20.

Laura Miller, Chief Internal Auditor advised that she had a duty to communicate the internal audit plan and resource requirements, including significant interim changes, to senior management and the Board as appropriate for review and approval. An amendment was proposed to the internal audit plan for 2019/20, due to a change in circumstances around the implementation of a new NDR system. Due to delays from legal issues with a previously planned system implementation, a new partnership had been established with other Assessors to procure a new core system which would replace NDR, council tax and the satellite valuation and workload management systems. The revised due date for implementation of the new core system is July 2020.

The allocation of audit days for the Board for 2019/20 remained at 25 days therefore the revision to the audit plan would not adversely affect the annual internal audit plan.

The three year plan for 2019/20 – 2021/22 was intended to satisfy the Board over how other areas of risk would be considered in future years. This was however subject to ongoing review and potential change, and a revision made to this in light of the timing of the new core system.

The Board

Decided:

- (1) to approve the revised Board's Internal Audit Plan for 2019/20; and
- (2) to approve the revised rolling three year strategic programme of Board's Internal Audit Plan work for 2019/20 – 2021/22.

Item 7 – Revenue Budget Monitoring Report 2019/20 – Position Statement at 30 November 2019

There was submitted a report (circulated) dated 7 January 2020 by the Treasurer to the Board advising members of the Board of income and expenditure for the period ended 30 November 2019 (monitoring period 8) as compared with the approved revenue budget.

Appendix 1 of the report summarised the year-to-date budget for each main account heading with actual expenditure and income at monitoring period 8.

Tom Simpson, Service Lead – Corporate Accounting highlighted Employee Costs which had a year-to-date underspend of £104,000. This was attributed to vacancies, particularly as a result of the process of advertising for and appointing staff to new posts created from the Barclay Review funding. The majority of vacant posts either had been or were in the process of being filled and a full year underspend of £136,000 was currently projected.

At monitoring period 8, the Board's net expenditure was underspent against budget by £103,000. At the year end, the Board's net expenditure was currently projected to underspend against budget by £123,000.

The impact of the projected full-year underspend would be to reduce the Board's contribution from reserves in the current financial year set at £198,493 in the approved budget to approximately £76,000.

The Board

Decided: to approve the report.

Item 6 – 2020/21 Revenue and Capital Budgets

There was submitted a report (circulated) dated 7 January 2020 by the Treasurer to the Board updating the Board regarding 2020/21 budget considerations.

The Board's projected reserves position was currently as detailed below:-

	2019/20 £
Reserves as at 1 April (opening balance)	481,467
Election Contingency Fund set-aside	(25,000)
Budgeted contribution from reserves	(198,493)
Projected underspend for the year	122,813
Projected uncommitted reserves as at 31 March	380,787

Projected uncommitted reserves equated to approximately 15% of the Board's annual net expenditure. Good practice required that no less than 2% of annual net expenditure (approximately £50,000) should be held in reserves.

The majority of vacant posts had now been or were in the process of being filled and as a consequence, it was not anticipated that underspends, of such magnitude, would recur in future years.

The Barclay Review funding was expected to be made available in 2020/21 through the constituent local authorities. Although the amount of funding available had not yet been confirmed, it would be spent on a combination of essential new posts and associated non-employee costs.

In recent years the Board has been in receipt of Individual Electoral Registration (IER) funding from the UK Cabinet Office of approximately £130,000 per annum which was used to fund the cost of canvassers, equipment and postage associated with IER. It is anticipated, although not confirmed, that this funding would cease in 2020/21 which, if the case, would lead to additional pressure on the Board's resources.

The 2020/21 agreed pay award of 3% would cost approximately £60,000 to implement.

These considerations could result in significant pressures on the Board's reserves.

As a result meetings had taken place with the three local authority Chief Executive Officers in order to outline these considerations as part of the Board's future funding considerations. As a result of those discussions and in order to ensure that the Board's uncommitted reserves remained at an appropriate level going forward, the Chief Executive Officers had collectively agreed in principal to the following increases in annual revenue requisitions, where required:

2020/21	Up to a maximum of 5%
2021/22	Up to a maximum of 5%
2022/23	Up to a maximum of 2%

The required level of increase would be reviewed and determined ahead of each financial year.

In addition to the revenue funding agreement, the Chief Executive Officers further agreed to provide an additional £50,000 capital funding in 2020/21 to support the ongoing implementation of the Board's new core operating system.

Tom Simpson, Service Lead – Corporate Accounting intimated that the Treasurer to the Board, was in the process of writing to each of the three constituent authorities in order to confirm these arrangements as part of their budget setting processes.

Board members discussed the proposals particularly in light of the fact that the grant settlement from central Government had not been confirmed. Members also enquired if budget underspend in one year could be accrued over to the following year, Tom Simpson, Service Lead – Corporate Accounting advised that it was anticipated that the full allocation of 5%, 5% and 2% respectively would be required.

The Board

Decided:

- (1) to note the progress made in determining the Board's future funding arrangements; and
- (2) to request that the Assessor and Treasurer bring forward to the next meeting final budget proposals for financial year 2020/21 which would ensure that uncommitted reserves remained at an appropriate level.

Item 8 – Strategic Risk Register

There was submitted a report (circulated) dated 26 November 2019 by the Assessor and ERO updating members on the risks currently faced by the Board. The format of the register was changed to focus on strategic matters and, where appropriate, there would be a project specific register.

The Board

Decided:

- (1) to recognise the significant impact the loss of direct IER funding from the Cabinet Office would have on the Board's financial resources if there was not significant changes to how the annual canvass was carried out;

- (2) to recognise the significant impact the move to 3 yearly revaluations and other changes to non-domestic rates would have on the Board's financial resources; and
- (3) to note the contents of the report.

Item 9 – Electoral Registration

There was submitted a report (circulated) dated 16 December 2019 by the Assessor and ERO updating the Board on the position with regard to Electoral Registration.

Appendix 1 of the report provided details on the publication of the electoral register; the United Kingdom Parliamentary General Election; Postal Voting and proposed changes to legislation. Appendix 2 detailed the changes to the electoral register across the three local authority areas and Appendix 3 provided information relating to the electoral register as at December 2019 on a Ward by Ward basis for each constituent authority.

The Board

Decided: to note the content of the report.

Item 10 – Valuation and Performance

There was submitted a report (circulated) dated 17 December 2019 by the Head of Valuation Services and Assistant ERO advising the Board on progress achieved in Valuation and Council Tax for the period 1 April 2019 to 30 November 2019.

The Board

Decided: to note the content of the report.

Item 11 – Staff Questionnaire Report

There was submitted a report (circulated) dated 18 December 2019 by the Assessor and ERO updating the Board on the outcome of the questionnaire, issued in November 2019, and the examination of the overall responses in the 5 areas covered by the questionnaire.

Board members particularly raised concern about the comments made regarding staffing levels and morale. The Assessor and ERO acknowledged that staff were working under pressure particularly as a result of recent vacancies and the administration of the UK Parliamentary election, it was however hoped that the filling of the current vacancies would ease pressure and subsequently help in raising morale.

The Board

Decided: to note the content of the report.

Item 12 – Any Other Competent Business

Councillor Donald Reid enquired as to a property update relating to 9 Wellington Square. The Assessor and ERO advised that she was currently in discussions with the three Chief Executives and would update the Board at a future date.

Item 13 – Date and Time of Next Meeting

The Board noted that the next meeting would be held on **Tuesday 3 March 2020 at 10.30am** within the Troon Committee Room, County Buildings, Wellington Square, Ayr.

The meeting ended at 11.15 am