

2020/21

Annual Governance Statement



Assessor & Electoral Registration Office

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## 1. Introduction

Lothian Valuation Joint Board (LVJB) takes responsibility for ensuring that it conducts its business in accordance with legislation and proper standards, and that public money is properly accounted for and used economically, efficiently and effectively. LVJB has a duty to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, LVJB establishes proper arrangements for the governance of its affairs, and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

LVJB acknowledges its responsibility for ensuring that there is effective governance within the organisation and as such has developed a Code of Corporate Governance that defines 3 main principles.

### Accountability

- as a public body we are held accountable to citizens and stakeholders
- we implement good practice in reporting, quality assurance and auditing

### Transparency

- processes, procedures and data are directly accessible to those who need them, and enough information is provided to understand and monitor them
- we engage with our stakeholders and help them understand the services we provide

### Effectiveness & efficiency

- the organisation produces results that meet service delivery needs while making the best use of its resources
- we operate in a manner to secure an environment of continuous improvement

LVJB's Governance Group provides internal assurance and quality control over the primary functions and services of the organisation. This group also reports externally to members of the Joint Board. The responsibility for leading and directing the annual reviews of the effectiveness of LVJB's governance arrangements and providing ongoing oversight and robust challenge, is City of Edinburgh Council (CEC) Internal Audit and external auditors Azets.

## 2. Impact of the COVID-19 pandemic

The Coronavirus pandemic has presented organisations across the world with unprecedented difficulties over the last year and continues to do so. The unforeseen impact on established services and suppliers caused irreparable damage to many who simply will be unable to recover in a viable future state. Potentially, those that do recover may not operate in any previously recognisable form. The challenge faced by LVJB to provide, not only continued levels of high quality service around its three core functions, but also to sustain the necessary governance and control mechanisms over those services was therefore a considerable undertaking.

LVJB migrated to the Microsoft O365 cloud based software as a service model over the latter part of 2019. When the required reaction to the emerging pandemic in March 2020 became clear, LVJB could allocate staff to work from home where they would have remote access to essential systems and applications, enabling services to be maintained. An internal subset of the Corporate Leadership Group was created and met on a daily basis during this time. The group considered the implications of staff wellbeing, communication and risk, service delivery and performance, accommodation conditions and use, and kept continually appraised and informed of a constantly developing set of circumstances.

Managers were provided with procedures and guidance on how to assign, assess and measure tasks and performance. Financial resources were re-allocated to enable provision of suitable new mobile equipment and software for home use. This was supplemented by staff who were prepared to use their personal equipment for secure remote access to LVJB systems to allow processing of key tasks to continue. Through sustained investment LVJB anticipates that all staff will be supplied with corporate equipment for future use in any new home and office based hybrid working landscape. It is recognised that this will generate additional strain on our operational budget, but the ICT investment to date has been essential to maintaining functional operability.

During this time the LVJBs Governance Committee, Project Management Framework, Quality Assurance procedures, internal first & second line checking and Corporate Leadership Team continually reviewed and assessed risk to provide ongoing assurance and support.

Our Corporate Team will reflect on this challenging year and plan ahead as it would appear that the traditional approach to office based work has fundamentally changed. With this change, it is anticipated that new opportunities for improved efficiencies and smarter ways of working will emerge.

### 3. Governance Assurance Framework

Our governance framework comprises the culture, values, systems and processes by which the organisation is directed and controlled. It enables the LVJB to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services in an efficient manner.

Internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It assures that in conducting its business, LVJB reflects the principles of the CIPFA/SOLACE framework Delivering Good Governance in Local Government.

<b>Principle 1</b>	<b>Behave with integrity, has strong ethical values and respects the rule of law</b>
<b>Evidence</b>	The Corporate Leadership Team (CLT) actively promote a culture of integrity and values. We have a code of conduct for Board members which complements our existing employee code. This, combined with other internal policies such as public interest disclosure, scheme of delegation, data protection, anti-bribery and disciplinary codes, which all fall under a regular review framework, ensures a clear understanding of the importance of exemplary behaviour and ethics in all areas of the Joint Board's work.
<b>Improvement plan</b>	<ol style="list-style-type: none"> <li>1) Implement an updated complaints handling procedure in accordance with the new SPSO framework and publish our 2021 equalities mainstreaming report</li> <li>2) Ensure the policy review timetable is being adhered to</li> </ol>
<b>Principle 2</b>	<b>Ensure openness and comprehensive stakeholder engagement</b>
<b>Evidence</b>	Continued efforts to provide transparency to stakeholders in the decisions we make and information we provide is being enhanced with the publication of additional assessors portal ( <a href="http://www.saa.gov.uk">www.saa.gov.uk</a> ) valuation data. New classifications of improved property valuation data will be uploaded to the website this year with a review being undertaken on existing information.
<b>Improvement plan</b>	<ol style="list-style-type: none"> <li>1) Continue to assess and develop new ways of engaging with stakeholders</li> <li>2) Consider what additional information can be made available to ratepayers</li> </ol>
<b>Principle 3</b>	<b>Seek outcomes in terms of sustainable economic, social, and environmental benefits</b>
<b>Evidence</b>	Continued implementation of the Business Strategy 2020/2023 which is aimed at meeting the financial position of the Board and challenges in terms of service delivery. This includes responding to fiscal constraints, delivering Non-Domestic Rates (NDR) Reform, continued modernisation, consideration of hybrid office/work anywhere approaches, process review and cultural change.
<b>Improvement plan</b>	<ol style="list-style-type: none"> <li>1) Continue to develop and monitor the implementation of the Business Strategy 2020/2023</li> <li>2) Evaluate the benefits of alternative ways of working and incorporate them into our workforce planning practices</li> </ol>
<b>Principle 4</b>	<b>Determine interventions necessary to optimise the achievement of intended outcomes</b>
<b>Evidence</b>	The current performance framework is a multi-faceted programme including training, personal development, challenging cultures, Wider Leadership Team (WLT), sessions etc. These operational elements require to be integrated into an all-encompassing structure to provide essential employee and core service support. LVJB operates under a flat cash budget with core costs approved for the 2021-2022 financial year.
<b>Improvement plan</b>	<ol style="list-style-type: none"> <li>1) Continue to assess the performance framework to ensure it is fully embedded in the organisation</li> <li>2) Continued application of the LVJB Project Management Framework to examine viability and anticipated outcome probability</li> </ol>

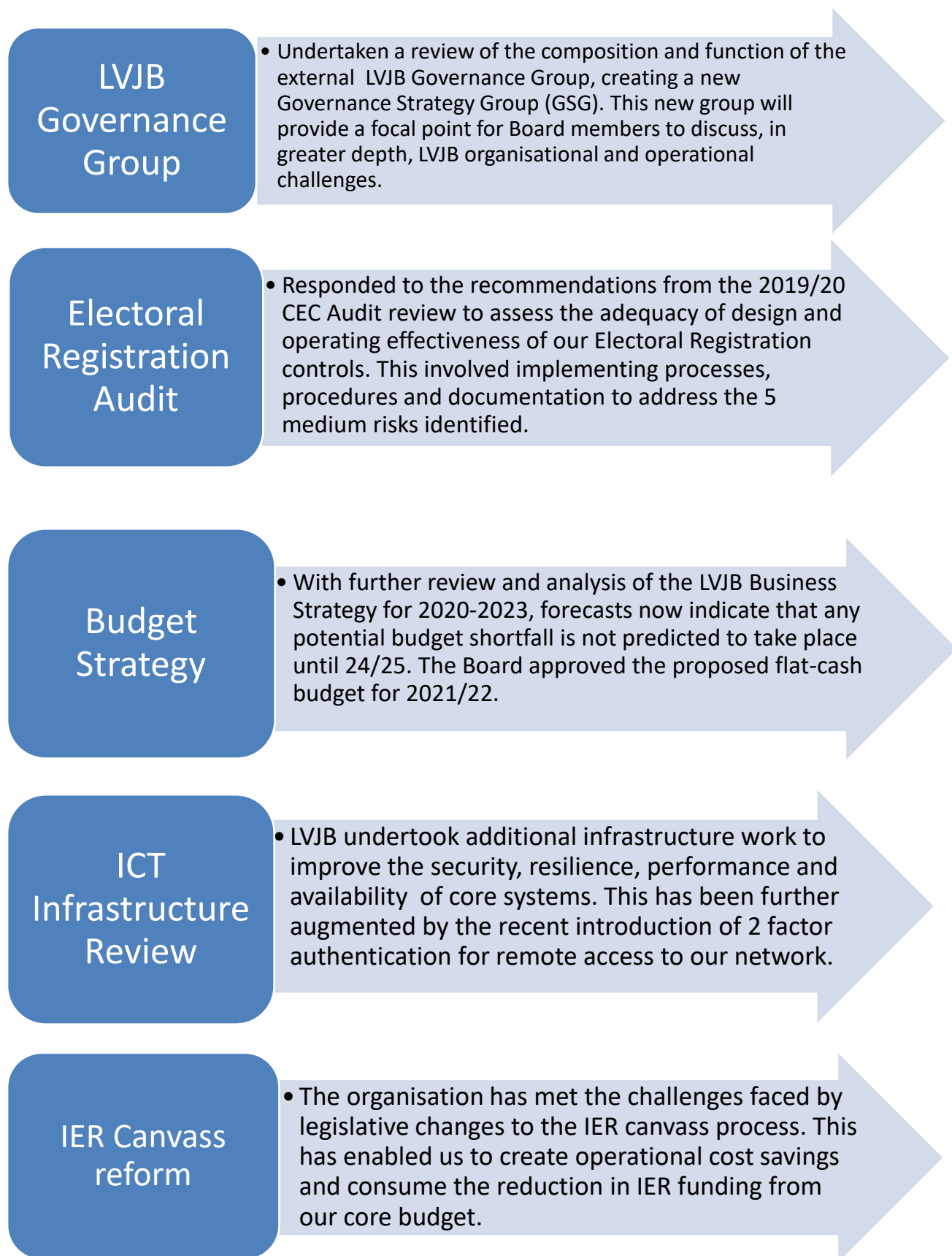
<b>Principle 5</b>	<b>Develop capacity, including the capability of its leadership and the individuals within it</b>
<b>Evidence</b>	The Business Strategy 2020/2023 is integral to not only meeting financial and service delivery challenges, it also provides a toolkit for aiding organisational transformation. LVJB continues to develop its training framework to provide staff with the essential skills and techniques required to delivery high quality services. The COVID pandemic has provided an opportunity to assess both the development of the WLT and realign the focus of the CLT.
<b>Improvement plan</b>	1) Continue to progress the role and purpose of the WLT and CLT within the organisation
<b>Principle 6</b>	<b>Manage risk and performance through robust internal control and strong financial management</b>
<b>Evidence</b>	Risk is a standing item on the bi-monthly LVJB Governance Committee agenda. Specific corporate risk, for example NDR and Electoral Registration Reform, are presented to the Joint Board and discussed at the recently formed Governance Strategy Group (GSG). The organisation is subject to annual internal and external audit review with the identification of any control weaknesses and provision of assurance recommendations. LVJB's internal Governance team are responsible for ensuring all information compliance and statutory obligations are met.
<b>Improvement plan</b>	1) In accordance with the Public Records (Scotland) Act consider a further progress update review in 2021 2) Assess the role of the CLT in risk oversight and reporting
<b>Principle 7</b>	<b>Implement good practice in transparency, reporting, and audit to deliver effective accountability</b>
<b>Evidence</b>	LVJB produce and publish a suite of reports on its external website. These include statements on annual corporate & service plans, financial regulations, records management, standing orders, annual corporate assurance statements, etc. Ongoing specific KPI and overall performance statistics and financial statements are presented to the Joint Board. A suite of audit and QA reports (see Section 3) is presented at Governance Committee meetings, delivering assurance over key service provision.
<b>Improvement plan</b>	1) Continue to review and enhance the Annual Governance Statement 2) Review the existing suite of QA reports to provide additional levels of assurance to the organisation

## 4. The role of Quality Assurance

We continue to maintain and promote the role of quality assurance within the organisation. Emphasis is placed on providing stakeholder confidence that the level of service provided meets expectation and offers additional protection against inaccuracies. The Governance Committee has overall scrutiny of all reported actions and recommendations. The current suite of QA activity checks is shown in the table below.

Function	Task	Description
<b>Council Tax</b>	Interface Audit	Audit Reports are produced for each interface period. Checked and emailed weekly to the four constituent councils.
	Point of Sale Reports	Weekly check for the same period as the interface report. Confirm accuracy of sales date which is applied as the effective and liability date for any change in banding.
	Council Tax Assurance Checks	The Council Tax managers carry out a 10% check of all self-verified transactions. QA will carry out an assurance check on 10% of all self-verified and verified transactions as a second line check. Report on any anomalies or transactions incorrectly processed. The report is run on a weekly basis for the same period as the interface report but includes additional entries for Point of Sales where the original banding has been retained which are not interfaced.
<b>Valuation Roll</b>	Interface Audit	Audit Reports are produced for each interface period. Checked and emailed weekly to the four constituent councils.
	Business Rate Assurance Checks	The Principal Surveyors will carry out 100% checks on any business growth accelerator entries and a 10% check on self-verified transactions. QA will carry out follow up assurance check on these as a second line check. Report on any anomalies or transactions incorrectly processed.
	PTO Name Checks	Valuation Roll names updates processed by Technical & Support staff receive a 10% check by Governance.
<b>Electoral Support/Processing Areas</b>	EMS reports	Check system reports to ensure that electors are correctly processed, absent voting arrangements are applied correctly and ensure the accuracy of the register. A quality assurance check will take place on 10% of the reports produced for electoral activities.
<b>Miscellaneous</b>	KPI Stat Review	Produce monthly KPI stats for review by CLT & Technical Divisions
	Building Warrant/Planning Permission Checks	QA carry out a 10% check on a sample of building warrants and planning permissions each quarter. A full end to end check is carried out. All the filtered cases on sample Planning Permissions are checked to ensure that they are removed in accordance with procedure.
	Revaluation Appeal Stats Quarterly Return	Validate the quarterly return of RVAPP stats provided to Scottish Government.
	Sales data check	Accuracy checks carried out on all domestic and commercial sales data received monthly from Registers of Scotland where there is a matched entry on the Valuation Roll or Council Tax List.

## 5. What have LVJB delivered?





## 6. Corporate and Service Plans

Our Corporate and Service plans set out the key activities and outcomes that we will deliver within the financial year and the way in which we will measure our performance.

Our key Corporate and Service priorities for 2020/21 were;



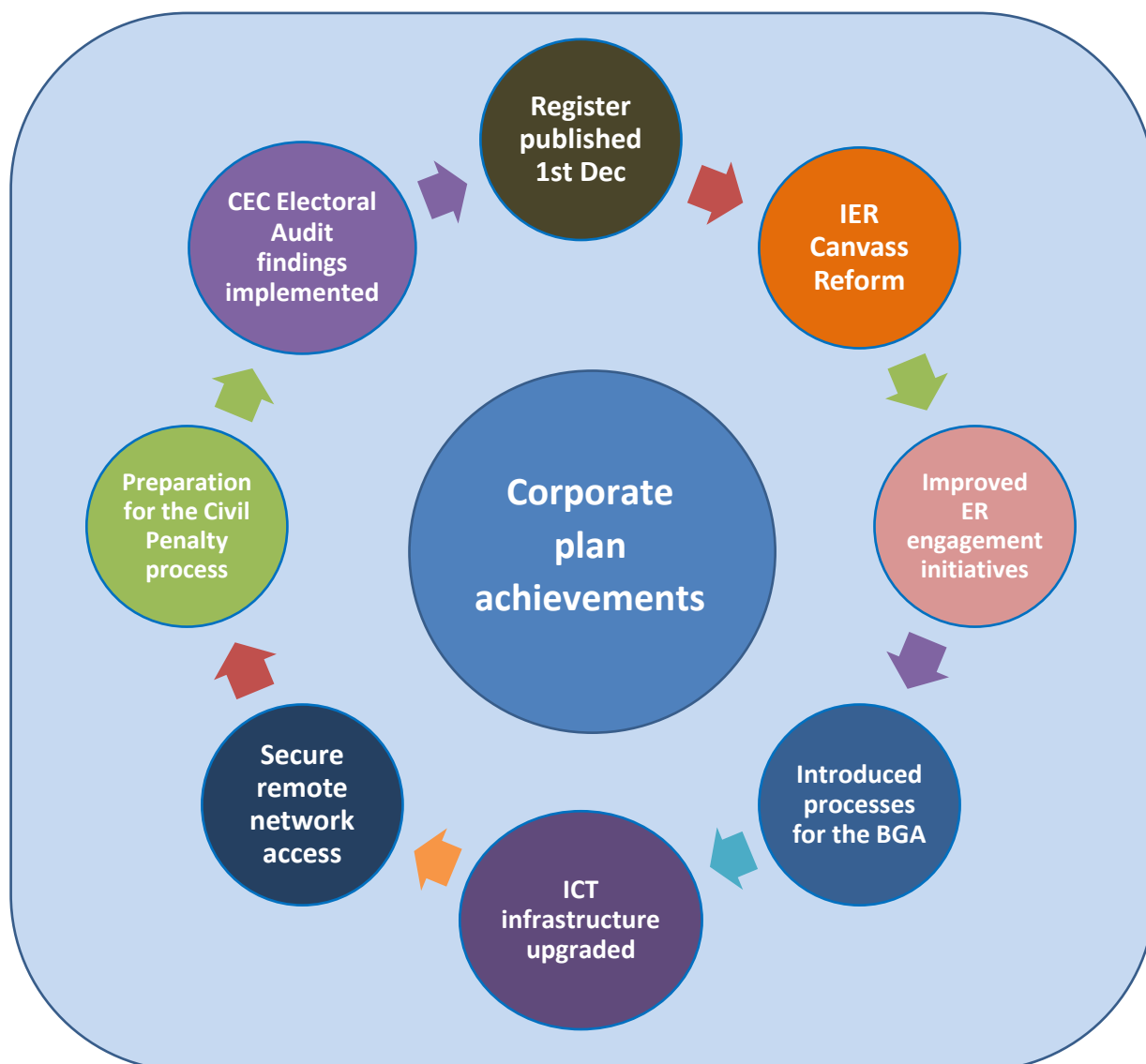
## 7. Corporate and Service plans – achievements

Our core valuation system was further developed to introduce additional functionality to handle the introduction of the Business Growth Accelerator (BGA). The BGA provides a boost to business growth as it introduces a 12 month delay before non-domestic rates apply to a new building once occupied, or in the case of an improved building, 12 months relief on any additional non-domestic rates levied on any increase in value attributable to the improvements.

IER Canvass reform introduced a number of changes to the 2020 annual household canvass. This required a number of administrative changes, enabled the use of local data matching and targeted issue. The primary aspects were;

- to make the process simpler and clearer for citizens
- to reduce the administrative burden on EROs
- to provide the capacity for innovation and improvement
- a model that is adaptable to future change

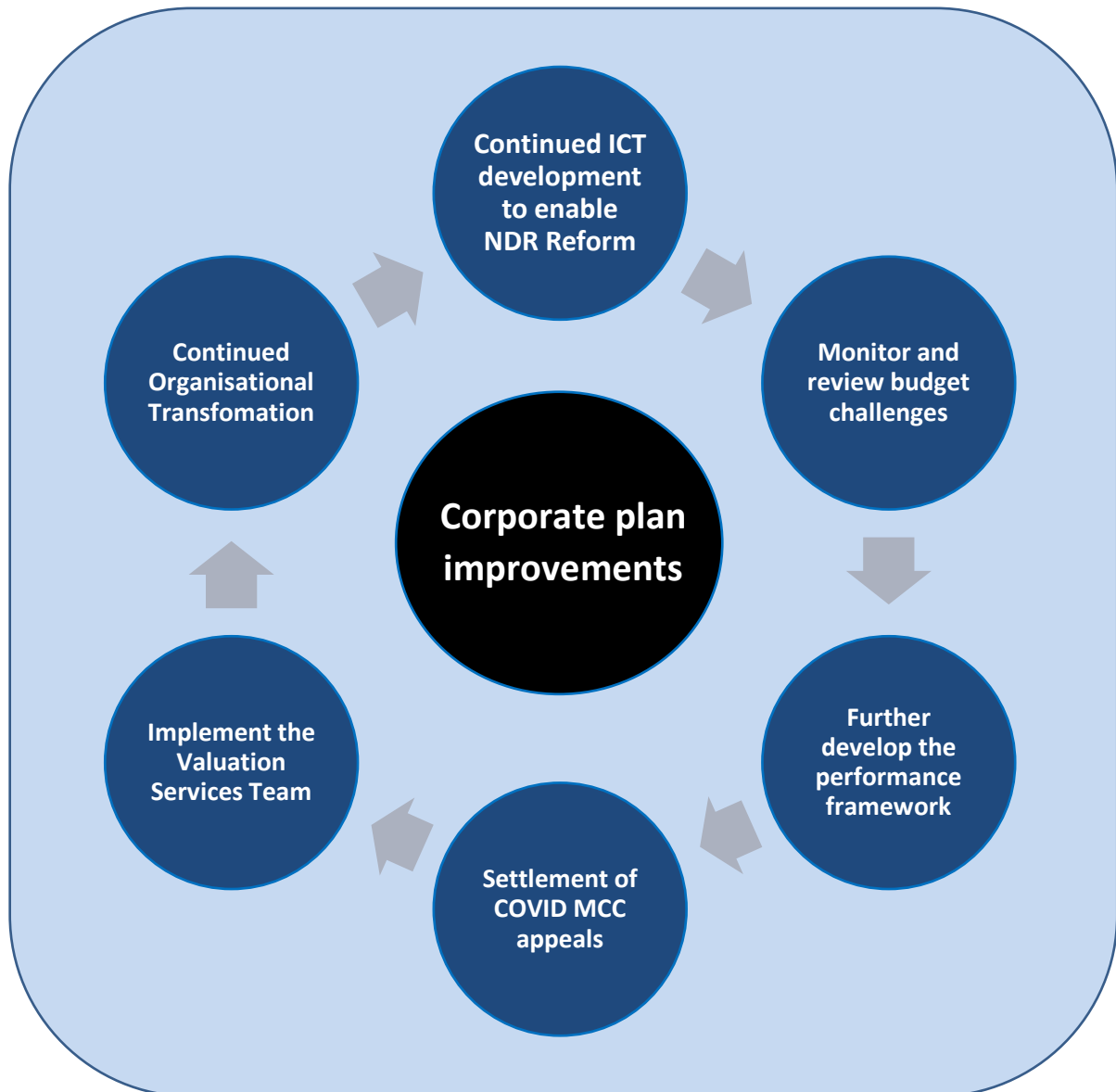
Due to the impact of the COVID pandemic and the requirement to work from home, we undertook an upgrade of our core server infrastructure and introduced a secure platform for access to our network and system applications for LVJB staff.



## 8. Corporate and Service plans – work in progress

LVJB recognises the importance of continually seeking to deliver improvements in organisational efficiency and performance. We acknowledge that the organisation must continue to challenge traditional ways of working and reflect on how well we function both internally and when engaging with stakeholders. challenges

Below are ongoing activities aimed at supporting this process of improvement.



## 9. Future work in 2021

### Governance Strategy Group

- Continue to review and evaluate the effectiveness of the Governance Strategy Group (GSG) and develop its role as a focal point for the discussion of LVJB operational objectives.

### Enhanced Performance Framework

- Develop a performance framework that is underpinned by clear organisational goals and objectives and supports our staff in providing our key services

### Council Tax Audit

- CEC internal audit are currently undertaking a review to assess the adequacy of design and operating effectiveness of our Council Tax controls. We will consider and react to recommendations in the outcome report.

### Working from home/hybrid working

- As the eventual easing of lockdown continues to progress, evaluate WFH performance and consider the most effective ways of balancing office and home based working to achieve optimum service delivery

### Budget challenges

- Continue to closely monitor our financial challenges and implement cost effective initiatives wherever possible to provide a stable fiscal outlook