

2019/20

Annual Governance Statement



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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 Scott Moncrieff.

2. 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.

Principle 1	Behave with integrity, has strong ethical values and respects the rule of law
Evidence	The Corporate Leadership Team (CLT) actively promote a culture of integrity and values. Following a recent external audit, we have produced code of conduct for Board members which dovetails with our existing employee code. This, combined with other internal policies such as public interest disclosure, scheme of delegation, data protection, anti-bribery and disciplinary, 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.
Improvement plan	1) Implement member code of conduct 2) Ensure policy review framework is being adhered to
Principle 2	Ensure openness and comprehensive stakeholder engagement
Evidence	Following the publication of the Barclay review report in 2017, LVJB are making significant efforts to improve the ways in which we engage with our stakeholders. This includes moving to a more accurate 3 yearly valuation model, standardised and easier to understand documentation and improvements to the www.saa.gov.uk website. Our first annual Governance statement was produced in 2019 and was presented to the Joint Board and published on our website (www.lothian-vjb.gov.uk) to provide greater clarity on our accountability.
Improvement plan	1) Continue to assess and develop new ways of engaging with stakeholders 2) Consider what additional information can be made available to ratepayers
Principle 3	Seek outcomes in terms of sustainable economic, social, and environmental benefits
Evidence	As part of the Transformation Programme Phase 2, LVJB have created a Business Strategy 2020/2023 which is aimed at meeting the financial position of the Board and challenges in terms of service delivery. Several challenges have been identified which include responding to fiscal constraints, delivering Non-Domestic Rates (NDR) Reform, legislative changes to electoral registration, modernisation, process review and cultural change.
Improvement plan	1) Continue to develop and monitor the implementation of the Business Strategy 2020/2023
Principle 4	Determine interventions necessary to optimise the achievement of intended outcomes
Evidence	LVJB has established a robust project management framework to provide the optimal likelihood of delivering several key projects to enable the delivery of NDR Reform and organisational change. Although KPI performance is satisfactory and selected improvement in the performance management of areas of the organisation has been made, further enhancement is required. The current performance framework is a multi-faceted programme including training, personal development, challenging cultures, Wider Leadership Team (WLT), etc. LVJB operates under a flat cash budget with core costs approved for the 2020-2021 financial year.
Improvement plan	1) Continue to review the performance framework to ensure it is fully imbedded in the organisation

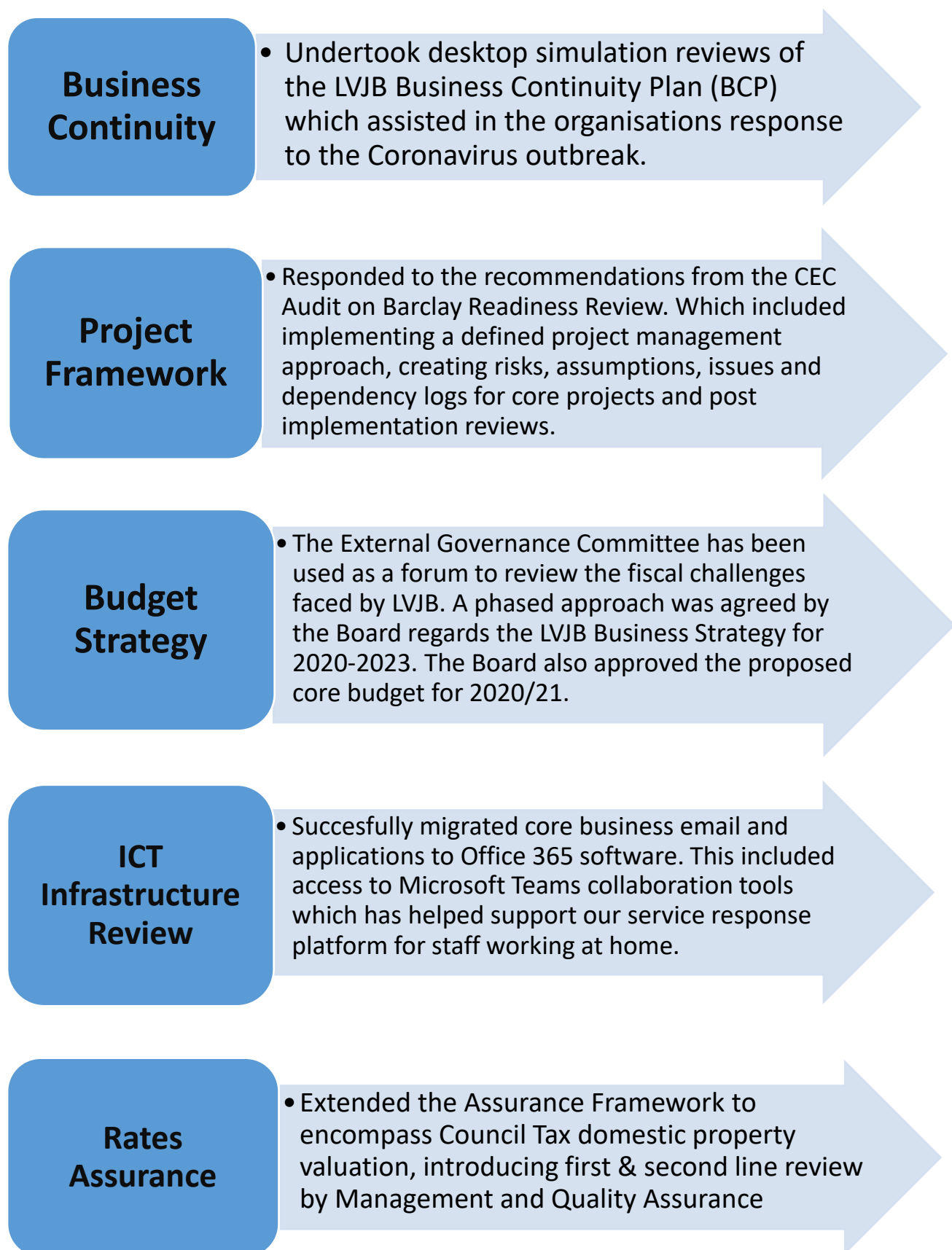
Principle 5	Develop capacity, including the capability of its leadership and the individuals within it
Evidence	The Business Strategy 2020/2023 is integral to not only meeting financial and service delivery challenges, it is also essential to enabling organisational change. The Strategy will introduce more efficient ways of providing service delivery with a more flexible and leaner workforce. Investment in staff training continues with increased internal capability gained through “train the trainer” courses and sustained progress in professional competencies. A Wider Leadership Team (WLT) meets every 2 months to learn and share from each other’s experiences and knowledge.
Improvement plan	1) Continue to expand the role and purpose of the WLT within the organisation
Principle 6	Manage risk and performance through robust internal control and strong financial management
Evidence	The LVJB Risk Management Framework has undergone a recent review to enable more effective identification, assessment and mitigation of risk. Risk is a standing item on both the monthly CLT and bi-monthly Governance Committee meetings. Specific corporate risk, for example NDR and Electoral Registration Reform, are presented to the Joint Board. The organisation is subject to annual internal and external audit reviews with reports identifying any control weaknesses and assurance recommendations produced. The red, amber and green (RAG) status of ongoing projects which are managed under the project framework are reported at monthly CLT meetings to provide evidence of progress or otherwise. LVJB has an internal Governance team who are responsible for ensuring all information compliance and statutory obligations are met. This includes confirming that all information and records management procedures, data sharing agreements, privacy notices, ICT acceptable use, information handling and incident reporting policies, etc. are understood and observed.
Improvement plan	1) In accordance with the Public Records (Scotland) Act undertake a progress update review in 2020 2) Continue to create and review all necessary DSA’s with relevant third parties
Principle 7	Implement good practice in transparency, reporting, and audit to deliver effective accountability
Evidence	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. The Annual Governance statement is being developed to more closely align with Corporate Governance Framework compliance requirements. A suite of audit and QA reports (see Section 3) is presented monthly to the CLT providing assurance over key service provision.
Improvement plan	1) Continue to review and enhance the Annual Governance Statement 2) Consider undertaking a Corporate Governance Framework self-assessment exercise

3. 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. Assurance is provided both internally to the Corporate Leadership Team and externally by improved information provision and transaction accuracy. 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
Council Tax	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.
Valuation Roll	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.
Electoral Support/Processing Areas	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.
Miscellaneous	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.

4. What have LVJB delivered?



5. Corporate and Service Plans

Corporate and Service plans are annual business plans developed by LVJB. The 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 2019/20 were;



6. Corporate and Service plans – achievements

Several objectives realised by the organisation that support our key activities and outcomes are shown below. In particular;

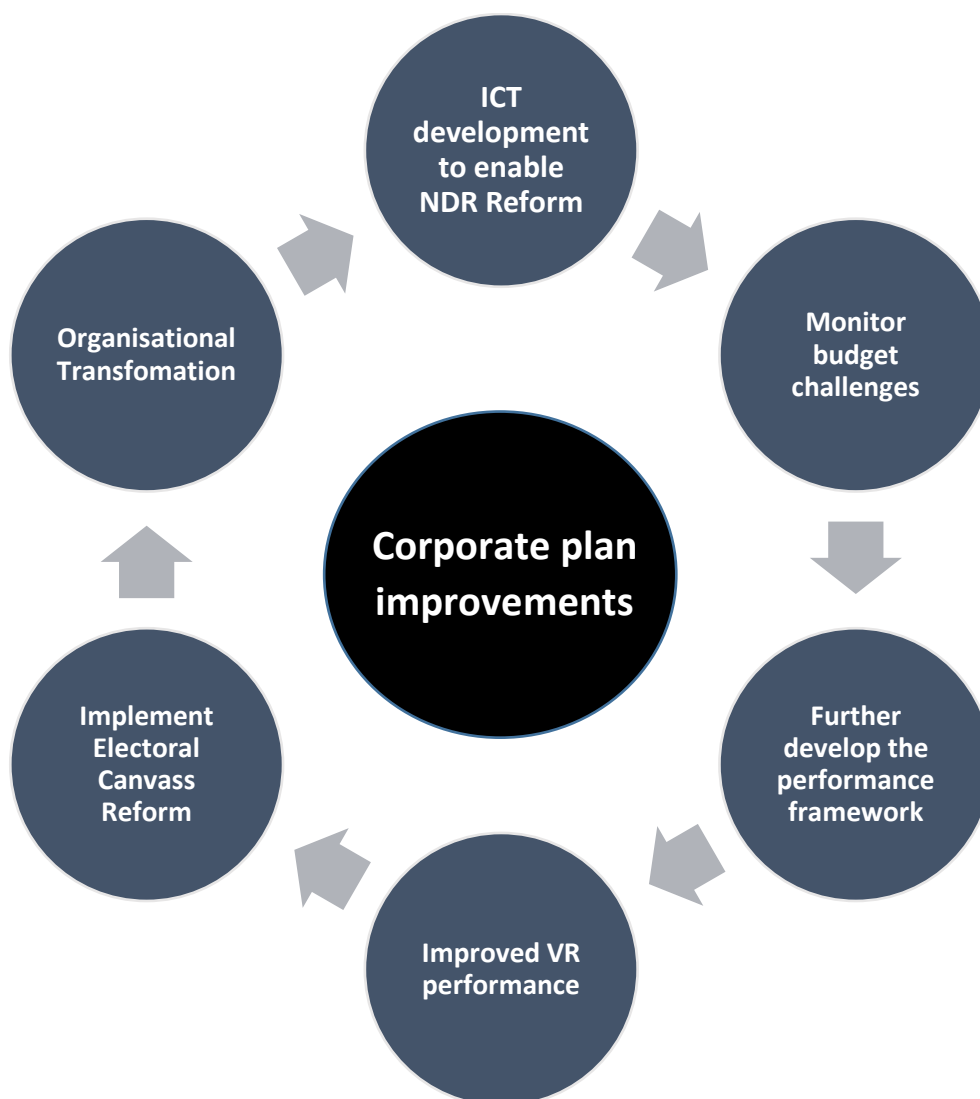
- Mobile survey for the Council Tax List has been implemented. Staff now use iPads to create new housing valuation templates with a single point of data input enabling information to become available to back office systems.
- The 2019 UKPGE was the first December General Election held since 1923. The combination of a high profile UKPGE and the annual canvass resulted in increased pressure on telephone and email enquiries and registration and absent vote applications. To manage this demand, the revised register was published on 14 November, this meant our full resources could be used to deal with the known pressure points in the election timetable, the closing dates for registration and absent vote applications and the election updates to the register.
- A 3-year Business Strategy has been published to respond to ongoing fiscal constraint and accelerate the process of Organisational Transformation involving modernisation, process review and cultural change.



7. 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.

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



8. Future work in 2020

