

PERFORMANCE REPORT 2011/2012

1 INTRODUCTION

This report is provided to accompany the unaudited accounts to allow members of the Board to consider performance and budgetary achievements together. Key Performance Indicators for the work of Assessors in Scotland are in place for Valuation Roll and Council Tax and are submitted annually to the Scottish Government. Internal performance standards are also set for staff to ensure the organisation meets appropriate standards in all work undertaken.

Performance standards for the work of EROs are submitted to the Electoral Commission in December each year following the Annual Canvass. Each year since the introduction in 2009, we had matched or exceeded all 10 of the required performance standards. Unfortunately, after accepting the self-assessment standards submitted in December 2011, the Electoral Commission reviewed their approach and an additional criterion was introduced across the UK. Subsequently in May this year the Commission downgraded one of the Lothian performance standards. As a Scottish Assessors' Association representative, I attended a meeting with representatives from the Electoral Commission to discuss the inappropriateness of the re-assessment and their inconsistency of approach across the UK.

Performance is monitored on an ongoing basis and formally assessed in line with the Performance Review and Development policy

2 ELECTORAL REGISTRATION

A separate electoral report provides details of the performance achieved and tasks undertaken during the electoral year.

3 VALUATION ROLL

The Valuation Roll operates under a five year rolling programme. A revaluation is carried out 5 yearly with the last revaluation being effective from 1 April 2010 and the next revaluation scheduled for 2015.

In general terms the assessor will take three years to dispose of revaluation appeals and two years to prepare for the next revaluation. During the quinquennium the Roll is constantly updated to take account of internal and external changes to properties which affect value and this consequently generates an additional appeals workload.

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- 3/ The statistics in this report provide sufficient history to allow comparison with similar or corresponding years' pressure points.

3.1 Alterations to the Valuation Roll

The principal indicator in this area relates to the length of time taken to amend the Valuation Roll to reflect changes which have taken place. The number of amendments is shown and also the change in the total annual value of the Valuation Roll in each year.

In general terms, stakeholders prefer the Valuation Roll to be amended as quickly as possible after a change has taken place in order to facilitate stable financial planning and improving the cash flow to the rating pool. The KPIs show actual performance against estimated performance for 2005/6 to 2011/12 and targets we aim to achieve for 2012/13.

| Valuation Roll | No changes | Rateable Value 1/4 | Rateable Value 31/3 | 0 – 3 months % | | 3 – 6 months % | | > 6 months % | |
|----------------|------------|-----------------------|------------------------|-------------------|--------|-------------------|--------|-----------------|--------|
| | | | | Target | Actual | Target | Actual | Target | Actual |
| 2005/6 | 3531 | 903,178,666 | 1,042,428,524 | 52 | 62.8 | 26 | 19.1 | 22 | 18.2 |
| 2006/7 | 3314 | 1,042,428,524 | 1,050,213,188 | 57 | 74.9 | 28 | 13.9 | 15 | 11.2 |
| 2007/8 | 4206 | 1,050,213,188 | 1,058,508,620 | 65 | 83.26 | 25 | 11.63 | 10 | 5.11 |
| 2008/9 | 4258 | 1,058,508,620 | 1,056,910,140 | 70 | 80.77 | 20 | 11.53 | 10 | 7.7 |
| 2009/10 | 3792 | 1,056,910,140 | 1,068,384,758 | 80 | 78.1 | 15 | 11.1 | 5 | 10.8 |
| 2010/11 | 3,476 | 1,259,913,732 | 1,274,347,293 | 82 | 78.02 | 14 | 13.55 | 4 | 8.43 |
| 2011/12 | 3,114 | 1,274,347,293 | 1,277,889,313 | 80 | 71.77 | 15 | 15.35 | 5 | 12.88 |
| 2012/13 | | 1,277,889,313 | | 75 | | 13 | | 12 | |

Unfortunately the organisation has failed to meet the target performance figures for 2011/12. It was a very difficult year dealing with an abundance of appeals with reduced staff numbers and perhaps my targets were a little ambitious in the circumstances. The economic decline has resulted in many more taxpayers lodging appeals and proceeding to appeal hearing. Such appeals are very costly and also very time intensive for staff therefore having a knock on effect on all professional work. I have no doubt that staff have had a very difficult year trying to carry out all work required.

I have reduced the performance target for 2012/13 and hope that through hard work and sound management that target can be attained.

3.2 Appeal Settlements

For each of the relevant years the Assessor provides figures for the total amount of adjustment to net annual value arising from appeal settlements. This figure is expressed as a percentage of the total net annual value of the Valuation Roll as at 1 April in the relevant year. This indicator allows the Scottish Government to estimate the financial implications arising from the settlement of rating appeals.

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3.2/

| Valuation Year | No. of Appeals Dealt With | Target Percentage | Actual Percentage |
|----------------|---------------------------|-------------------|-------------------|
| 2005/6 | 1,239 | 1% | 0.12% |
| 2006/7 | 3,938 | 2% | 0.365% |
| 2007/8 | 3,641 | 1% | 1.491% |
| 2008/9 | 1625 | 1% | 1.66% |
| 2009/10 | 1,224 | 0.5% | 1.06% |
| 2010/11 | 1,700 | 1% | 0.09% |
| 2011/12 | 6,655 | 2% | 0.44% |
| 2012/13 | (10,000) | | |

The target number of revaluation appeals to be disposed of during 2011/12 was 5,000. As a result of the ever increasing number of running roll appeals being received it was decided to increase the rate of disposal and the target was reviewed to 7,000. I am pleased to say that an additional 1,655 appeals were resolved during the year providing an excellent start to the appeal disposal programme. I am also delighted to see the appeals loss being lower than expected which I believe demonstrates the level of accuracy at the revaluation.

During spring this year the appeal disposal programme was interrupted by a legal issue which required a case to proceed to the Lands Valuation Appeal Court for a legal opinion of the Lands Court Judges.

There remains approximately 2,300 revaluation appeals plus 6,200 running roll appeals from 2010/11 and a further 7,700 appeals lodged in 2011/12. As all those appeals must be dealt with by 31st December 2013 staff will have an exceptionally heavy workload until that date.

The target disposal number set for the 2012/13 year has been increased to 10,000 appeals.

4 COUNCIL TAX

Council Tax continues in a rolling programme with no revaluation allowed for within the legislation.

The main work involves updating details of alterations carried out to properties, inspection and banding of all new dwellings, consideration of all domestic sales evidence and re-banding when a property which has been previously altered has been sold

4.1 Council Tax – New Dwellings

The number of new dwellings entering the Council Tax List is important to local taxation as this is a potential source for additional revenue.

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4.1/ The table below shows that the number of new houses added in the year 2011/12 is again down from the previous year. Although the market is still very sluggish the number of dwellings on the list continues to rise year on year.

| Valuation List | No. of CT Entries@ 1/4 | New houses added |
|----------------|------------------------|------------------|
| 2005/6 | 368,539 | 4,288 |
| 2006/7 | 372,242 | 5,515 |
| 2007/8 | 377,051 | 5,323 |
| 2008/9 | 381,301 | 4,345 |
| 2009/10 | 384,837 | 3,984 |
| 2010/11 | 387,636 | 3,768 |
| 2011/12 | 390,642 | 3,410 |
| 2012/13 | 393,065 | |

Although the number of new dwellings entering the List has dropped my technical staff have been involved with tasks outwith their normal day to day activities. I would like to express my thanks to them for their positive attitude towards multitasking through another very busy year.

4.2 Council Tax Performance

The criteria used in establishing Council Tax indicators are derived in a similar way to those for the Valuation Roll.

Council Tax payers require notification of their banded valuation, and hence their financial liability, as soon as possible after they have taken occupation of the new property. Cash flow to the authority, arising from insertions of new entries is also affected by how quickly entries are made on the Valuation List.

The KPIs show actual performance for 2005/6 to 2011/12 and the performance targets for 2012/13.

| Valuation List | 0-3 months | 3-6months | Over 6 months |
|----------------|------------|-----------|---------------|
| 2005/6 | 81.2 | 12.4 | 6.4 |
| 2006/7 | 84.8 | 11.3 | 3.9 |
| 2007/8 | 93.22 | 5.17 | 1.62 |
| 2008/9 | 94.13 | 4.53 | 1.33 |
| 2009/10 | 95.36 | 2.46 | 2.18 |
| 2010/11 | 94.98 | 4.06 | 0.96 |
| 2011/12 | 96.72 | 2.35 | 0.93 |
| 2012/13 | (95) | (3) | (2) |

4.2/ The time taken to add new dwellings to the Council Tax List has now reached a high level of 96.72% within 3 months and my aim is to maintain that high standard.

4.3 Council Tax – Altered Bands 2009/10

Council Tax Bands are altered for properties where the property has been extended and subsequently sold i.e the new tax payer will pay tax on the altered band. Council Tax Bands are not altered when a dwelling is extended or improved, it is only when the property is subsequently sold that the new Band takes effect.

| Valuation List | Point of Sale Band Changes | Sales Added |
|----------------|----------------------------|-------------|
| 2005/6 | 329 | 29,903 |
| 2006/7 | 189 | 31,998 |
| 2007/8 | 240 | 31,264 |
| 2008/9 | 374 | 16,841 |
| 2009/10 | 105 | 14,402 |
| 2010/11 | 163 | 14,537 |
| 2011/12 | 180 | 15,492 |

The above table shows that the number of Council Tax Bands altered as a result of dwellings having been altered and subsequently sold remains at a relatively low number compared to the high of 2008/09. The low numbers since 2009/10 are almost certainly reflective of the economic situation thus the lower number of house sales taking place during the financial years.

5 BEST VALUE

I consider that the organisation has continued to review practices, policies and procedures on an ongoing basis ensuring that we operate within a Best Value framework at all times.

I am very pleased with the performance achieved during this very difficult year especially with no salary increases available to staff. The budgetary cuts over the last few years have resulted in a much reduced workforce. Due to some resignations and retirements I fortunately have some finance available within my staffing budget. As I have concerns about the workload imposed on the professional staff and consider that it has reached a limit where it is impossible to reduce further I have considered it necessary to advertise for additional professional staff to ensure that I can meet my statutory duties. Likewise I have decided to advertise for 2 trainee electoral and property administrators to ensure that I have sufficient, well trained staff in place to deal with the introduction of individual electoral registration.

Reviews/....

- 5/ Reviews of structure are now carried out regularly and I am pleased to say that all changes move seamlessly into operation this due in no small way to my exceptional and dedicated senior management team who work together with a view to attaining best practice and an efficient and effective organisation.

My thanks go particularly to the senior management team and also to the staff and to the Joint Board for the support provided.

Joan Hewton
Assessor & Electoral Registration Officer

29 June 2012