



## **Grampian Valuation Joint Board**

### **Code of Corporate Governance for Grampian Valuation Joint Board**

**July 2006**



## **1 Introduction**

- 1.1 The purpose of this document is to provide an overview of the purpose of the Assessor's Department of the Grampian Valuation Joint Board and to describe aspects of its governance and management.
- 1.2 The Department functions under the terms of the Lands Valuation Acts, a body of legislation which can be traced back to the Lands Valuation (Scotland) Act of 1854 and includes the Valuation and Rating (Scotland) Act of 1956 and the Local Government (Scotland) Act of 1975, all of which deal with rating valuation of non-domestic property. In relation to Council Tax valuation the principal Act is the Local Government Finance Act 1992. In the field of Electoral Registration the Department operates in terms of The Representation of the People Acts and Regulations.
- 1.3 The Department operates from offices in Aberdeen, Banff and Elgin and has a staff of around 85.
- 1.4 This document also deals with two important aspects of the developing regime for the management of public bodies, namely the Code of Corporate Governance and Risk Management.
- 1.5 Corporate Governance is concerned with the system by which the functions in question are directed and controlled and the means by which strategy and objectives are determined. It is concerned with the structures and processes for decision making, accountability, control and behaviour in the organisation. The aim is openness, integrity and accountability.
- 1.6 Risk Management is concerned with identifying and defining the various risks which bear on the achievement of the organisation's objectives and coming to a view as to the basis on which they are to be accepted, reduced or avoided.

## **2 The Department's Aims**

- 2.1 All three business functions of the department are channelled through the office of a statutory official. In broad terms then the aim of the Department is:  
  
"To discharge fully the Office of Assessor and Electoral Registration Officer in a manner that is exemplary".

## **3 The Department's Objectives**

- 3.1 This broad statement of purpose requires to be elaborated to give some sense of what it means to discharge the Offices for which the Department is responsible. These may be stated as:
  - To carry out the duties stated and provided for in the Valuation Acts and the Representation of the People Acts. These are largely concerned with the compilation and maintenance of the Valuation Roll, the Council Tax List and the Register of Electors.
  - To exceed the reasonable expectations of the Department's stakeholders.
  - To provide a cost effective service.
  - To seek always to improve performance.

## **4 The Department's Strategies**

4.1 The achievement of objectives is not automatic and it is necessary to give some indications as to what is considered to lie behind their realisation. The main elements are believed to be as follows:

- To obtain adequate resources for the Department to function properly.
- To train our staff at all levels in the legal, technical and service dimensions of our work such that their contribution as individuals and as members of a team is maximised.
- To realise the full potential of technology to improve service and job satisfaction and contain costs.
- To derive full operational benefit from our unique access to property information and to ensure that we are positioned to address the future.
- To identify and take proper account of our stakeholders' views as to what is good, bad or indifferent about our performance.
- To monitor and evaluate our performance continuously and set realistic targets for improvement.

## **5 Standards of Conduct**

5.1 Standards have an important bearing on how we go about our business. The openness, integrity and accountability of individuals within the Department form the cornerstone of effective corporate governance. The reputation of the Department depends on the standards of behaviour of everyone in it, whether members, employees or agents contracted to it.

Therefore, members and senior officers of the Department will:

- Exercise leadership by conducting themselves as role models for others within the Department to follow.
- Define the standards of personal behaviour that are expected from staff and all those involved in the Department's activities and we will put in place arrangements to ensure these standards are implemented and monitored.

In addition we will ensure that:

- Irrespective of whether or not their requirements can be accommodated under the law, all parties conducting business with the Department shall be treated fairly, knowledgeably, courteously and without prejudice of any kind.
- All parties shall be provided with relevant information as to their rights and responsibilities.
- Confidentiality shall be carefully respected in accordance with the law in force.

## **6 Plans and Policies**

6.1 In order to add detail to these various high level duties and aspirations, it is necessary to produce a series of policies and plans. These relate to:

- The Department's work plan dealing with routine, occasional and developmental work and related policies.
- The financial plan or budget with its associated financial policies.
- The human resources plan and associated personnel policies.
- An information and information technology plan and associated policies.

6.2 The implementation of these plans and policies is principally monitored using:

- The Department's performance measurement and evaluation framework.

- 6.3 Financial, personnel and information technology policies are largely aligned with those of the constituent local authorities, Aberdeen City, Aberdeenshire and Moray Councils but recognising the limited size of the organisation. Areas associated with the Department's specialist functions require to be generated internally.
- 6.4 There are limitations to the possible scope of plans on account of the statutory character of the Department's work, limitation of resources and capacity, and perceptions of priority. The work is, at a general level, cyclical within the year and across the quinquennial period normally associated with rating revaluations. No central government policy on council tax revaluations has yet been announced. An independent review of local government finance is however scheduled to report in the summer of 2006.

## **7 Mode of Governance**

- 7.1 The Board and the Assessor are creatures of statute and exist at the pleasure of the legislature. The Board is administratively supreme and is the source of the Department's funding. The Assessor has direct operational responsibility for the statutory functions. The Board consists of 6 members appointed by each of Aberdeen City and Aberdeenshire Councils and three members appointed by Moray Council. The terms of reference of the Board are defined in Standing Orders.
- 7.2 The Board normally meets on three occasions annually to deal with its business and review the Department's progress. The meeting at which the budget is set normally takes place in January in advance of the budget setting meetings of the constituent councils. The budget process takes place in a timeframe designed to accommodate the budgetary cycles of the constituent authorities. The budgetary process takes account of the pressure of business as advised by the Assessor & ERO.
- 7.3 The Board operates under Standing Orders and Financial Regulations which are contemporary and are subject to periodic review. In general, such review tends to follow those of the Moray Council where the Chief Executive is the Clerk to the Board and the Head of Financial Services is the Board's Treasurer, which serves to simplify the operation and audit of, particularly, the financial control system.
- 7.4 The Board receives and approves the Annual Report and Accounts together with related Internal and External Audit Reports. The Assessor reports annually on the Key Performance Indicators and Public Performance Report. The Board also receives details of all complaints received as a result of the Department's Complaints procedure and would also receive reports considered by the Ombudsman regime.
- 7.5 The Board has established policies dealing with equalities issues and which should be periodically reviewed.
- 7.6 The Board will also receive and review any Best Value Audits that take place once the regime has been "rolled out" to Valuation Joint Boards. KPIs in relation to the Electoral Registration Service will be in place once considered by the Electoral Commission.
- 7.7 Member training in respect of the Code of Conduct is carried out at the constituent authority level. Registers of Interests are in place at the constituent authority level. The Financial Regulations deal with gifts to staff and a register of such gifts. Other appropriate policies

including those covering Fraud and Corruption and Confidential Reporting (Whistle Blowing) will be developed and put in place.

- 7.8 The Department's operations can most conveniently be viewed as being conducted through teams at Aberdeen (2), Banff and Elgin respectively. The teams' technical and supervisory staff meet regularly and senior staff meet to review all business periodically as a Management Team with additional meetings on specific topics or projects taking place as appropriate.

## **8 Public Reporting**

- 8.1 The current arrangements, as indicated above, involve publication of the annual accounts, including a Statement of Internal Control and information concerning the Department's performance. In developing governance arrangements a single annual report incorporating both financial and performance information should be the aim.

## **9 The Performance Measurement and Evaluation Framework**

- 9.1 In order to make sense of the foregoing and to monitor achievement of objectives it is necessary to have a framework for performance measurement and evaluation.
- 9.2 The introduction of Best Value has given rise to agreement being reached, subject to periodic review, between the Scottish Assessors' Association, the Scottish Executive and the Accounts Commission as to a number of key performance and volume measures. This and other work by Assessors gives rise to the possibility of relevant benchmarking.
- 9.3 It is not suggested that these key indicators are in any sense exhaustive. Any performance measurement plan in the public sector must seek to take account of the wide range of interests that are involved. In order to give as true a picture as possible, a portfolio of measures has been constructed. As consultation with stakeholders is developed and evaluation is undertaken, there will likely be changes over time.
- 9.4 While jargon is not given any particular emphasis, the term "stakeholder" seems apposite in relation to those the Department's functions affect; the use of "customer" might tend to imply choice whereas the regimes which the Department operates are largely statutory and require and compel action on the part of electors and taxpayers. It is equally appropriate in taking account of the interests of the Finance Authorities, Central Government, Political Parties and Candidates in their electoral role, the Tribunals and Courts systems and the general public.
- 9.5 As part of the Department's response to the Best Value regime, it is intended over time to develop the approach to taking account of stakeholders' views, to provide them with details of performance and invite their input as to how our performance should be measured and what dimensions of performance they particularly value. That process will result in the performance management regime changing over time. The existing arrangements for performance measurement are summarised below.

## **10 Completeness**

- 10.1 This head of performance is concerned with the contents of the Valuation Roll, Council Tax List and Electoral Register. The aim is to ensure that all persons and properties that should be, are included in the lists. It is potentially a dysfunctional measure in the sense that a high number of delayed cases could be construed as poor performance and thus tend to discourage

discovery. In practice, experience suggests that such cases will often arise due to the failure of the public to provide information, which only emerges at a later date.

10.2 The measures under this head shall be:

- To record and account for the number of cases of entry upon the Valuation Roll or Council Tax List where the period between the making of the entry and its effective date exceeds one year. (In relation to the Roll, which is an annual document, this measure cannot be detected on the face of the document).
- In relation to the Electoral Register a measure of completeness in the level of return of "A" forms and the change in the electorate on annual publication of the Register.

10.3 The last mentioned measures of performance will be superseded by a new suite of electoral performance measures which are in course of development by the Electoral Commission. In the meantime the level of return of "A" forms and electorate change will serve as proxies.

## **11 Accuracy**

11.1 This head is principally relevant to the valuation and banding function. The appropriate measures proposed are:

- The total loss of rateable value on appeal as a percentage of the valuation on the Roll at revaluation.
- The total loss of rateable value on appeal in relation to new and altered running roll entries.
- The number of council tax appeals lodged where the band is adjusted.

## **12 Timeliness**

12.1 This is a multi-dimensional measure of time related performance which is believed to be of high importance to stakeholders.

12.2 There are two key performance indicators in this area agreed with the Scottish Executive:

- The Valuation Roll timeliness measure dealing with elapsed time between date of effect of entry and the date on which the entry is actually made and a Valuation Notice issued.
- The Council Tax timeliness measure dealing with elapsed time between date of effect of new entries and date made and Valuation Notices issued.

12.3 In addition, performance requires to be monitored in relation to:

- Timeliness of reply to correspondence.
- Timeliness of answering telephone calls and counter visits.
- Compliance with statutory timetables as to the production of the Rolls, Lists and Registers and disposal of appeals etc.

## **13 Service/**

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13.1 There are many possible heads under which service (apart from completeness, accuracy and timeliness) can be assessed but the principal issue is considered to be whether the party feels that they have been treated fairly, knowledgeably, courteously and without prejudice. There appear to be two principal means of addressing this matter.

- Monitoring of the number of complaints and suggestions received.
- Organised canvass of stakeholders to establish how they view performance in relation to the established indicators and what other indicators they consider to be relevant.

### **14 Financial Measures**

14.1 In a Department which is relatively simple in its functions (as against the complexities of a local authority), and given that the Department has a revenue budget only, the following are believed to be reasonable financial performance issues against which performance can be judged.

- Compliance with budget and budget trend.
- Purchasing arrangements to ensure economies of scale.
- Comparison with other Assessors' costs on a common basis.
- Service review and tender in appropriate cases.

### **15 Staff**

15.1 As a general proposition the following measures are believed to be of direct relevance:

- Staff turnover level compared to similar authorities and the workforce as a whole.
- Staff sickness absence compared to other local authorities and other Assessors.
- Number of grievance/disciplinary actions.
- Establishment and maintenance of relevant training and development programmes for all members of staff.
- Satisfaction – as measured through occasional staff surveys.
- Productivity – as between offices within the Department and compared with other Assessors.

### **16 Information Gathering & Other Processes**

16.1 Information, particularly details of taxable properties and their occupiers, transaction and cost details, is the Department's raw material. Proper analysis and understanding of this information gives rise to robust valuation and banding determinations, and accurate registers. It is therefore important that performance be monitored in each of the following areas:

- The completeness of ingathering of property, transaction and cost information.
- The full utilisation of all relevant building control and planning information etc to act as triggers for identifying new subjects or reconsideration of values and bandings for existing subjects.
- The level of issue and return of statutory schedules for Valuation Roll properties.
- The level of issue and return of "A" forms and other information gathering arrangements for Electoral Registration purposes.
- The adequacy of arrangements for holding of information in a secure and accessible form.



- The analysis and use of information to optimum effect in the Department's functions.

## **17 Volumes**

- 17.1 In order to place relevance on the foregoing performance measures and to enable the development of measures of economy and efficiency, it is necessary to measure volumes/workload.
- 17.2 One significant distinction arises between the stock of properties which is particularly relevant to the process of revaluation and electoral canvass as against the changes which arise in that stock representing the volume of maintenance work on the Roll and List.
- 17.3 A further important distinction is that between monitoring activity which results in change, as against that which results in no change. If the latter dimension were ignored then the workload and output would be understated significantly. Thanks to the development of computer systems the possibilities for measuring all work without major overhead are improving.
- 17.4 Appendix 1 sets out brief details of the main performance measures and volumes that are collated.

## **18 Stakeholder Consultation**

- 18.1 In the rating field the most significant development in recent years was the establishment in 2003 of the Scottish Ratepayers' Forum which affords business organisations the opportunity of meeting the Executive of the Scottish Assessors' Association. A parallel forum has been established in which the Assessors' Association meets the Scottish Business Rating Surveyors' Association. By these means the majority of the ratepayer community and their agents have the opportunity to engage with Assessors directly and deal with problems which arise. Taken together with the appeals and complaints system it is considered that the vehicles exist to address stakeholder interests and concerns.
- 18.2 In respect of Council Tax, the regime is largely stable and activity is mainly limited to routine maintenance work. There are no combinations of council tax payers and currently the principal means of identifying concerns lie in the appeals and complaints arrangements. It is to be anticipated that the Review of Local Government Finance will attract significant levels of submissions and these will be studied in due course to identify areas for improvement which do not require legislation.
- 18.3 Electoral registration will, over the next few years, be the subject of considerable change following the establishment of the Electoral Commission and the declared legislative intent of Government. A performance regime specifically designed for electoral purposes is likely to be introduced. Routine contact is maintained with the Electoral Commission and the Scotland Office together with the Returning Officers for the constituent councils. Errors and omissions are analysed at individual elector level to identify solutions to problems that emerge.
- 18.4 The vehicle of the Scottish Assessors' Association is employed for initiatives that are best handled at national level. Local contact with business associations, rating agents etc is pursued where the opportunity arises.

## **19 Risk Management/**

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19.1 As part of the formal governance arrangements, it is normal practice to:

- identify and prioritise the risks to the achievement of the Department's policies, aims and objectives
- evaluate the likelihood of those risks being realised and the impact should they be realised
- manage risks efficiently, effectively and economically

The current assessment of risk is set out in Appendix 2. An indication is given of how the organisation manages these risks.

## **20 Internal Control**

20.1 For the purposes of managing risks to a reasonable level the Department aims to install and maintain a system of internal controls, in order to:

- establish and monitor the achievement of the Department's objectives;
- facilitate policy and decision making;
- ensure compliance with established policies, procedures, laws and regulations;
- ensure the economical, effective and efficient use of resources;
- achieve continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness as required by the Best Value obligations;
- secure the financial management of the Department and the reporting of financial management;
- facilitate the performance management of the Department and the reporting of performance management. (This is addressed in detail from paragraph 9 onwards.)

20.2 The controls incorporated within processes include a combination of preventative, detective and corrective controls.

## **21 Audit**

21.1 The General Purposes and Audit Committee reviews all internal and external audit annual plans and audit reports prior to submission to the full Board.

21.2 The Department's activities are subject to audit, as follows:

- Internal audit via the Moray Council's Internal Audit unit; and
- External audit, by the Council's appointed external auditors and/or by Audit Scotland.

21.3 The Department may also be subject to additional scrutiny, as the need arises:

- by way of appeal to the Valuation Appeal Committee, Lands Tribunal, Lands Valuation Appeal Court, Registration Court etc.  
and
- by way of complaint via the Department's Complaints Procedure which is designed to attend to complaints of a character for which there is no judicial process. Such complaints may also be considered by the Scottish Public Services Ombudsman.

## **22 Summary**

22.1 The foregoing framework is proposed as a foundation for addressing the Department's need to establish a governance and performance regime to meet management and audit requirements. It is proposed as a working tool which is likely to require modification in the light of experience as performance management and best value develops in the public sector.

This version of the Code was approved by the Grampian Valuation Joint Board at its meeting on Friday 7 July 2006.

## INFORMATION FOR PERFORMANCE MANAGEMENT

The use of the term “Indicator” means that the item forms part of the Scottish Executive/Accounts Commission package for Assessors. The use of the term “Record” indicates that this information is routinely collated and forms part of the performance portfolio.

### Valuation Roll

- Indicator 1 Total number of entries on the Valuation Roll as at 1 April and 31 March each year.
- Indicator 2 Total Net and Rateable Values of the Valuation Roll as at 1 April and 31 March each year.
- Indicator 3 Number of amendments to the Valuation Roll arising from material changes of circumstances during a financial year.
- Indicator 4 Number of amendments to the Valuation Roll undertaken within the time periods 0-3 months; 3-6 months; and over 6 months; expressed in terms of numbers of cases and as a percentage of the total during a financial year.
- Indicator 5 Figures showing the loss in Rateable Value resulting from appeal settlement expressed as a percentage of the total as at 1 April in a revaluation year.
- Record 1 The numbers of Revaluation and Running Roll appeals disposed of during the course of a year.

### Council Tax

- Indicator 1 Total number of entries on the Council Tax Valuation List as at 1 April each year.
- Indicator 2 The figure for Indicator 1 adjusted to “Band D” equivalent.
- Indicator 3 The number of new entries added to the Valuation List during each financial year.
- Indicator 4 The number of new entries added to the Valuation List undertaken within the time periods 0-3 months; 3-6 months; over 6 months; expressed in terms of numbers of cases and as a percentage of the total new entries for the whole year.
- Record 1 The number of proposals and appeals disposed of in the course of a year.

### Electoral Registration

- Record 1 “A” form return statistics over a number of years.
- Record 2 Numbers of electors by Constituency and Area over a number of years.
- Record 3 Number of additions and deletions arising from rolling registration.

## **General**

- Record 1 Budget information for previous years.
- Record 2 Complaints from the public
- Record 3 Staff sickness absence statistics

## **Costs**

- Indicator 1 The total cost of all permanent staff for whom budget funding is available.
- Indicator 2 The number of staff employed as full time equivalents.
- Record 1 Compliance with budget.
- Record 2 Allocation of staff numbers as between Professional and Technical posts and Administrative and Support posts.