



Orkney & Shetland Valuation Joint Board



Clerk to the Board: Jan-Robert Riise

Governance and Law
Corporate Services Department
8 North Ness Business Park
LERWICK ZE1 0LZ

Telephone: 01595 744550
Fax: 01595 744585
Louise.adamson@shetland.gov.uk
www.shetland.gov.uk

If calling please ask for
Louise Adamson
Direct Dial: 01595 744555

Date: 28 September 2017

Dear Sir/Madam

You are invited to the following meeting:

Orkney and Shetland Valuation Joint Board
Council Chamber, Town Hall, Lerwick
Tuesday 3 October 2017 at 2pm

Apologies for absence should be notified to Louise Adamson at the above number, or by e-mail to louise.adamson@shetland.gov.uk

Yours faithfully

J R Riise
Clerk to the Board

AGENDA

- (a) Hold circular calling the meeting as read.
- (b) Apologies for absence, if any.
- (c) Confirm the minutes of the meetings held on (i) 15 June 2017 and (ii) 21 September 2017 (attached).

1. Best Value Regime: Progress Report (*report enclosed*).
2. Risk Register (*report enclosed*).
3. (a) Report on the role of Treasurer to the Board (*report enclosed*).
(b) Report on the roles of Clerk and Human Resources (HR) functions to the Board (*report enclosed*).

The following items contain Exempt information

4. Valuation Joint Board Update Report – Staffing (*report enclosed*).
5. Staffing – Assistant Assessor's Post (*report enclosed*).



Orkney & Shetland Valuation Joint Board



Orkney and Shetland Valuation Joint Board
Committee Room 1, Council Offices, Kirkwall, and
Auditorium, Museum and Archives, Hay's Dock, Lerwick (by video conference)
Thursday 15 June 2017 at 11.10am

B - Public

Present:

Orkney

S Clackson

D Dawson

A Drever

H Johnston

Shetland

A Cooper

T Smith

B Wishart

In Attendance:

Orkney

G Mitchell, Head of Legal Services

Shetland

J Belford, Treasurer to the Board

J Riise, Clerk to the Board

D Stevenson, Assessor and Electoral Registration Officer

L Adamson, Committee Officer

Apologies:

A Duncan

J Fraser

S Heddle

Circular

The circular calling the meeting was held as read.

Chairperson

Mr A Drever, Convener of the Board, chaired the meeting.

14/17 **Minutes of the meeting held on 17 February 2017**

The Board confirmed the minutes of the meeting held on 17 February 2017 on the motion of Mr T Smith, seconded by Mr Drever.

The Assessor and Electoral Registration Officer provided an update regarding Item at 10/17 “Individual Electoral Registration – temporary Administrative Posts”. He said that while he had advised at the meeting that Cabinet Office funding had been confirmed, that statement had been made before the Election was called, and therefore confirmation on the Cabinet Office funding was still awaited. The current funding should however be confirmed soon.

15/17 **Minutes of the meeting held on 31 May 2017**

Subject to the following, the Board confirmed the minutes of the meeting held on 31 May 2017 on the motion of Mr Cooper, seconded by Mr Drever.

It was noted in Min. Ref.: 12/17, the references to ‘Mr Clackson’ and ‘Mr Heddle’ should read ‘Dr Clackson’ and ‘Dr Heddle’.

16/17 **Management Accounts for 2016/17 – Outturn at Quarter 4**

A report by the Treasurer to the Board enabled the Board to review the management accounts showing the outturn position at Quarter 4 [Appendix 1].

The Treasurer to the Board summarised the main terms of the report. In referring to Section 4.2, he updated the Board in terms of the decision taken in February 2017 that the Best Value Review would not take place.

Decision:

The Board noted the report.

17/17 **Unaudited Annual Accounts 2016/17**

A report by the Treasurer to the Board presented the 2016/17 unaudited accounts for the Orkney and Shetland Valuation Joint Board [Appendix 2].

The Treasurer to the Board introduced the report. In referring to Section 1.1(b), he advised on the requirement for authorisation of the Annual Governance Statement. During a brief discussion, the Convener confirmed that following authorisation by the Assessor and Electoral Registration Officer, he would return the signed Statement to the Treasurer to the Board.

On the motion of Mr Drever, seconded by Mr Cooper, the Board approved the recommendation in the report.

Decision:

The Board considered the 2016/17 Unaudited Accounts and **RESOLVED** to approve the 2016/17 Annual Governance Statement that forms part of the accounts, and considered the information at section 4 that highlights the key points from the 2016/17 accounts.

In order to avoid the disclosure of exempt information, Mr Drever moved, Mr T Smith seconded, and the Board agreed to exclude the public for the remainder of the meeting, as it is likely that, if the public were present, there would be disclosure of exempt information as defined in paragraph 1 of Part I of Schedule 7A to the said Act.

18/17 Update Report – Staffing

A report by the Assessor and Electoral Registration Officer provided an update on staffing matters since the Board meeting in February 2017.

The Assessor and Electoral Registration Officer introduced the report, and provided updates to the Board.

Following discussion, the Board NOTED the report.

The meeting concluded at 11.40am.

Chair



Orkney & Shetland Valuation Joint Board



C(ii)

A & B

Orkney and Shetland Valuation Joint Board
Committee Room 1, Council Offices, Kirkwall, and
Council Chamber, Town Hall, Lerwick (by video conference)
Thursday 21 September 2017 at 1.30pm

Present:

Orkney

A Drever
S Clackson
D Dawson
S Heddle
H Johnston

Shetland

A Cooper
A Duncan
J Fraser
T Smith
B Wishart
S Leask (Substitute)

In Attendance:

Orkney

D Stevenson, Assessor and Electoral Registration Officer
G Mitchell, Head of Legal Services

Shetland

J Riise, Clerk to the Board
J Belford, Treasurer to the Board
L Adamson, Committee Officer

Also in Attendance

K Watt, Manager, Deloitte

Apologies:

None

Circular

The circular calling the meeting was held as read.

Chairperson

Mr A Drever, Convener to the Board, presided.

19/17 **Management Accounts for Orkney and Shetland Valuation Joint Board 2017/18 – Projected Outturn as at Period 4**

A report by the Treasurer to the Board presented the Board's financial position as at period 4 [Appendix 1].

The Treasurer to the Board summarised the main terms of the report.

The Board NOTED the report.

20/17 **Annual Audit Report on the 2016/17 Audit**

A report by the Treasurer to the Board presented the 2016/17 audited Annual Accounts for approval [Appendix 2].

In introducing the report, the Treasurer to the Board advised that this was the first of the audits from Deloitte as part of their five year contract. He advised on the unmodified opinion expressed by the Auditors, and introduced Ms K Watt, Manager of Deloitte.

Ms K Watt, Deloitte, outlined to the Board the key issues from the audit report. She advised that no issues had been identified or adjustments required, and she confirmed the unmodified opinion. In referring to Page 6 of the audit report, Ms Watt highlighted a typo on page 6 of the audit report, where in the third paragraph, third line, the word 'decrease' would be amended to 'increase'.

During the discussion, a typo was highlighted on page 16, at the section "Short-term", where it was agreed that 'lower' should read 'higher'. It was also noted that pages 14 and 15 of the audit report had been omitted during the printing of the agenda. Following a brief discussion, it was agreed, for completeness, that the amendments would be made to the audit report and the updated final report emailed to all Members of the Board.

On the motion of Mr T Smith, seconded by Mr Cooper, the Board approved the recommendation in the report.

Decision:

The Board RESOLVED to:

NOTE the findings of the 2016/17 audit as contained in the external auditor's Annual Audit Report;

CONSIDER a verbal report by the external auditor; and

APPROVE the audited Annual Accounts for 2016/17 for Orkney & Shetland Valuation Joint Board for signature.

The meeting concluded at 1.50pm.

Chair



Orkney & Shetland Valuation Joint Board



To: Orkney and Shetland Valuation Joint Board

3 October 2017

From: Assessor & Electoral Registration Officer

BEST VALUE REGIME - PROGRESS REPORT

1. PURPOSE OF REPORT

To present to the Board a six monthly Progress Report since the Board's meeting on 17 February 2017 as required by the Board's Best Value Regime.

2. BACKGROUND

In the Board's Best Value Submission provision was made that the Assessor and Electoral Registration Officer would produce six monthly Progress Reports for presentation to meetings of the Board.

3. INTRODUCTION

The statutory duties of the Assessor and Electoral Registration Officer is to prepare, maintain and publish the Valuation Roll; prepare, maintain and publish the Council Tax Valuation List and prepare, maintain and publish the Register of Electors. This report describes these 3 duties in more detail and also presents to the Board details of the main tasks completed in the last six months since the Board's full meeting on 17 February 2017.

4. ELECTORAL REGISTRATION SERVICE OVERVIEW AND PRIORITIES

4.1 Transition to Individual Electoral Registration (IER)

Individual Electoral Registration came into force on the 19 September 2014. The first Register published under the new system was published on 27 February 2015. This Register, with subsequent updates, was used for the Local Government Council on 4 May 2017 and the UK Parliamentary General Election on 8 June 2017.

The UK Parliamentary General Election 8 June 2017, only 5 weeks after the Local Government Council Election. These two back to back elections placed pressure on the Electoral Registration function during this time, however both offices managed these events well with only a very small number of enquiries from potential unregistered electors at either election.

To support the move to IER and assist those electors who receive new application forms, the Cabinet Office created an on-line registration system

which is accessed through a government web site, www.gov.uk/register-to-vote. This is proving to be a considerable success with millions of applications having been received throughout the UK since IER went live.

In order to deal with the more complex time consuming IER process the Board agreed to employ two 0.5 FTE Admin Assistants, one in each office. Both posts were filled on 1 April 2015. The Shetland post was filled by an existing job share employee opting for full time employment and in Orkney a new 0.5 FTE post was created. At the Board meeting on 17 February 2017 it was agreed to extend these posts in tandem with Cabinet Office funding until the end of the projected Parliament, at that time, to 2020.

4.2 Cabinet Office Funding for IER & overall costs/income

The main Cabinet Office funding awarded in the current financial year 2017-2018 has been set at £45,790 (previously £38,597.84 in 2016-2017).

A further Justification Led Bid (JLB) can be submitted to the Cabinet Office in January 2018 to cover any shortfall between IER costs and the main funding above received in the financial year 2017-2018. The 2016-2017 JLB funding claim submitted amounted to £16,362.18. It is understood any successful claim will be paid within the current financial year.

The Cabinet Office had given an assurance that it would meet the additional costs associated with IER until the end of the former Parliamentary term to 2020, allowing for efficiencies in the process where identified. However, after the snap UK Parliamentary General Election on 8 June 2017 it's unknown what the projected timetable funding will be at this time.

A summary of the costs associated with IER is shown below.

Summary Calculation of IER Cost Pressure 2017-2018				
Two 0.5 FTE Staff				£ 30,058.00
Canvass Door to Door requirement under Section 9A (HEF)				£ 9,000.00
Rolling Door to Door ITR costs (ITR's)				£ 2,743.00
Increase in Postage Costs				£ 7,934.00
Increase in Printing Costs				£ 3,800.00
Contribution to IER National Publicity Campaigns				£ 500.00
Increase in Stationary/In house Printing Costs				£ 1,050.00
Total Estimated Cost				£ 55,085.00
Summary of Cabinet Office Income 2017-2018				
2017-2018 Main Cabinet Office IER Funding Allocation				£ 45,790.00
			Total	£ 45,790.00
			Estimated IER Funding Shortfall	£ 9,295.00

4.3 Election Management Systems (EMS)

As reported at the Board meeting in September 2016, currently six Electoral Registration Offices in Scotland, including Orkney and Shetland Valuation Joint Board, use the same Election Management System (EMS) and the general consensus held is that our current supplier does not provide the best package available on the market.

The other ERO's are Highland & Western Isles VJB, Ayrshire VJB, Scottish Borders, Glasgow and Fife.

The EMS system is operating more efficiently in 2016 and 2017 than in previous years. A number of ERO's in Scotland, including us, and those listed above have had an initial demonstration from two alternative suppliers, who already are major players in the English market. Three of the above ERO's in Scotland have made plans to procure an alternative system with two ERO's actively in the process of changing EMS suppliers.

Electoral registration software requires a number of Scottish specific solutions to be built in to it. The most significant of these has been the registration of 14 and 15 year olds and our current supplier developed their system to accommodate this for the May 2016 Scottish Parliamentary Election. If other EROs, in much larger areas makes the decision to appoint alternative suppliers, we will be left with little choice but to follow suit. Software development costs are significant and if the Board was left in the position of being the only Scottish customer of a particular software provider it would place us in a very weak, if not impossible situation.

4.4 Annual Canvass under IER

The third annual canvass under IER commenced in August 2017 which required the issuing of a Household Enquiry Form (HEF) to each property within each local authority area. Each HEF requires to be returned even if there has been no change to household occupancy. A total of 23,276 HEF's were issued on 14 August 2017. A combined total of 8236 first HEF reminders were issued on 13 September.

Under the old style household canvass the above return of information would end the cycle if returned.

Under IER if new electors appear on a returned HEF the potential elector will be issued with an Invitation To Register (ITR) which requires the elector to provide their national insurance number (NINO) and date of birth. Alternatively to a paper return they can go online to the government's website and make an online return providing their personal identifiers. Either way the elector's details will require to be verified via the Department of Works and Pensions (DWP) database. Only then will the elector's application be processed to the next stage by the ERO office.

If the verification fails the check with DWP records further evidence is requested from the applicant to verify their identity e.g. copy of passport etc.

The above process is more elaborate, time consuming and complicated for the elector and ERO staff along with the requirement, where a property has non-returned forms, to be individually visited annually during the canvass period and on an ongoing year round basis.

By law EROs have to issue a HEF plus two reminders and undertake a personal visit to each property where a canvass form remains unreturned. Employment of part time canvassers along with existing staff undertook this duty for the 2016 canvass between October and early December.

A further personal door to door visit is required to canvass all non returned ITR's and this was undertaken by part time canvassers and existing staff in January and February.

The household HEF and ITR door to door canvass proved a time consuming and costly exercise to complete, costing £10,465 during the 2016 canvass.

At the request of the Cabinet Office a number of pilot projects are being undertaken by selected ERO's throughout the UK to identify best practices and efficiency savings. Two ERO's in Scotland are part of the pilot projects.

4.5 Interactive Voter Response (IVR)

In the last of our old style householder canvass in 2013 we used the IVR system for canvass returns but at that time only "no change" returns were able to be accepted via the system.

From 2015 onwards, from the first IER canvass, Orkney & Shetland chose to offer the electorate a fully interactive canvass response system which will allow the canvass details to be returned for "no change" by telephone, internet and text message and fully interactive system covering elector additions, deletions and amendments by internet. Postal returns were available for all options. It was hoped that IVR would prove popular and give the elector more options on how to make a canvass return and would in return reduce the Board costs on return postage. The number of households that chose to return the HEF by IVR was approximately 14%. This response was lower than expected however IVR did not cost more overall than the cost of the equivalent return postage costs. IVR proved an efficient use of staff resources by not having to respond and process the paper returns taking advantage of the IVR return updating our Electoral Management Systems with daily downloads.

For the 2016 and 2017 canvass the IVR response system has been retained with the full range of return options. It was hoped an increased uptake would be shown now that the electorate have had past experience of the IVR setup, along with a re-worded HEF introductory page. At the close of the 2016 IVR service the response rate had increased to over 33% which indicates a significant channel shift between postal returns and IVR.

4.6 The main service priorities for - August 2017 - January 2018

- Prepare and maintain HEF and canvass stationery along with Electoral Registration data, in partnership with our external printer, for the commencement of the 2017 canvass from 1 August 2017;
- Continue to process IER & Canvass application forms whether that be paper forms, on line applications or IVR returns;
- Continue to canvass all electors where an outstanding HEF or IER application is required through door-to-door visits;
- Monitor staff workloads and assess if there is sufficient staffing to carry out IER duties.
- All of the above Electoral Registration functions are to be undertaken within the guidance produced performance standards set by the Electoral Commission.

5. COUNCIL TAX

5.1 Council Tax - New Entries

As at 1 February 2017 there were 11,118 chargeable dwellings in Orkney and 11,153 in Shetland which has risen to 11,191 in Orkney and 11,174 in Shetland, as at 1 August 2017. These figures include the addition of 108 new dwellings in Orkney and 38 in Shetland over the 6 month period.

5.2 Council Tax - Proposals/Appeals

The numbers of Council Tax proposals/appeals remain at very low levels in Orkney and Shetland. The last appeal heard by the Orkney Valuation Appeal Committee was in September 2015 and last appeal heard by Shetland Valuation Appeal Committee was on 8 November 2016. Proposals to alter bands are dealt with as business as usual queries in the first instance and it is unusual that any proceed before the Valuation Appeal Committee.

5.3 Council Tax - Service Priorities August 2017 - January 2018

The main service priorities are affected by the current valuer shortage in the Shetland Office. The current service priorities are summarised as follows;

- Continue improvement on the time taken between completion of new dwellings and the insertion of the dwelling in the Council Tax List in accordance with performance targets;
- Continue improvement on the time taken between the sale of houses which have been altered and the date their Council Tax Band is changed;
- Continue to resolve proposals and appeals against Council Tax banding;
- The Assessor is currently making regular trips to the Shetland Office in order to manage the valuation functions and offer support and guidance to valuation and technical staff.

6. NON DOMESTIC RATING

6.1 Valuation Roll Statistics

As at 1 February 2017 there were 2,126 entries in the Orkney Valuation Roll with a Rateable Value of £26,469,160 and 1,981 in Shetland Valuation Roll with a Rateable Value of £55,049,290 which has been amended to 2,185 entries in Orkney with a Rateable Value of £28,776,085 and 2,082 in Shetland with a Rateable Value of £60,930,795 as at 1 August 2017.

6.2 2010 Revaluation Appeals

The number of 2010 Revaluation appeals outstanding at the Lands Tribunal amounts to 8 for Shetland and 7 for Orkney. These represent telecommunication appeals which should be settled following a Lands Valuation Appeal Court decision which favoured the mobile phone companies.

6.3 Running Roll Appeals

The number of outstanding running roll appeals stands at 4 for Shetland and 2 for Orkney. Only one of the Shetland appeals will be required to be cited for hearing by the Appeal Committee by December 2017. All other running roll appeals have either been settled or have been referred to the Scottish Lands Tribunal. The majority of these are telecommunication appeals which should be settled together with the 2010 Revaluation Appeals mentioned under 6.2 above.

6.4 2017 Revaluation

The 2017 Revaluation of all non-domestic subjects shown in the Valuation Roll has been completed and values have been available for public inspection on the Scottish Assessors Portal website (www.saa.gov.uk) from 1st April 2017. Valuation Notices were issued to all proprietors, tenants and occupiers on 15th March 2017. Appeals against the new valuations can be lodged between 1st April and 30th September 2017.

The Land Reform (Scotland) Act 2016 re-introduced the valuation of shootings and deer forests into the Valuation Roll with effect from 1st April 2017. These subjects had been exempt since 1st April 1995. Since exemption no records had been held or gathered by the Assessor relating to these subjects, however since the above Act has been introduced it required the issue of a shooting rights form to all known land holders to enable analysis of rental information. Throughout Scotland Assessors issued over 25,000 shooting rights forms and locally over 1000 were issued in Shetland and up to 800 in Orkney. Due to the late laying of Act, the amount of time taken receiving and collating the information and the subsequent analysis and production of Scottish Assessors guidance no entries for shooting rights were to be made by 1st April 2017. However, it is proposed that entries will be made by 30th September 2017 or earlier if resources permit. At the time of writing this report the estimated Valuation Roll entries to be made in Orkney and Shetland stand at 666, which represents 372 in Orkney and 294 in Shetland. This exercise will have increased the number of subjects in the Orkney & Shetland Valuation Rolls by over 16%. No additional funding from the Scottish Government has been available for the introduction of the above Act.

Many challenges will emerge from the 2017 Revaluation and this will consume considerable staff resources over the next two years along with normal business as usual workloads.

6.5 Barclay Review on Non-Domestic Rating

The Barclay review group was set up to make recommendations that seek to enhance and reform the business rates system in Scotland to better support business growth and long term investment and reflect changing marketplaces. The Barclay report was published on 22nd August 2017 and a summary of the 30 recommendation is given overleaf.

Measures to support economic growth

1. A Business Growth Accelerator - to boost business growth, a 12 month delay should be introduced before rates are increased when an existing property is expanded or improved and also before rates apply to a new build property.
2. There should be three yearly revaluations from 2022 with valuations based on market conditions on a date one year prior (the 'Tone Date').
3. The large business supplement should be reduced.
4. A new relief for day nurseries should be introduced to support childcare provision.
5. Town centres should be supported by expanding Fresh Start relief.
6. There should be a separate review of Plant and Machinery valuations with particular focus on renewable energy sector valuations and statutory improvements to property including sprinkler systems.
7. The effectiveness of the Small Business Bonus Scheme should be evaluated.

Measures to improve ratepayer experience and administration of the system

8. The Scottish Government should provide a 'road map' to explain changes to the rating system and should consult whenever possible on those changes, prior to implementation.
9. There should be better information on rates made available to ratepayers - co-ordinated by Scottish Government.
10. A full list of recipients of rates relief should be published to improve transparency.
11. A "rateable value finder" product should be used - to identify properties that are not currently on the valuation roll, so as to share the burden of rates more fairly.

12. Assessors should provide more transparency and consistency of approach. If this is not achieved voluntarily, a new Scotland wide Statutory Body should be created which would be accountable to Ministers.
13. The current criminal penalty for non-provision of information to Assessors should become a civil penalty and Assessors should be able to collect information from a wider range of bodies.
14. Standardised rates bills should be introduced across Scotland.
15. Rates payers should be incentivised to sign up for online billing where available except in exceptional circumstances.
16. A new civil penalty for non-provision of information to Councils by ratepayers should be created.
17. Councils should refund overpayments to ratepayers more quickly.
18. Councils should be able to initiate debt recovery at an earlier stage.
19. Reform of the appeals system is needed to modernise the approach, reduce appeal volume and ensure greater transparency and fairness.

Measures to increase fairness and ensure a level playing field

20. A General Anti-Avoidance Rule should be created to reduce avoidance and make it harder for loopholes to be exploited in future.
21. To counter a known avoidance tactic, the current 42 days reset period for empty property should be increased to 6 months in any financial year.
22. To counter a known avoidance tactic for second homes, owners or occupiers of self-catering properties must prove an intention let for 140 days in the year and evidence of actual letting for 70 days.
23. The Scottish Government should be responsible for checking rates relief awarded, to ensure compliance with legislation.
24. Charity relief should be reformed/restricted for a small number of recipients.
25. To focus relief on economically active properties, only properties in active occupation should be entitled.
26. To encourage bringing empty property back into economic use, relief should be reformed to restrict relief for listed buildings to a maximum of 2 years and the rates liability for property that has been empty for significant periods should be increased.
27. Sports club relief should be reviewed to ensure it supports affordable community-based facilities, rather than members clubs with significant assets which do not require relief.

28. All property should be entered on the valuation roll (except public infrastructure such as roads, bridges, sewers or domestic use) and current exemptions should be replaced by a 100% relief to improve transparency.
29. Large scale commercial processing on agricultural land should pay the same level of rates as similar activity elsewhere so as to ensure fairness.
30. Commercial activity on current exempt parks and Local Authority (council) land vested in recreation should pay the same level of rates as similar activity elsewhere so as to ensure fairness.

6.6 Non-Domestic Rating - Service Priorities August 2017 - January 2018

The current service priorities are summarised as follows: -

- Prepare any cases as may be required by the Valuation Appeal Committee;
- Schedule and action the disposal of appeals resulting from the 2017 Revaluation and any Running Roll appeals;
- Survey and value new property or alterations to existing properties to ensure that the Valuation Roll is as complete and accurate as possible;
- To upload all records to the Scottish Assessors Portal on a weekly basis;
- The Assessor is currently making regular trips to the Shetland office in order to support any valuation queries raised by valuation and technical staff;
- Analyse rental information from shooting rights forms and value subjects for entry into the Valuation Roll by 30th September 2017.

7. GOVERNANCE

- 7.1 The Public Records (Scotland) Act 2011 (the Act) is the first new public records legislation in Scotland since 1937 and came fully into force on 1 January 2013. Its primary aim is to promote efficient and accountable record keeping by named public authorities. The Act requires a named authority to prepare and implement a Records Management Plan (RMP) which must set out proper arrangements for the management of records. A plan must clearly describe the way the authority cares for the records that it creates, in any format, whilst carrying out its business activities. The RMP must be agreed with the Keeper and regularly reviewed.
- 7.2 The Assessor & ERO was required to submit a RMP on behalf of the Orkney & Shetland VJB by 31 January 2017 which was undertaken. This was an extensive document covering both Orkney and Shetland offices extending to 25 separate Policies and Procedures with supporting documents. On 31 July 2017 the Keeper issued confirmation that he has agreed the RMP of the Orkney & Shetland VJB.

8. FINANCIAL IMPLICATIONS

- 8.1 Any financial implications arising from 4.1 and 4.2 may become clear after the Cabinet Office has set its new funding timetable and considered any JLB claim.
- 8.2 Any financial implications arising from 4.3 will be reported to the Board along with the implications from 6.5.

9. RECOMMENDATIONS

- 9.1 The Joint Board is requested to note the contents of this report and discuss any issues identified.

Dennis M Stevenson
Assessor and Electoral Registration Officer
18 September 2017



Orkney & Shetland Valuation Joint Board



Agenda Item

2

To: Orkney and Shetland Valuation Joint Board

3 October 2017

From: Assessor & Electoral Registration Officer.

RISK REGISTER

BY ASSESSOR & ELECTORAL REGISTRATION OFFICER

1. PURPOSE OF REPORT

To present to the Board the Risk Register to ensure operations in relation to the Orkney & Shetland Valuation Joint Board's functions can operate effectively under all assessable and identifiable risks.

2. BACKGROUND

At the January 2016 Video Conference meeting the Board requested a Risk Register be prepared and presented to the 27th February 2015 meeting and all future full Board meetings to address the staffing issues. The Risk Register refers to the Business Continuity Plans which already exist locally for Orkney and Shetland offices. These were presented to the Board meeting in June 2016 (Min Ref 06/16).

3. INTRODUCTION

The statutory duties of the Assessor and Electoral Registration Officer is to prepare, maintain and publish the Valuation Roll; prepare, maintain and publish the Council Tax Valuation List and prepare, maintain and publish the Register of Electors. These reports describe how the duties will be or are maintained under the identified risks.

4. REPORT SUMMARY

The attached Risk Register highlights the identified risks and procedures to follow under the headings of Premises, Finance, Staffing, Service, Planning & Organisation, Loss of Premises, Loss of IT, Communication, Failure on part of Contractors, Integrity Issues and Completeness and Accuracy of Records.

The traffic light system has been reflected throughout the Risk Register along with reference to Corporate Risks and Operational Risks for clarity.

The local Business Continuity Plan for Orkney and Shetland offices detail locally what procedures will be followed under each identifiable event.

5. FINANCIAL IMPLICATIONS

There are no financial implications arising from this report.

6. RECOMMENDATIONS

The Valuation Joint Board is requested to note the contents of this report.

Dennis M Stevenson
Assessor and Electoral Registration Officer
5 September 2017



ORKNEY AND SHETLAND VALUATION JOINT BOARD



RISK REGISTER

ORKNEY AND SHETLAND VALUATION JOINT BOARD
RISK REGISTER

Number	Risk	Cause	Impact	Likelihood	Impact	INHERENT RATING	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion/ Review Date
1	PREMISES											
1.1	Total loss of premises	Due to: Fire Flood, Structural Damage	Unable to fulfill statutory duties. Loss of records.	1	3	3	The Board has a detailed Business Continuity and Disaster Recovery Plan. Ensure inventories are kept up to date.	3	1	Board to find alternative accommodation through each Island Authority	Assessor	Annual
		Loss of Tenure	Unable to fulfill statutory duties.	1	3	3	Ensure compliance with lease terms.	3	1	As above	Assessor	
1.2	Total loss of access to/use of building	Due to: Fire, Flood, Structural Damage Vandalism/Civil Unrest, Power Failure, Heating Failure, Water Supply Failure	Unable to fulfill statutory duties. Loss of records.	1	3	3	The Board has a detailed Business Continuity and Disaster Recovery Plan. Ensure inventories are kept up to date.	3	1	Periodic testing of various scenarios and possibility of home working.	Assistant Assessor to liaise with Assessor	Annual
1.3	Unable to meet Disabled Access requirements Shetland Office	Inadequate disabled access to building.	Disabled stakeholders unable to access building.	3	1	3	Provision of alternative meeting place at Shetland Islands Council HQ Building North Ness Business Park.	3	1	Periodic review whether or not 20 Commercial Road Lerwick is "fit for purpose" in the longer term.	Assessor / Assistant Assessor, Shetland. O & S VJB	Annual

ORKNEY AND SHETLAND VALUATION JOINT BOARD
RISK REGISTER

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent	Mitigation / current controls	Control Score	Residual	Further action required	Lead Officer / Owner of Risk	Completion/ Review Date
2	FINANCE											
2.1	Failure to receive required funding	Insufficient budget allocated.	Depletion of funds required to ensure that full statutory duties are carried out.	1	3	3	Budgetary process should insure adequate funding. Three year structured budgetary process provides adequate control. Close contact with Board Treasurer and constituent Authorities Finances Directors.	3	1	Monitor draft legislation for likely budgetary consequences.	Assessor & ERO / Assistant Assessor / to overview & raise with Orkney and Shetland VJB	Annual
2.2	Unexpected Expenditure leading to cash flow problems	Unplanned purchases or invoices.	Depletion of funds required to ensure that full statutory duties are carried out.	1	1	1	Budget expenditure is regularly monitored. Reports provided to Board to highlight likely overspends. Immediate contact with Treasurer and Board if necessary. Board approval required for extra funding requirements.	3	1		Administration Manager (Finance/ Personnel)	
2.3	Unauthorised Expenditure	Items or services purchased without following correct procedure.	Depletion of funds required to ensure that full statutory duties are carried out.	1	1	1	Ensure adherence to authorised limits by monitoring monthly transaction updates, invoices and receipts. Full tender procedures and financial regulations are in place.	3	1	Monitor tender procedures, purchasing procedures and financial regulations for updating as required.	Administration Manager (Finance/ Personnel)	
2.4	Fraud	Staff expenses claims.	Depletion of funds required to ensure that full statutory duties are carried out.	1	1	1	Validation and authorisation procedures are in place. Fraud guidelines are also in place.	3	1	Periodic audit of procedures.	Administration Manager (Finance/ Personnel)	

ORKNEY AND SHETLAND VALUATION JOINT BOARD
RISK REGISTER

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion/ Review Date
2	FINANCE (Cont.)											
2.5	Inadequate Insurance	Failure to review cover.	Unable to replace lost or damaged items leading to depletion of funds required to ensure that full statutory duties are carried out.	1	2	2	Annual review of requirements ensures adequate provision is made. Procedures and practices are in place and provided to staff to minimise error and claims of negligence.	3	1		Assessor for Service Level Agreement & Administration Manager (Finance/ Personnel) to ensure that adequate cover is in place.	
3 IT												
3.1	Failure of third party system providers e.g. Electoral Management System Providers	Bankruptcy or could no longer provide service.	Other provider of similar service would be required. Others systems are available on the market along with other EROs own systems.	1	3	3	Contractual agreements are in place including hardware maintenance and replacement through EMS license and robust back-up procedures are in place through SLAs. Site specific backups of the main services are carried out and stored off-site.	3	1	Maintain awareness of alternative providers of these services.	Assessor & IT Development Manager	
3.2	Malicious damage to systems	Office break-in. Hacking, viruses.	Equipment may be required to be replaced.	1	2	2	Back-up procedures are in place. Spare hardware located in each IT Services office. Refer to IT Business Continuity Plan.	3	1		IT Development Manager	
3.3	Attempted breach of security	Hacking, viruses.	Systems could cease to operate.	3	2	6	Firewall and Anti-Virus software in place. Systems are password protected. Staff guidelines are in place. Additional PSN security requirements in place. SIC Security Policy	3	2	Periodic testing. Consideration of external providers of security software.	IT Development Manager	

ORKNEY AND SHETLAND VALUATION JOINT BOARD
RISK REGISTER

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion/ Review Date
3.4	Failure of back-up procedures	Faulty tape drive/ media/ communication lines.	Work carried out on the failed date could be lost if systems malfunction.	1	3	3	All data is backed up in by each Council in accordance with each SLA by each Council's IT Service. Back-ups procedures follow each constituent Council's corporate policies on Electronic back-up and security.	3	1	Identify off site back-up facilities. Hard copies of all records still held in event of system failure	Assessor / ICT Manager	
3.5	Failure of internal applications	Poor coding or Network failure.	Information could not be stored on systems.	1	3	3	As Above	3	1	As Above	Assessor / ICT Manager	
3.6	Major internal system failure	Network failure.	Nothing can be processed.	1	3	3	As Above	3	1	As Above	Assessor / ICT Manager	
3.7	Theft of equipment	Office break-in.	Replacement equipment/ furniture.	2	2	4	Inventories of all IT equipment are maintained by each Authority's IT Services. A full Asset Register of all the Board's equipment and furniture is maintained in each area. Each office has separate arrangements for office security including intruder alarms.	3	1		ICT Development Manager for IT equipment & Assessor/ Assistant. Assessor for all other equipment	Annual
3.8	Inappropriate use of Internet/E-mail by staff	Staff do not adhere to guidelines set out for Email/Internet use.	Potentially brings Board into disrepute or renders it liable for legal sanctions.	2	2	4	Guidelines on e-mail and Internet use are in place. All staff must confirm that they have read these guidelines. All internet and e-mail traffic is recorded and may be monitored.	3	1		Assessor/ Assistant Assessor & ICT Development Manager to identify inappropriate use	

ORKNEY AND SHETLAND VALUATION JOINT BOARD
RISK REGISTER

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion / Review Date
3.9	Failure of hardware	Old/faulty equipment.	System down until faulty hardware fixed or replaced under SLAs.	2	2	4	Maintenance contracts are in Place through SLRs. Hardware is replaced according to terms of each SLA.	3	1	Check that priority is given to key equipment.	ICT Development Manager	As detailed in SLA's
4 STAFFING (VALUATION SERVICE)												
4.1	Industrial Action	Poor labour relations or pay claims.	Insufficient number of staff to carry out full statutory duties.	1	1	1	Timing of industrial action is usually known in advance, giving time for ensuring coverage of the key activities of those likely to take part.	3	1	Skills audit of staff to ensure knowledge of key activities exists.	Assessor & Assistant Assessor to have overview for any issues	
4.2	Widespread or epidemic/pandemic illness	Cross contamination. Poor hygiene.	As above.	1	2	2	Absence levels are monitored closely which may provide advance warning of a problem. Overtime working would be available to supplement reduced staffing levels. Media and local Health Board warnings monitored.	3	1	Provide written instructions for all key activities. Consider the possibility of remote working.	Assessor & Assistant Assessor to have overview for local issues	
4.3	Loss of key members of Professional staff through resignation, retirement, illness	Possibility of disproportionate number of key staff nearing retirement age.	As above. May have an impact on a specific service, a single area or the services of the Board as a whole.	2	3	6	Succession planning for key activities/knowledge areas. Policies on managing stress and sickness absence management are in place. In extreme cases advice or assistance is available from any of the other 13 Scottish Assessors.	2	3	Consider the possibility of remote working. Engage in short-term measures such as extra hours for part-time staff to cover urgent survey work with Senior Staff responsible for signing off. VJB engaged a Consultant to cover service needs.	Assessor/ Assistant Assessor to overview & raise with Orkney and Shetland VJB	March 2018
4.4	Large scale resignation	Lottery or pools syndicate win.	As above.	1	3	3	Use of notice periods to manage coverage of tasks. Advertise at earliest possible time. Consider secondment from other 13 Scottish Assessors or other sources.	3	1	Check age profiles of staff- eg a number of staff may reach retirement age within a short timescale.	Assessor/ to overview & raise with Orkney and Shetland VJB	

ORKNEY AND SHETLAND VALUATION JOINT BOARD
RISK REGISTER

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion/ Review Date
4	STAFFING (VALUATION SERVICE) (contd)											
4.5	Inability to Recruit or retain Professional staff.	Unattractive employment terms. Lack of qualified staff in market place.	Insufficient number of staff to carry out full statutory duties.	3	3	9	Recruitment strategies; Career structure/progression. Favourable terms and conditions. Job redesign; Established Career Graded Valuer post in each Island area from February 2017.	2	4.5	Seek application of market forces supplement to try to attract suitable candidates. Creative marketing, job re-design and career grading are also options. (See Policy for Use of Market Forces Supplements).	Assessor/ Assistant Assessor to overview & raise with Orkney and Shetland VJB	
4.6	Travel disruption preventing staff getting to base	Bad weather conditions, flight or other travel disruptions.	Loss of key members of staff	2	3	6	Staff work at home or at other premises or organisations	3	2	As short term, if necessary (long term impact less likely)	Assessor/ Assistant Assessor	
4.7	Failure to address equality issues	Lack of equality, knowledge or training.	As above.	1	2	2	Policies/Guidelines are in place.	3	1	Continue to monitor and implement relevant legislation.	Assessor	
4.8	Failure to address Health & Safety issues	Insufficient Health & Safety knowledge.	Contravention of Health & Safety legislation.	1	2	2	Policies/Guidelines are in place covering Health & Safety and Safe Working Arrangements. Health & Safety advice obtained from lead authority.	3	1	Continue to monitor and implement relevant legislation.	Assessor & OIC/SIC Health & Safety Officers	
4.9	Loss of Assessor & ERO prior appointment of vacant senior posts.	Resignation or illness.	Insufficient number of key senior staff to carry out full statutory duties.	2	3	6	Temporary Consultant Valuer has full deputising powers under Valuation Acts to discharge statutory functions.	2	3	Recruitment/advertising of Assistant Assessor post in progress.	Orkney & Shetland VJB	April 2017 onwards

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion/ Review Date
5	SERVICE											
5.1	Legislative Changes Affecting: Statutory Authority	Uncertainty as to legislative intent of future government eg current approach to Council Tax. Barclay Review of Non-Domestic Rating	Inability to plan with certainty. Insufficient valuation staff & resources to carry out statutory duties	3	3	9	Maintain contacts with Scottish Government, Electoral Commission, AEA and SAA. Adequate lead-in times usually apply. Personnel advice obtained from Shetland Islands Council.	3	3	Review of staffing & resources once any recommendations from the Barclay Review are adopted/proposed by Scottish Government	Assessor/ Assistant Assessor to overview & raise with Orkney and Shetland VJB	August 2017 to 2022
	Personnel	As above.	As above.	3	3	4	As above.	3	1		Assessor	
	Board Policies	As above.	As above.	1	2	2	As above.	3	1		Assessor	
5.2	Failure of Information Provision: Council Tax: Buildings Warrants	Inadequate information provided by Local Authority or government department regarding new, sold and altered dwellings.	Inability to adequately maintain accurate Council Tax List.	1	2	2	Monitor receipt as noted in Procedural documents. Maintain contacts and formal agreements with information providers.	3	1	Specify the acceptable periods of time that we can afford to be without information from the various sources	Assessor & Assistant Assessor	
	Planning Permissions	As above.	As above.	1	1	1	As above.	3	1	As above.	Assessor & Assistant Assessor	
	Land Register	As above.	As above.	1	2	2	As above.	3	1	As above.	Assessor & Assistant Assessor	
	Revenues	As above.	As above.	1	2	2	As above.	3	1	As above.	Assessor & Assistant Assessor	

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion/ Review Date
5	SERVICE (contd)											
5.2	Failure of Information Provision: Non Domestic Rating: Buildings Warrants	Inadequate information provided by Local Authority or government department regarding non domestic property.	Inability to adequately maintain accurate Valuation Roll.	1	1	1	Monitor receipt as noted in Procedural documents. Maintain contacts and formal agreements with information providers.	3	1	Specify the acceptable periods of time that we can afford to be without information from the various sources	Assessor/ Assistant Assessor	
	Planning Permissions	As above.	As above.	1	2	2	As above.	3	1	As above.	Assessor/ Assistant Assessor	
	Land Register	As above.	As above.	1	3	3	As above.	3	1	As above.	Assessor/ Assistant Assessor	
	Stakeholders eg Lands Valuation Returns, Rent Returns	As above.	As above.	2	1	2	Systems are in place to monitor issue and receipt. Reminders are issued as appropriate.	3	1		Assessor/ Assistant Assessor	
	Electoral Registration (See Section 6)											

ORKNEY AND SHETLAND VALUATION JOINT BOARD
RISK REGISTER

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion/ Review Date
5	SERVICE (contd)											
5.2	Failure of Support Service Provision: Cleaning	Interruption to supply of any services.	Disruption of normal service provision.	1	1	1	Monitor Provision. Maintain agreements/contracts with suppliers. Be aware of alternative providers eg use of mobile phones, alternative courier services, e-mail. Refer to Business Continuity Plan 1.	3	1		Assessor/ Assistant Assessor/ (Finance) for funding and resources	
	Telephone	As above.	As above.	1	2	2	As above.	3	1	Update Office Website & notify SAA of alternative means of communications. Notify general public on local radio and local press of alternative arrangements.	As above	
	Electricity	As above.	As above.	1	2	2	As above.	3	1		As above	
	Heating	As above.	As above.	1	2	2	As above.	3	1		As above.	
	IT	As above.	As above.	1	2	2	As above.	3	1		Assessor/ Assistant Assessor & IT	
	Postal Service	As above.	As above.	1	2	2	As above.	3	1		Assessor/ Assistant Assessor	
	Legal Services	As above.	As above.	1	2	2	As above.	3	1		Assessor/ Assistant Assessor	
	Personnel	As above.	As above.	1	2	2	As above.	3	1		Assessor/ Assistant Assessor	
	Payroll	As above.	As above.	1	2	2	As above.	3	1		Assessor/ Finance/ Personnel	

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion/ Review Date
5	SERVICE (contd)											
5.3	Partnership/ Stakeholders Constituent Council's Finance Departments	Communication breakdown.	Disruption of normal service provision.	1	2	2	Maintain contact details. Monitor statutory service provision. Participate in/arrange regular meetings with each body as appropriate.	3	1		Assessor/ Assistant Assessor	
	Shetland Island Council's Support Services	As above.	As above.	1	2	2	As above.	3	1		Assessor/ Assistant Assessor	
	Returning Officer/ Depute Returning Officer	As above.	As above.	1	2	2	As above.	3	1		Assessor & ERO / Depute ERO	
	Scottish Assessors' Association	As above.	As above.	1	1	1	As above.	3	1		Assessor	
	Valuation Office Agency	As above.	As above.	1	1	1	As above.	3	1		Assessor	
	Electoral Commission	As above.	As above.	1	2	2	As above.	3	1		Assessor & ERO / Depute ERO	
	Scottish Government	As above.	As above.	1	1	1	As above.	3	1		Assessor	

ORKNEY AND SHETLAND VALUATION JOINT BOARD
ELECTORAL REGISTRATION

RISK REGISTER

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion/ Review Date
1	PLANNING AND ORGANISATION (ELECTORAL REGISTRATION)											
1.1	Failure to ensure proper plans are in place	<p>No comprehensive written project plan.</p> <p>Poor planning assumptions.</p> <p>Lessons from previous electoral registration activities are not incorporated into planning.</p>	<p>Necessary actions not completed or completed late.</p> <p>Missed deadlines.</p> <p>Potential breach of legislation.</p>	1	3	3	<p>Project plans are maintained, reviewed and updated regularly to ensure that all necessary activities are planned and sufficient resources are available when required.</p> <p>Electoral Registration Working Group (ERWG) meets regularly to consider all requirements and activities, including plans and objectives; evaluation of past activity; performance standards; and training needs.</p> <p>Strategies and timetables are in place for meeting all duties and for delivering an accurate and comprehensive register.</p> <p>The impact of new legislation on existing plans and procedures is considered as required and is communicated to all relevant staff.</p> <p>Ongoing liaison with Returning Officer staff; suppliers of electoral registration software; and suppliers of printing services.</p> <p>Liaison with other EROs through SAA ER Committee.</p> <p>Liaison with Cabinet Office and Electoral Commission.</p>	3	1		Assessor & ERO / Depute ERO	Ongoing review of activities

ORKNEY AND SHETLAND VALUATION JOINT BOARD
RISK REGISTER

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion/ Review Date
1	PLANNING AND ORGANISATION (ELECTORAL REGISTRATION) (contd)											
1.2	Electoral Commission require additional information for Performance Standards	Electoral Commission review their timescales for monitoring Performance Standards.	Diversion from other duties to comply with requests.	2	1	2	Maintain robust recording procedures for all electoral procedures.	3	1		Assessor & ERO / Depute ERO	
1.3	Insufficient resources	Insufficient budget allocated. Unexpected expenditure.	Unable to meet statutory responsibilities	1	3	3	<p>Projected costs to meet all activities are identified early in the planning process</p> <p>Robust budgetary processes ensure adequate funding.</p> <p>Close contact with Board Treasurer and constituent Authorities.</p> <p>Budget approved by the Board annually takes account of all planned activities.</p> <p>Consideration is given to changes or potential in costs: e.g. postage costs.</p> <p>Costs arising from additional duties, e.g. the introduction of Individual Electoral Registration may be recovered from other sources, e.g. Cabinet Office.</p>	3	1		Assessor & ERO / Depute ERO to overview & raise with Orkney and Shetland VJB	

ORKNEY AND SHETLAND VALUATION JOINT BOARD
RISK REGISTER

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion / Review Date
2	LOSS OF PREMISES (ELECTORAL REGISTRATION)											
2.1	Loss of Electoral Registration office	Office affected by fire, flood, loss of power, etc.	Unable to process applications and data. Loss of data.	1	3	3	<p>The Board has a detailed Business Continuity Plan and each constituent authority's IT Services has a Disaster Recovery Plan and associated Risk Registers, which take account of potential loss of buildings.</p> <p>The Business Continuity Plan and IT Disaster Recovery Plan are tested and reviewed regularly.</p> <p>Daily backups of data are taken in each area as part of the SLA in each Island Area to ensure secure off-site storage. Additional back-ups are taken</p>	3	1		Assessor/ Assistant Assessor / Depute ERO	

ORKNEY AND SHETLAND VALUATION JOINT BOARD
RISK REGISTER

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion/ Review Date
3	FAILURE OF IT PROVISION (ELECTORAL REGISTRATION)											
3.1	Loss of IT capability	System, network or hardware failure	<p>Unable to process forms by the required deadlines</p> <p>Need to carry out processes manually.</p>	1	3	3	<p>A detailed IT Disaster Recovery Plan is in place in each office.</p> <p>In-house IT Manager and staff provide immediate assistance.</p> <p>Robust backup procedures are in place. The data can be reloaded onto servers in each office through each Island authority's IT services, where fully configured backup facilities are available.</p> <p>Spare hardware located in each IT Services offices through SLAs.</p> <p>Contractual arrangements and system maintenance agreements are in place.</p> <p>Telephones and local area networked workstations will be available in the Operational Base.</p> <p>Firewall and Anti-Virus software in place.</p> <p>All systems are password protected and staff guidelines are in place.</p>	3	1		Assessor & ERO / Depute ERO / ICT Development Manager	Arrangements reviewed annually

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion / Review Date
4	COMMUNICATION (ELECTORAL REGISTRATION)											
4.1	Registration applications and enquiries unable to reach electoral staff	Telecom/Fax/IT failure Large volume of calls during the canvass period or in the lead up to an election	Lack of information Voters unable to register or to vote by chosen method (i.e. postal or proxy) Wrong advice given	1	3	3	Refer to Business Continuity Plan and IT Disaster Recovery Plan. Maintain work plan specifying roles and responsibilities. Maintain agreements and contracts with suppliers. Be aware of alternative providers e.g. use of mobile phones, email and alternative courier services. Record staff mobile telephone numbers. Arrangements can be made to facilitate staff travelling to any alternative location within each Island area. Queries can be dealt with at either of the Boards 2 offices although there is currently no shared server and database. This is being considered for a later date if funding is available Frontline staff are provided with a note of frequently asked questions. Complex enquiries are referred to core registration staff.	3	1		Assessor & ERO / Depute ERO in conjunction with the ICT Development Manager	

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion / Review Date
4	COMMUNICATION (ELECTORAL REGISTRATION) (contd)											
							At critical times, announcements can be made in the local press and radio stations to publicise alternative contact details. Information will be placed on the Board's website, if available.					
4.2	Registration forms/postal vote applications do not reach office before the deadlines	Telecom/fax/IT failure Wrong advice given Lack of information	Voter confusion Voters unable to register or to vote by chosen method (i.e. postal or proxy)	2	3	6	Public awareness strategy to make provision for communication of key information, including deadlines. Registration forms can be downloaded from TVJB website or from aboutmyvote.co.uk. Forms can be delivered or faxed to an alternative office for onward transmission. Alternative offices of the Board can be used to update records. Notices can be posted on TVJB website to advise public of changes to the telephone, fax and email services. Notify local media outlets of any changes to contact details and deadlines.	3	2		Assessor & ERO / Depute ERO	

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion/ Review Date
4	COMMUNICATION (ELECTORAL REGISTRATION) (contd)											
4.3	Electoral registration process is not accessible to all	Information is provided in one format with no account taken of the needs of different audiences	Voters unable to register or to vote by chosen method (i.e. postal or proxy)	1	3	3	<p>Information and registration forms are available on the TVJB website and at aboutmyvote.co.uk</p> <p>Forms are available in large print.</p> <p>O&SVJB mainstreaming equalities report and equalities outcomes published in accordance with specific duties of the Equality Act 2010.</p> <p>Staff training and advice provided in equalities duties.</p> <p>Strategy to advise young voters of registration procedures during annual canvass and ahead of 2014 Scottish Independence Referendum.</p> <p>Contacts made with minority groups and disabled/visually impaired/mentally impaired electors as per Publicity Campaign plan.</p>	3	1		Assessor & ERO / Depute ERO	

ORKNEY AND SHETLAND VALUATION JOINT BOARD
RISK REGISTER

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion/ Review Date
5	FAILURE ON THE PART OF CONTRACTORS (ELECTORAL REGISTRATION)											
5.1	Non/late delivery and return of Household Enquiry forms and Invitations to Register	<p>Missed printing deadlines or non-completion</p> <p>Printing errors</p> <p>Postal strike</p> <p>Software supplier ceases to trade</p>	Households do not receive annual canvass form and do not register	2	3	6	<p>Tender process for producing and posting Individual Electoral Registration (IER) forms commenced in March 2014.</p> <p>IER forms designed by Electoral Commission and ERO to add contact information.</p> <p>A list of external providers is maintained in Business Continuity Plan.</p> <p>Use alternative service providers.</p> <p>Use another service provider if Royal Mail is unable to deliver forms.</p>	2	3	Check contractor's business continuity arrangements	Assessor & ERO / Depute ERO	July 2014 then annually in May/June

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion/ Review Date
6	INTEGRITY ISSUES (ELECTORAL REGISTRATION)											
6.1	False information is given on form	Electoral malpractice Mistake by applicant	Integrity of register/ election is called into question ERO's ability called into question (reputation risk)	2	3	6	Maintain and update the Board's Integrity Plan and Risk Register. Validation and Authorisation Fraud procedures are in place. Fraud guidelines are also in place as part of the Integrity Plan. Members of staff with responsibility for processing forms and checking data are briefed to look out for irregular registration patterns and are made aware of advice from the Electoral Commission. Staff made aware of trigger points for referrals to Police Single Point of Contact (SPOC). Police SPOC contact details kept up to date. Meeting with Police SPOC, Electoral Registration Officer and Returning Officers. Arrangements in place to support 100% postal vote identifier verification – all scanned and data provided to Returning Officers, as required for election deadlines.	3	2		Assessor & ERO / Depute ERO	

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion/ Review Date
6	INTEGRITY ISSUES (ELECTORAL REGISTRATION) (contd)											
6.2	Unauthorised access to electoral register/ application forms and data	Lack of security	Breach of confidentiality	2	3	6	<p>All forms are scanned and then held in secure storage for time required by law.</p> <p>All buildings are locked out with normal working hours and have security pass entrance systems where appropriate.</p> <p>Computer server rooms are in the control of each Council IT Department and kept locked and have security pass code locks and CCTV where appropriate.</p> <p>Firewall and Anti-Virus software in place.</p> <p>All systems are password protected and staff guidelines are in place.</p> <p>All registration forms which contain dates of birth and National Insurance numbers are to be destroyed within 13 months and have the data held on EROS redacted.</p>	3	2		Assessor & ERO / Depute ERO	

ORKNEY AND SHETLAND VALUATION JOINT BOARD
RISK REGISTER

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion / Review Date
6	INTEGRITY ISSUES (ELECTORAL REGISTRATION) (contd)											
6.3	Taking of electronic notes or other means of unauthorised copying of electoral register	Lack of supervision	Unauthorised access to data	2	1	2	<p>Staff to be made aware again of data protection and consequences of misuse of information</p> <p>Staff to personally monitor visitors to ensure no unauthorised copying of register.</p> <p>Advice also given to other recipients of the register regarding statutory provisions on access and use.</p>	3	1		Assessor & ERO / Depute ERO	

ORKNEY AND SHETLAND VALUATION JOINT BOARD
RISK REGISTER

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion/ Review Date
7	STAFFING (ELECTORAL REGISTRATION)											
7.1	Loss of staff	Sickness Outbreak of pandemic or other contagious illness affecting staff	Insufficient number of staff to cover processes Unable to carry out house-to-house enquiries as required by law	2	3	6	<p>The Business Continuity Plan contains detailed contingency plans and instructions for all key activities.</p> <p>Monitor annual leave requests and allow for sufficient cover at peak periods.</p> <p>Consider secondment from other ER Offices or from Council election related staff.</p> <p>Advice and assistance can be provided from experienced staff in other Electoral Registration offices in Scotland.</p> <p>Temporary canvassers' contracts may be extended.</p> <p>Consider the possibility of remote working.</p> <p>Minor, short-term or intermittent disruption can be absorbed by utilising existing resources and Flexi time working.</p> <p>If a major or long term disruption, reallocation of work to other staff or employ agency staff.</p> <p>Media and local Health Board warnings monitored.</p>	2	3		Assessor & ERO / Depute ERO	

ORKNEY AND SHETLAND VALUATION JOINT BOARD
RISK REGISTER

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion/ Review Date
7	STAFFING (ELECTORAL REGISTRATION) (contd)											
7.2	Unable to appoint sufficient staff	Insufficient/non-provision of resources Difficulty in recruiting suitable staff	Insufficient staff to cover processes Unable to carry out house-to-house enquiries as required by law	2	3	6	Electoral Registration staff structure already in place to cover the service duties. Vacancies are filled at the earliest possible time. Temporary staff requirements identified as part of the Canvass Plan and any staff not normally employed in electoral registration work will be provided with training.	2	3		Assessor & ERO / Depute ERO to overview & raise with Orkney and Shetland VJB	
7.3	Insufficient support staff appointed	No detailed assessment of staffing requirements	Inability/ difficulty in meeting deadlines Mistakes by overworked staff	1	3	3	Map out staffing requirements at an early stage in the project planning process. Monitor progress of the canvass by checking reports. Review staff comments and make plans for further training, if necessary. Administrative Assistants monitor the work of their staff. Consider need to appoint temporary support staff to assist the core team at different points of the process.	3	1		Assessor & ERO / Depute ERO to overview & raise with Orkney and Shetland VJB	

ORKNEY AND SHETLAND VALUATION JOINT BOARD
RISK REGISTER

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion / Review Date
7	STAFFING (ELECTORAL REGISTRATION) (contd)											
7.4	Mistakes by inexperienced staff or by staff not fully aware of legislation/ procedure	Inadequate/lack of training	Errors processing registration forms and/or absent vote applications Failure to register electors	1	3	3	<p>Guidance notes and training are provided for all staff to ensure they are provided with the necessary information to be able to undertake their duties.</p> <p>Create work plan to include roles and responsibilities.</p> <p>Use training and support materials to ensure clarity and understanding of these (refer to ER system/clerical manual).</p> <p>Ensure timetables for rolling registration and annual canvass are distributed to staff.</p> <p>Ensure roles are clear in Job Descriptions.</p> <p>New legislation and/or software training is provided for staff, either by external trainers or Admin Assistants. Training and support materials available for new staff members.</p> <p>Admin Assistants monitor quality of work of staff.</p> <p>Ensure a robust quality checking process before publication of register.</p>	3	1		Assessor & ERO / Depute ERO	

ORKNEY AND SHETLAND VALUATION JOINT BOARD
RISK REGISTER

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion / Review Date
7	STAFFING (ELECTORAL REGISTRATION) (contd)											
7.5	A threat to canvasser safety	Canvassers encounter problems with elector dissatisfaction or aggressive behaviour whilst trying to call at a property	Staff feel threatened and are unable to carry out their role	2	3	6	Canvassers Guidance & Training plan produced which includes a safe working policy; how to deal with difficult circumstances. Risk assessments to be undertaken when allocating canvassers areas.	3	2		Assessor & ERO / Depute ERO	

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion / Review Date
8	COMPLETENESS AND ACCURACY OF RECORDS (ELECTORAL REGISTRATION)											
8.1	Low response to annual canvass	Households do not return canvass form Persons within a property do not answer the door Properties not accessible to canvassers	Incomplete and/or inaccurate register	2	2	4	Robust Annual Canvass publicity plan has been produced. Telephone canvass and data match plan for Council Tax records for both areas for non responding households. Use statutory review process for electors to improve accuracy of register. Admin Assistants to run daily report for non responders & check returned mail. Admin Assistants to liaise with nursing homes and houses in multiple occupation to have residents complete canvass forms. Staff to monitor when they have received their own canvass forms in case of late delivery. Canvassers to record on forms date/time attempted to call. Use existing staff to complete canvass visits should a canvasser fail to complete allocated workload. Follow-up by telephone and email, where appropriate.	2	2	Consider additional publicity measures if poor response to canvass. Consider existing work allocation; postage costs; timing to determine impact of conducting reviews. Administrative Assistants to monitor progress of canvassers' work.	Assessor & ERO / Depute ERO	

Issues Register

This issues register can be used to record any issues arising. The log should cover the nature of the issue, its source, the date it was raised and its potential impact. It should also include the proposed action to deal with the issue, as well as assigning clear ownership to the issue and establishing the date of its anticipated resolution.

An issue which has occurred is usually the result of an earlier risk which has now become reality, so it is vital to ensure that both the issues register and risk register are live documents and that they are reviewed and updated in conjunction.

Issue (already occurred)	Issue source (Where/Who raised)	Date issue arose	Potential impact (1-3)	Action	Issue owner	Target date for resolution (completion date in brackets)	Status – Open/Closed
Failed attempts to fill senior post of Assistant Assessor in the Shetland Office	Assessor & ERO raised with O & S Valuation Joint Board through Board meetings & Working Group meetings	04/05/2015	3	Valuation Joint Board to re-advertise Assistant Assessor's post. Retention of temporary Consultant Valuer hired services.	Assessor / O & S Valuation Joint Board	Potential recruitment options under consideration (April 2018)	Open

Defining the level of impact and likelihood of risk

The risk register identifies the various activities carried out by the Orkney and Shetland Valuation Joint Board and assesses the likelihood and impact of any risks which may be encountered. The resultant risk rating permits identification of priorities in dealing with potential risks.

Inherent risk evaluation

How likely is it that the risk going to happen?

1. **Unlikely** – Likelihood of occurrence is relatively slim – less than 10% chance of occurrence
2. **Possible** – Quite possible that the risk could occur, especially if control measures are inadequate - 10% to 50% chance of occurrence
3. **Probable** – More likely to happen than not – more than 50% chance of occurrence

What would the **impact** be if the risk was to materialise?

1. Minor – Unlikely to have a permanent or significant effect
2. Moderate – Potential impact on performance and service delivery. May be adequately managed through existing processes
3. Significant – Severe impact on performance through a reduced ability to deliver.

The 3x3 matrix below can be used to calculate the overall risk score:

IMPACT	3 Significant	3 (Significant & Unlikely)	6 (Significant & Possible)	9 (Significant & Probable)
	2 Moderate	2 (Moderate & Unlikely)	4 (Moderate & Possible)	6 (Moderate & Probable)
	1 Minor	1 (Minor & Unlikely)	2 (Minor & Possible)	3 (Minor & Probable)
		1 - Unlikely	2 - Possible	3 - Probable
		LIKELIHOOD		

Residual risk evaluation

Once the appropriate action has been identified to address an individual risk, the action is given a score of 1 to 3 based on an assessment of how likely it is to be effective in reducing the risk (not all risks are capable of being reduced).

The risk owner will need to make an assessment as to whether the **control** measures are:

1. Poor – no control measures in place as yet, although actions may be planned
2. Average – some controls in place but further actions to be planned and/or executed
3. Good – control measures are fully in place, agreed by line manager and form part of everyday activity

The initial (inherent) risk score is then divided by the score for the control action to give a residual risk score. This is the ultimate assessment of the scale of the risk and whether it is Red, Amber or Green.

How to use this register

This risk register contains the risks and associated mitigating actions that have been identified in relation to activities of Orkney and Shetland Valuation Joint Board. If additional risks are identified these should be reported to the report author and the management team so that the register can be updated and appropriate mitigating actions considered. This document also contains an issues register to log any issues that arise and subsequent action taken.

As a requirement to meet Electoral Registration performance standard 9 – planning for rolling registration and the annual canvass, the documents plans must contain identification of risks and subsequent mitigating actions.

Lead Officer / Ownership of Risk determines if the risk is an Operational risk or a Corporate risk in nature. Operational risks are managed by appointed officers of the Board while Corporate risks would require input or management by members of the Orkney & Shetland Valuation Joint Board. Where members of the Orkney & Shetland Valuation Joint Board are involved in the management of any risk or require take ownership of any risk it will be shown in this column.

Where the Completion/Review Date is blank this reflects that the Risk is being continually monitored and assessed.



Orkney & Shetland Valuation Joint Board

Agenda Item

3(a)

Meeting(s):	Orkney & Shetland Valuation Joint Board	3 October 2017
Report Title:	Report on the role of Treasurer to the Board	
Reference Number:	VF-007-F	
Author / Job Title:	Treasurer to the Board	
1.0 Decisions / Action required:		
1.1	That the Orkney & Shetland Valuation Joint Board: a) NOTES the current services provided by Shetland Islands Council in relation to the role of Treasurer; b) CONSIDERS the benefit and impact of transferring the role to Orkney Islands Council (Appendix 1) and the merit in rotating the role between constituent authorities; c) DECIDES which constituent authority should take on the role of Treasurer for the financial year 2018/19; and d) APPROVES the proposed transitional arrangements for the remainder of 2017/18, if required.	
2.0 High Level Summary:		
2.1	The role of Treasurer to the Board is currently appointed to the Executive Manager – Finance, Shetland Islands.	
2.2	Despite prior indications of the Board’s intention to rotate the role between constituent authorities on a two-yearly and three-yearly basis, the role of Treasurer has been appointed to the Section 95 officer at Shetland Islands Council since 1995.	
2.3	At its meeting of 31 May 2017, the Board requested a report setting out all aspects of the role of Treasurer in order to make an informed decision on which constituent authority should be appointed for 2017/18.	
2.4	Members must consider the benefit to the Board of rotating the role of Treasurer between constituent authorities and the ensuing consequences.	
3.0 Corporate Priorities and Joint Working:		
3.1	The Board must appoint a Treasurer in accordance with the provisions of the Valuation Joint Boards (Scotland) Order 1995.	
4.0 Key Issues:		
4.1	The role of Treasurer provides services to the Board including accounting, payroll, purchase and sales ledgers and insurance.	
4.2	Further to this, and similar to the provision of Payroll services, HR services have	

been provided to the Board by Shetland Islands Council for some time, primarily involving job evaluations and support for recruitment. These HR services have been more closely aligned to the Clerking role described in another report on this agenda.

- 4.3 A list of activities currently undertaken by Shetland Islands Council in its capacity as Treasurer to the Board is outlined at Appendix 1.
- 4.4 The recharge to the Board for the cost of these services has averaged at £4k over the past three financial years. In 2016/17 the charge was £5,520. This represents 0.10 FTE in Finance and 0.02 FTE in HR, although the latter is likely to be highly variable due to the ad-hoc nature of services provided.
- 4.5 If the role of Treasurer is transferred to Orkney Islands Council, it is not anticipated that any staffing reductions in Shetland Islands Council would follow, due to the proportion of staff time currently employed on Board activities. There would be a financial impact, however, as the budgeted recharge income of £5,500 would no longer be received by Shetland Islands Council.
- 4.6 More significantly, the non-financial impacts of any decision to rotate the role should be considered. The estimated impact of each activity transferring across to Orkney Islands Council is detailed in Appendix 1, however this does not capture the substantial accumulation of skills and experience within the Finance team at Shetland Islands Council in dealing with the Board's activities for the past 22 years.
- 4.7 In addition to the skills and experience of officers, established processes and effective systems of internal control and financial management should be taken into account. These have been recognised by external auditors in recent years.
- 4.8 A further consideration for the Board regarding the possible transfer of these roles is the appropriate timing of implementation of any transfer. Given the practical requirements, it is considered prudent that a lead-in time is allowed for arrangements to be put in place to allow a successful delivery of service. It is therefore recommended, if the Board decide to transfer the role of Treasurer to Orkney Islands Council, that the transfer takes effect from 1 April 2018.
- 4.9 Should the Board decide to appoint an officer from Orkney Islands Council to the role of Treasurer, the following transitional arrangements are proposed:
- The preparation of Revenue Estimates for 2018/19 will be carried out by Shetland Islands Council;
 - The preparation of the Budget Strategy for 2018/19 will be carried out by Shetland Islands Council;
 - The closure of the 2017/18 financial year and preparation of annual accounts, including committee reporting and audit engagement, will be carried out by Shetland Islands Council;

<ul style="list-style-type: none"> • The production of P60s and P11Ds for financial year 2017/18 will be carried out by Shetland Islands Council; and • The completion of Local Financial Returns for 2017/18 will be carried out by Orkney Islands Council (September 2018); 	
5.0 Exempt and/or confidential information:	
5.1	None.
6.0 Implications :	
6.1 Service Users, Patients and Communities:	None
6.2 Human Resources and Organisational Development:	<p>Job evaluation case history and employee casefiles would require to be transferred securely if the role of Treasurer is appointed to an officer in Orkney Islands Council.</p> <p>No staffing reductions are anticipated within Shetland Islands Council as a result.</p>
6.3 Equality, Diversity and Human Rights:	None
6.4 Legal:	The Board must appoint a Treasurer in accordance with the provisions of the Valuation Joint Boards (Scotland) Order 1995.
6.5 Finance:	<p>If the role of Treasurer is appointed to officers in Orkney Islands Council, income of £5,500 would no longer be received by Shetland Islands Council.</p> <p>No staffing reductions are anticipated as a result.</p> <p>The Board currently rents premises from Shetland Islands Council for £11,050 per annum; this is expected to continue.</p>
6.6 Assets and Property:	The Board currently rents premises from both Shetland Islands Council and Orkney Islands Council; this is expected to continue. The rent includes an element of service charge.
6.7 ICT and new technologies:	Financial systems within Orkney Islands Council would require to be amended to establish processes, controls, employees and accounting opening balances, should the role of Treasurer be transferred.
6.8 Environmental:	None
6.9 Risk Management:	<p>Due to the similarity of skillsets across both constituent authorities, the risk of service delivery not being continuous is considered minimal, however a learning curve is to be expected. ICT changes could be an area of potential risk, which could be mitigated by robust advance planning.</p>
6.10	The Board must appoint a Treasurer in accordance with the

Policy and Delegated Authority:	provisions of the Valuation Joint Boards (Scotland) Order 1995.	
6.11 Previously considered by:	N/A	

Contact Details:

*Jonathan Belford, Executive Manager – Finance, email: jonathan.belford@shetland.gov.uk
25 September 2017*

Appendices: *Appendix 1: Activities currently undertaken and the impact of transfer in relation to the role of Treasurer*

Background Documents: *Report VGL-26-17-D1 presented to the Board on 31 May 2017*



Orkney & Shetland Valuation Joint Board



Appendix 1 VF-007-F

Impact of transferring activities to Orkney Islands Council in relation to the roles of Clerk and Treasurer to the Board

Treasurer – activity	Impact of transfer
Monitoring of budgets and monthly engagement with Assessor to agree projections for year-end	Establishment of separate ledger within Financial Management System (FMS) of Orkney Islands Council
Monthly production of budget monitoring variance reporting	Establishment of FMS reporting for budget responsible officer; Understanding of reporting structure of constituent authorities
Quarterly production of budget monitoring committee papers	Establishment of FMS reporting to inform projections and committee reporting; Understanding of reporting structure of constituent authorities
Annual production of statutory accounts	Establishment of separate ledger within Financial Management System (FMS) of Orkney Islands Council; Establishment of opening balances from 2016/17 accounts; Establishment of internal processes to ensure appropriate control and recording of transactions
Annual engagement with auditors around statutory accounts	Time - existing skillset for OIC accounting team
Annual production of committee reports for Finance related items, including Draft Audit Plan; Unaudited Accounts; Annual Audit Report; Audited Annual Accounts; Budget Revenue Estimates; Budget Strategy.	Time - existing skillset for OIC accounting team
Annual completion of Local Financial Return	Time - existing skillset for OIC accounting team
Annual engagement with Assessor to agree payroll budgets	Time - existing skillset for OIC accounting team



Orkney & Shetland Valuation Joint Board



Appendix 1 VF-007-F

Impact of transferring activities to Orkney Islands Council in relation to the roles of Clerk and Treasurer to the Board

Treasurer – activity	Impact of transfer
Annual preparation of Revenue Estimates	Time - existing skillset for OIC accounting team
Annual preparation of Budget Strategy	Time - existing skillset for OIC accounting team
Finance representation at Board meetings	Time - existing skillset for OIC accounting team
Payment of all Board invoices	Establishment of separate organisation within OIC purchase ledger system and setup of suppliers
Administration of the Board's Petty Cash	Time - existing skillset for OIC Finance team
Payment and administration of the Board's Corporate Credit Card	Cancellation of SIC-administered credit card and establishment of OIC supplied card
Raising of all Board sales invoices	Establishment of separate organisation within OIC sales ledger system and setup of suppliers
Debt recovery in relation to unpaid sales invoices	Transfer of historic cases; any legal proceedings underway would likely need to be carried to completion by SIC
Administration of employee and indemnity insurance	Cancellation of SIC insurance policy and establishment of OIC policy (or separate recharge arrangement)
Operation of payroll services for the Board's employees	Establishment of separate payroll within OIC payroll system and setup of employees



Orkney & Shetland Valuation Joint Board



Appendix 1 VF-007-F

Impact of transferring activities to Orkney Islands Council in relation to the roles of Clerk and Treasurer to the Board

Treasurer – activity	Impact of transfer
Monthly production and distribution of payslips for Board's employees	Time - existing skillset for OIC payroll team
Monthly submission of payroll information to HMRC	Time - existing skillset for OIC payroll team
Monthly payments to third parties of payroll deductions (eg union dues)	Time - existing skillset for OIC payroll team
Annual production and distribution of P60s	Time - existing skillset for OIC payroll team
Annual production and distribution of P11Ds	Time - existing skillset for OIC payroll team



Orkney & Shetland Valuation Joint Board

Agenda Item

3(b)

Meeting(s):	Orkney & Shetland Valuation Joint Board	3 October 2017
Report Title:	Report on the roles of Clerk and Human Resources (HR) functions to the Board	
Reference Number:	VGL-44-F	
Author / Job Title:	Clerk to the Board	
1.0 Decisions / Action required:		
1.1	That the Orkney & Shetland Valuation Joint Board: a) NOTES the current services provided by Shetland Islands Council in relation to the Clerk and HR roles; b) CONSIDERS the impact of transferring the activities to Orkney Islands Council (Appendix 1) and the merit in rotating roles between constituent authorities; c) DECIDES which constituent authority should take on these roles for the financial year 2018/19; and d) APPROVES any transitional arrangements for the remainder of 2017/18, if required.	
2.0 High Level Summary:		
2.1	The roles of Clerk to the Board and HR are currently provided by virtue of the appointment of the Executive Manager – Governance and Law, Shetland Islands Council as Clerk to the Board.	
2.2	In the past, the Board indicated an intention to rotate the roles between constituent authorities on a two-yearly and three-yearly basis, however since December 1995, both roles have been provided through the appointment of Jan Riise originally as Head of Legal and Administration Services for Shetland Islands Council and latterly in a similar role but now as Executive Manager – Governance and Law, Shetland Islands Council.	
2.3	At its meeting of 31 May 2017, the Board requested a report setting out all aspects of the roles of Clerk and the associated HR functions in order to make an informed decision on which constituent authority should take on the role for 2017/18.	
2.4	Members should consider the benefit to the Board of rotating the role of Clerk between constituent authorities.	
3.0 Corporate Priorities and Joint Working:		
3.1	The Board must appoint a Clerk in accordance with the provisions of the Valuation Joint Boards (Scotland) Order 1995.	
3.2	It is convenient for the management structure of any organisation to have a	

detached service that secures the provision of personnel or Human Resources advice, although it is recognised that this could be provided as a discreet contract with either of the constituent Authorities or by another external provider of such services.

- 3.3 The service has conveniently been provided as a component of the Clerk's role since the Board was established but it is timely in the consideration of this report for the Board to consider whether it would favour an alternative to this arrangement.

4.0 Key Issues:

- 4.1 The role of the Clerk provides services to the Board including committee clerk and agenda management services, as well as legal advice and support. There are approximately 3-4 board meetings per annum. This role is probably the simplest of all the functions to rotate between the two constituent authorities at the Board's discretion.
- 4.2 The role of the Clerk to the Board is not defined in the Valuation Joint Boards (Scotland) Order 1995 but it is one of the statutory officers which the Board must appoint. Neither the regulations nor the Board's administrative regulations require that the appointed officer should be an officer of either of the constituent Authorities, although the regulations enable that to be the case. It was implicit within the earlier decision of the Board that there could be rotation of the role as between each of Orkney and Shetland Islands Councils that future appointments would be of one of their officers. The assumption in this report is that that remains the case and that it is not the intention of the Board to externalise the services to another provider.
- 4.3 Further to the Clerk role, HR services have been provide to the Board by Shetland Islands Council for some time, primarily involving job evaluations and recruitment support.
- 4.4 A list of activities currently undertaken by Shetland Islands Council in its capacity as supporting the role of Clerk to the Board are outlined at Appendix 1. The HR services provided are also listed separately.
- 4.5 The recharge to the Board for the cost of these services has averaged at £6,200 over the past three financial years. In 2016/17 the charge was £6,480 (plus £960 for HR services). This represents 0.11 FTE in Committee Services and 0.02 FTE in HR, although the latter is likely to be highly variable due to the ad-hoc nature of services provided.
- 4.6 If the roles of Clerk and HR are transferred to Orkney Islands Council, it is not anticipated that any staffing reductions in Shetland Islands Council would follow, due to the proportion of staff time currently employed on Board activities. There would be a financial impact, however, as the budgeted recharge income of £7,000 would no longer be received by Shetland Islands Council.

- 4.7 The non-financial impacts of any decision to rotate the appointment of the role of Clerk, should be considered. The estimated impact of each activity transferring across to Orkney Islands Council is set out in Appendix 1.
- 4.8 In addition to the development of a comprehensive HR support, as described below, the Clerking role has embraced features of the provision of legal advice, in particular in the field of employment law and responded to requirements for the Board to develop good governance principles, including the need for health and safety procedures, risk registers and the like. This has substantially strengthened the quality of the governance compliance statements, periodically supporting the Board's annual accounts. That said, once those governance arrangements are in place, it is very much the role of the Assessor and their teams to report on those aspects along with his six-monthly Best Value reports which enable a check on performance on all aspects of the valuation and electoral registration services. It is also the case that those additional elements of the Clerking role are available within the competences and skill sets of Orkney staff and the purpose of this report is simply to show that Clerking function is more than the mere provision of procedural advice at meetings and ensuring that the issuing of agenda notices, the compilation of the agenda itself and minute taking are co-ordinated in a manner one would expect.
- 4.9 The need for the Board to have at its disposal a HR function was appreciated most when the TUPE transfers of staff from Orkney Islands Council, with one set of terms and conditions, to work alongside staff to be transferred from Shetland Islands Council with a different set of terms and conditions, both groups as direct employees of the Valuation Joint Board, managed by the then Assessor. This took place between 1996 and 1999. In 1999 the Board approved the harmonisation of terms and conditions of all staff and agreed that they would be assimilated with those of Shetland Islands Council and that from that day forward, as the terms and conditions for Shetland Islands Council's staff were modified, that would be replicated by modification in the terms and conditions and policies applying to Valuation Board staff. Later, between 2007 and 2009, when Shetland Islands Council adopted a single status set of terms and conditions in order to establish a basis for defending equal pay claims across the whole workforce, the Board also agreed that the single status scheme applying to Shetland Islands Council would be applied to all the staff employed by the Valuation Joint Board, including those working in the Orkney office.
- 4.10 While the general HR competences, which would include evaluation of jobs, development, review and application of policies are within the mainstream activities and skillsets of HR staff in either Orkney Islands Council or Shetland Islands Council, the Board's decisions to align the terms and conditions with those of a particular authority, namely Shetland Islands Council, means that the experience in managing these policies and in applying a Council-specific single status model rest with the HR staff of Shetland Islands Council. The Board would need to consider whether a separate decision to open up their earlier decisions as employer of Valuation Board staff might be considered a prerequisite to a proposal

involving transfer of the HR function to Orkney Islands Council, for example.

- 4.11 Consideration of the above matters could lead the Board to consider transitional arrangements associated with any decision to transfer the Clerk and aligned HR functions. Any decision in that regard should therefore also consider the timescales needed for a transfer.

5.0 Exempt and/or confidential information:

5.1 None

6.0 Implications :

6.1 Service Users, Patients and Communities:	The appointments are a statutory requirement and internal to the governance functions of the Board and therefore has no direct impact on the communities of interest hereby listed.
6.2 Human Resources and Organisational Development:	The files concerning individual employees would require to be transferred securely if the roles of the Clerk and HR are transferred to officers in Orkney Islands Council. No staffing reductions are anticipated in Shetland Islands Council as a result. This report postulates the possibility that, if a transfer is to take place, consideration may be required in relation to policies and the single status scheme which will apply to staff, thereafter and this could have significant as yet unmeasured impacts, not least of all the resources of HR staff during the implementation of such changes.
6.3 Equality, Diversity and Human Rights:	Whatever decision the Board takes, even if this involves a change of job evaluation scheme, the end result for the Board should still protect matters of, for example, equal pay and equalities as between staff.
6.4 Legal:	The Board must appoint a Clerk in accordance with the provisions of the Valuation Joint Boards (Scotland) Order 1995. In securing the provision of HR services, the Board has within its gift the opportunity to consider purchasing such services externally, although detailed consideration of such a proposal is not in contemplation within this report.
6.5 Finance:	The roles of Clerk and HR support in a year where the HR input was relatively low was in the order of £7,000. If the role was to transfer to Orkney Islands Council then this income would no longer be available to Shetland Islands Council but a commensurate sum would be expected to be applied in Orkney for the delivery of similar services. The sums involved are of such an extent that it should not result in staffing reductions in Shetland and Orkney would have to consider what implications it would have for their Council in terms of the existing resources being able to absorb the additional work or otherwise buy in services.
6.6 Assets and Property:	The premises used to accommodate existing operational staff in Orkney and in Shetland would remain and are not affected by

	the resources used by either of the constituent Authorities to perform either the Treasury, Clerking or HR functions. Therefore the implications of any decision under this report in that regard should be zero.
6.7 ICT and new technologies:	The administration of ICT systems in Orkney should be able to accommodate any of the processes required for future meetings of the Valuation Joint Board. It is also anticipated that the historic records of the Board in an electronic form can be transferred relatively easily to Orkney Islands Council and this is not seen as an impediment to the transfer of the primary Clerk functions. Key information regarding Valuation Board staff are held on the Council's CHRIS system. An IT solution would be developed for the migration of that information onto the HR / IT systems of Orkney Islands Council. However, the concern is not so much the holding and processing of information but the policies and job evaluation schemes which underpin the IT systems.
6.8 Environmental:	None
6.9 Risk Management:	There might be a risk of discontinuity in service provision at the point of any transfer. However, similarity of the skillsets as between the Committee staff involved and the potential for a shadowing period between the two constituent Authorities should register such a risk of loss of service delivery minimal.
6.10 Policy and Delegated Authority:	The Board must appoint a Clerk in accordance with the provisions of the Valuation Joint Boards (Scotland) Order 1995. The Board cannot delegate this decision to any other party.
6.11 Previously considered by:	The contents of this report have not been considered by any other party, although the proposal for such a report to be brought forward was agreed by Orkney and Shetland Valuation Joint Board at its meeting on 31 May 2017.

Contact Details:

Jan Riise, Executive Manager – Governance & Law, email: jan.riise@shetland.gov.uk
27 September 2017

Appendices: Appendix 1: Activities currently undertaken and the impact of transfer in relation to the roles of Clerk and HR

Background Documents: Report VGL-26-17-D1 presented to the Board on 31 May 2017



Orkney & Shetland Valuation Joint Board



Appendix 1 VGL-44-F

Impact of transferring activities to Orkney Islands Council in relation to the roles of Clerk and HR to the Board

Clerk - activity	Impact of transfer
Arrange meetings, e.g. venues, video conference/travel for members	Time - existing skillset for OIC committee services team
Preparation and review of committee papers	Time - existing skillset for OIC committee services team
Production of agendas for all Board meetings	Time - existing skillset for OIC committee services team
Production of minutes for Board meetings	Time - existing skillset for OIC committee services team
Committee clerk services at Board meetings	Time - existing skillset for OIC committee services team
Ad-hoc legal representation at Board meetings	Time - existing skillset for OIC legal team, however, familiarisation with the administrative regulations (standing orders) of the Joint Board would be required
Supporting the Board in good decision making and the application of principles of good governance	Time - existing skillset for OIC legal and committee services teams, although familiarisation with the Board's governance framework will be required
HR - activity	Impact of transfer
Ad-hoc provision of recruitment services	Time - existing skillset for OIC HR team*
Ad-hoc provision of Job Evaluation services	Time - existing skillset for OIC HR team, although history of cases may require to be transferred*

HR representation at Board meetings	Time - existing skillset for OIC HR team*
Ad-hoc provision of candidate evaluation and notification services	Time - existing skillset for OIC HR team
Ad-hoc provision of interview services, including travel organisation for candidates	Time - existing skillset for OIC HR team
Ad-hoc preparation and review of committee papers	Time - existing skillset for OIC HR team

* In these instances, some problems may be encountered, given the Board's alignment of terms and conditions, single status scheme and HR policies with those of Shetland Islands Council. The Board may have to consider a root and branch review of terms, conditions, Job Evaluation and policy underpinning for their employees, whereby a transfer of HR function to OIC would be an opportunistic step in relation to an overall change.