



Renfrewshire Valuation Joint Board

Report to: Renfrewshire Valuation Joint Board

Meeting on: 5 June 2015

Subject: Budgetary Reductions and Restructuring

Author: Assessor & Electoral Registration Officer

Introduction

The purpose of this report is to brief members on the necessary changes to the Joint Board's staff structure in order to meet the increasingly difficult funding position. I then seek the Board's authority to proceed with the various actions necessary prior to making changes to staffing structure. The overall objective being to meet these budgetary reductions while continuing to meet my statutory duties in terms of Valuation and Electoral Registration.

Background

The Joint Board has steadily reduced its overall budget since 2011/12 and has been able to meet the challenges to date by prudent reduction of expenditure - for example, the closure of the Greenock office - and by non-filling or delayed filling of vacancies arising from natural turnover in staffing. The level of funding at 1 April 2015 is £2,281,800 which compares with £2,435,400 at 1 April 2010.

Staffing numbers have reduced from a Full Time Equivalent of 52 in 2010/11 to 44 (excluding temporary staff hired for Individual Registration) at 1st April 2015. This has been achieved entirely through staff turnover and non-filling of vacancies.

It is likely that an effective reduction in budget will be necessary in 2016-2017 and that lower level of funding may be further reduced by additional pressures in the years following 2017.

Any reduction in budget in 16/17 would be composed of two elements:

- A potential reduction in requisition income, dependant on Scottish local government settlement figures in the medium term. Some indication may be garnered from the UK government budget announced recently which will take place in July 2015.
- The need to meet a projected 3% increase in salary costs arising from changes to Employer's National Insurance Contributions that will be introduced on 1 April 2016. Any pay awards agreed would add to this figure.

To meet these budgetary pressures, the shape and size of the workforce requires to be examined to ensure it remains affordable while still meeting the needs of the service.

It is intended that savings will be achieved through Voluntary Early Retirement and further staff turnover. It is planned that a revised staffing structure will be implemented by 1 April 2017 and that this revised structure will be at a level of overall expenditure that will be sustainable in the medium term.

Pressures arising from Statutory Functions

1. Non-Domestic Revaluation, 2017

Work in respect of this exercise is already underway and a period of very intensive work will stretch from now until early 2017 when the Revaluation Roll is published. It is important that the revised valuations are fully researched and prove to be robust in the face of the inevitable challenges that follow Revaluation. In 2010, the overall loss on appeal was in the order of 3.5% and the aim is to limit any loss to similar or lower amounts. It is in the interests of local and national governments to have a tax base that is predictable and sustainable.

2. Electoral Registration

Other reports give detail on the ongoing work in relation to Individual Electoral Registration and the future challenges attendant upon elections or polls. In strategic terms, the future timetable in relation to IER is unknown and the impact of the recent General Election on the Government's plans is also unknown. While IER remains in transition, additional funding may be available from the Cabinet Office but bringing an end to transitional status will also bring an end to any funding. This is quite likely to coincide with the next planned electoral event – the Scottish Parliamentary Elections in May 2016. Indications are that the "In:Out" Referendum on the UK's E. C. membership may take place as early as June 2016.

3. Council Tax

The Commission on Local Tax Reform is currently consulting and hearing evidence in advance of reporting later this year. The Commission will produce options in terms of the replacement of Council Tax and these will inform party manifestos. While a range of options will be produced, it remains a possibility that the new tax will be based on valuation of domestic property and that a significant amount of work will be involved in survey and sales analysis. It is entirely possible that such work would begin in 2017 and would take approximately 2 years to complete

Proposed Savings Measures

At the meeting of the Joint Board in January 2015, the Board approved the use of £200,000 of Reserves to fund any reduction in staff numbers through VR/VER. Following that meeting, staff members were canvassed and expressions of interest were lodged. A total of four members of staff expressed an interest in taking either VR or VER and, of these, it has been determined that two may be released. Beyond this, it is intended that further development of the structure will be undertaken with a view to assessing the potential for further management savings. The terms of release are consistent with those adopted by Renfrewshire Council.

This proposal will require a drawdown from Reserves of £100,000 to fund VER and a further drawdown of £100,000 to allow a phased implementation towards the sustainable structure.

This plan, to be implemented over the next two years, will result in a reduction in existing staff numbers which, together with amendment of posts that are currently unfilled, will result in sufficient savings to meet the projected reduction of funding while allowing additional staff to be recruited in support roles at entry levels of salary.

This will achieve the aim with the minimum of disruption to statutory functions and with the minimum imposition upon reserves.

Next Steps

Should the Board approve the request within this report, the Assessor will proceed to discuss and agree an implementation plan with the Treasurer to the Board, Personnel Advisors and the Union.

The aim is a staged implementation from April 2016 to May 2017 in order to maximise savings while maintaining sufficient resource to enable completion of the Non-Domestic Revaluation and meet demands of at least two electoral events during that period.

Recommendation

The Board approves that the Assessor can proceed to finalise the planned structural changes and report to the Board on completion of the exercise for final approval.

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