



Business Plan 2014-15

Valuation Office Agency

| Section | Contents | Pages |
|----------------|-------------------------|--------------|
| Section A | Purpose and Vision | 2 - 5 |
| Section B | Coalition Priorities | 6 - 7 |
| Section C | Structural Reform Plans | 8 - 10 |
| Section D | Agency Expenditure | 11 - 14 |
| Section E | Transparency | 15 - 20 |



A) Purpose and Vision

Our core purpose is:

To provide the valuations and property advice required to support taxation and benefits.

Our vision is:

The VOA's customers have confidence in its valuations and advice. As a modern professional organisation with expert and committed people, it acts fairly, consistently and efficiently.

Our strategic objectives are to:

- Target and achieve greater customer trust;
- Drive quality and consistency through improved processes;
- Develop and sustain the right capabilities; and
- Sustainably reduce our costs and improve our value for money.



Our focus for the financial year 2014-15

In the coming year the Agency will focus on the following objectives:

- **Clearance of NDR (Business Rates) appeals**

We will play our part, together with the Valuation Tribunal Service, in delivering on the Chancellor's Autumn Statement 2013 commitment to clear 95% of non-domestic rating (NDR) appeals received at 30 September 2013 before July 2015. At 31 March 2014 there were 131,000 appeals outstanding, which is 29% less than at 31 March 2013. This is the lowest level of appeals outstanding since 30 September 2010. We will continue to work closely with the Valuation Tribunal Service (VTS) to ensure that these cases continue to be prioritised in 2014-15.

We will maintain our focus on reducing the number of outstanding NDR appeals. We will do this by ensuring that all appeals not in litigation at the Valuation Tribunal (VT) or higher courts are programmed to be dealt with as quickly as possible and by seeking to bring discussion with ratepayers or professional representatives to an early conclusion to ensure those ratepayers due a reduction receive it quickly. In addition, we will continue to prioritise appeals where the grounds are factual or where financial hardship is identified.

- **Supporting NDR Appeals Reform**

We will continue to support the Department for Communities and Local Government (DCLG) on reform of the NDR appeals process. We worked closely with DCLG on the 'Checking and challenging your rateable value' consultation launched in December 2013, and will continue to do so in the coming year.

- **Supporting the long term review of Business Rates administration**

We will continue to work closely with HM Treasury (HMT) and DCLG on the longer term review of NDR Administration, post 2017, as announced by the Chancellor in Autumn Statement 2013. This review aims to make the NDR system simpler, more transparent and more responsive to economic circumstances. A discussion paper was published in April 2014 which sought the views of ratepayers to inform proposals for long term reform.



- **Design and begin implementation of NDR Revaluation 2017**

We will start work on the preparations for the planned 2017 NDR revaluation. This is a key programme for the Agency; our work over the coming year will ensure that it is delivered on time and at a high quality. Our priorities for 2014-15 are building up our market knowledge, ensuring that our rental information data is accurate and ready for use during the Revaluation.

- **Improving business processes in Council Tax**

We will continue to improve our business processes in Council Tax so that our customers' interactions with us and the outcomes they receive are consistent and of a high quality. The ongoing centralisation of many of our customer service functions into our Network Support Offices will standardise our processes, and throughout 2014-15 our new Quality Assurance managers will be identifying any remaining areas which require further improvement. We have also begun trialling the use of continuous improvement techniques in Council Tax, using suggestions from our people to simplify and improve our processes. All of these changes will deliver better outcomes for our customers while enabling the Agency to sustainably reduce our costs.

- **Improving services to customers**

We will continue to develop our analytical capability to better understand our customers' experience of our services and the areas in which we can improve. We have already published our first three research reports on our customers' experience and we will now begin drawing on this insight to improve customer trust in, and understanding of, our valuations. This will be supported by the continuing centralisation of some of the simpler administrative and transactional interactions we have with customers. This process has already significantly increased the number of calls we are able to resolve at first point of contact and has also delivered efficiency savings.

We will also continue to address issues identified by our customers in the complaints that we receive. Our Customer Service Team will work in partnership with business streams to examine the cause of complaints and to resolve any issues which are undermining our service standards.



- **Implementing Civil Service Reform Plan**

The Civil Service Reform Plan (CSRP) sets out a series of actions that all government departments and executive agencies must implement. The plan is broken down into four key themes, all of which are reflected in our plans to build a modern, efficient, and transparent organisation:

- **More Skilled**

We will develop a strategic workforce plan to ensure VOA has the right people, with the right skills, in the right places, at the right time. This work includes a drive to adopt more common Civil Service standards and approaches in line with CSRP. Over the past year the VOA has supported over 50 of our staff in receiving accredited qualifications. In addition, we have recruited 65 people from outside the Civil Service to develop our capabilities in Project and Programme Management, Change Management, Finance, IT, Digital and Analysis. These all remain priority areas for the VOA during 2014-15. In addition we will be encouraging and supporting staff to make the most of their five days of learning and development, to ensure that they are continuously developing their skills and abilities.

- **More Digital**

We will begin to deliver our major programme of IT change and modernisation which will improve the experience of both our customers and our people. This will include developing new remote working tools and technology which will support more flexible ways of working in the future and the introduction of modern applications, such as Windows 7 and Office 2013. In the future we aim to make our services digital by default where possible.

- **Unified, Open and Accountable**

We will continue to play a key role in reforming the Government Property Profession, working to widen participation across government and break down barriers between property professionals in different departments. We will also continue our programme of estate reduction which has already seen seven of our offices move into shared accommodation.

- **Better Policy Making**

We will invest in our Information and Analysis function to ensure we have the professional skills we need to help drive better decision making and support our policy clients and delivery partners. The impact of this has already been seen in the contributions we have made to the proposals to reform the NDR appeals process and the longer term review of NDR Administration, both of which we will continue to support over the coming year.



B) Coalition Priorities Structural Reform Priorities

- 1. We will promote the radical devolution of power and greater financial autonomy to local government and community groups. This will include supporting a review of local government finance.**
 - We will continue to work with the Department for Communities and Local Government, local government and their representative bodies, to support Local Authorities (LAs) in the Business Rates Retention Scheme. Our team of Local Authority Relationship Managers works proactively with LAs to provide information and support to help them understand and manage the impacts of changes in the local NDR and Council Tax lists. This will be supported by the further development of our experimental statistical releases, aimed at assisting LAs with financial planning.

- 2. Delivering a more effective, better value and more transparent service for the taxpayer.**
 - We will continue to publish details of all spend over £25,000 by suppliers, all contracts over £10,000 and Government Procurement Card spend over £500.
 - We will investigate further ways to centralise work to provide a better service to taxpayers.
 - We will realise the benefits delivered by the professionalisation of our procurement and will continue to move contracts onto Government Procurement frameworks so that we benefit from the greater purchasing power.
 - We will continue work to seek out ways that we can increase the scope of data that we publish as Official Statistics to help taxpayers better understand the service that we provide. This already includes our work with the Office for National Statistics to include housing costs in the Consumer Prices Index (CPI).

- 3. We recognise that deficit reduction and continuing to ensure economic recovery is the most urgent issue facing Britain.**
 - We will live within our means, delivering even better value for money and a sustainable cost base. We will comply with government spending controls.
 - We will reduce our estate by a further 3,600m² and agree our new delivery plan for estates transformation through to 2018-19.
 - We will deploy improved IT applications and equipment for our staff and, in the longer term, we will make our services digital by default where possible, delivering significant efficiency savings.



B) Coalition Priorities Agency Responsibilities

This page sets out who in the Agency is responsible for each Structural Reform Priority set out above, alongside other major responsibilities of the Agency.

Structural Reform Priorities

- 1. We will promote the radical devolution of power and greater financial autonomy to local government and community groups. This will include continuing to support Business Rates Retention.**
Dyfed Alsop - Chief Strategy Officer.
- 2. Delivering a more effective, better value and more transparent service for the taxpayer.**
Dyfed Alsop - Chief Strategy Officer.
- 3. We recognise that deficit reduction and continuing to ensure economic recovery is the most urgent issue facing Britain.**
Craig Pemberton - Chief Finance Officer.

Other Major Responsibilities

- 1. Delivering the NDR Revaluation 2017.**
Mary Hardman - Director, Non-Domestic Rating.
- 2. Supporting work on the longer term reform of NDR administration.**
Dyfed Alsop – Chief Strategy Officer.
- 3. Process Improvement in Council Tax.**
Thomas Lindie - Director, Council Tax and Housing Allowances.



C) Structural Reform Plans

This section sets out the key actions the Agency has already taken to implement its Structural Reform priorities.

Completed Structural Reform Actions

1. We will promote the radical devolution of power and greater financial autonomy to local government and community groups. This will include supporting a review of local government finance.

- In 2013-14 the Agency worked closely with DCLG and Local Authorities (LAs) to support the implementation of Business Rates Retention (BRR) in England. Our team of Local Authority Relationship Managers has worked proactively with LAs Chief Finance Officers to help them understand and manage the impact of changes in the local NDR lists. The team met with 98% of the 326 Local Authorities in England, handled in excess of 2,750 requests for information, and there were over 6,300 hits on VOA's new web page for Local Authorities. This work has been supported by our Information and Analysis function which has provided data to inform Local Authorities' forecasts for rates retention purposes.
- We continued to respond to requests from Local Authorities to amend the Council Tax and NDR lists so that they included new properties and reflect changes to properties. This ensures that the 26 million property assessments we maintain are up to date, which is crucial for Local Authorities collecting local taxation.

2. Delivering a more effective, better value and more transparent service for the taxpayer.

Procurement

- As promised we have published all of our expenditure over £25,000 by suppliers, all contracts over £10,000 and Government Procurement Card spend over £500.
- We have introduced a professional procurement capability which has resulted in the transitioning of multiple IT contracts onto better value deals. This has played a significant role in reducing our IT costs by £2.3m.



Customer Service

- We centralised more of our customer contact into our Network Support Offices and this year our NSOs developed the capability to handle more straightforward Council Tax telephone queries at first point of contact. Continued centralisation helps us respond even more effectively to variable levels of customer demand while further improving the quality and consistency of customer service.
- In NDR we have continued to reduce the number of outstanding appeals and have begun developing proposals for NDR appeals reform with DCLG. We have also ensured the process is responsive to taxpayers' needs by prioritising those cases where there is evidence of financial hardship.
- In CT we have responded to customer feedback that some of our decisions were not transparent enough and have begun rolling out new letters which aim to communicate more clearly and effectively with our customers. Improvements to our telephony have also meant that we are able to resolve the concerns of our customers in a more timely way, removing the need for further contact in many instances.

Property Services

- Our Property Services business stream is now part of the Crown Commercial Services Framework. This has assisted Property Services and the Agency in maximising the efficiencies and added value we offer to our public sector clients through the range of property advice and valuation services we offer. This year Property Services provided valuation and surveying services to 2,200 public sector clients and worked on high profile projects such as the HS2 rail link, Clyde Gateway Regeneration for the 2014 Commonwealth Games in Glasgow and the Government's 'Space for Growth' initiative.

Data

This year we have continued to contribute to the Retail and Consumer Prices Indices (RPI and CPI) and the Office for National Statistics' new experimental Index of Private Housing Rental Prices (IPHRP). We have also run consultations with our data users to obtain feedback so that we can improve the frequency, quality and accessibility of our published Official Statistics.



3. We recognise that deficit reduction and continuing to ensure economic recovery is the most urgent issue facing Britain.

Finance

- In 2013-14 we absorbed a £4.0m reduction in our funding from DCLG and delivered our outcomes at an aggregated cost of 2.1% less than in 2012-13. We also improved our forecasting and our financial management, living within our means for 2013-14, finishing the year 0.5% below our budget.

Accommodation

- As part of the Agency's ongoing estates rationalisation plans to improve space utilisation rates and provide greater value for money, there is a commitment to further reduce space by circa 3,600m² in 2014-15. In 2013-14 we closed two offices and moved seven into shared accommodation with other government departments. As a result our accommodation footprint reduced by 7,600m², just over the target we set last year. This builds on our work over the previous two years during which our footprint was reduced by over 10,000m².

IT

- Over the last 12 months we have laid the foundations to support our major modernisation programme which will change the ways in which we interact with our customers and deliver significant efficiency savings. We have ensured that our existing applications are stable and recoverable, rolled out firewalls and network upgrades to all our offices and set up a central infrastructure to support our core systems. In line with the Civil Service Reform Plan's principles on professional capability we have strengthened our IT and Digital team with training on modern IT systems and recruited over 20 IT professionals from inside and outside the Civil Service.

Data

- We have continued investing in our Information and Analysis function to ensure we have the professional skills we need to help drive better decision making and support our customers and delivery partners. This has included carrying out primary research to collect feedback from those who come into contact with us, and using that feedback to deliver effective and evidence-based change to the way we deal with taxpayers, their agents, and Local Authorities.



D) Agency Expenditure

This section sets out how the Agency is spending public money as clearly and transparently as possible.

We have included a table to show the Agency's planned expenditure over the Spending Review Period, as agreed with clients and HM Treasury. It is split into money spent on programmes (including the frontline and the cost of running the Agency), and capital (for instance new buildings and equipment). We have also included information on the Agency's major projects. It is possible to see these budget requirements as part of the Agency's expenditure allocation.

We have also included an indicative budget allocation setting out in detail how the settlement will be allocated for the 2014-15 financial year, across key programmes and activities.

This is followed by details of Agency efficiency which sets out data and planned improvements to indicate how the Agency is being run.

| £m | 2010-11 (Baseline) | 2011-12 Actual | 2012-13 Actual | 2013-14 Actual | 2014-15 Forecast |
|--|-----------------------|--------------------|-------------------|-------------------|---------------------|
| Total Agency Expenditure allocation | 218.9 | 210.4 | 195.4 | 203.1 | 205.7 |
| Income (Funding) | 209.7 | 204.4 | 191.9 | 195.9 | 196.6 |
| Capital Spend ¹ | 9.2 | 6.0 | 4.0 | 7.2 | 9.1 |
| Agency Spend (excl Capital) | 204.4 | 202.9 ² | 189.8 | 194.9 | 196.6 |

¹ Capital spending is provided as a separate funding stream from our sponsor department - HMRC

² 2011-12 Agency Spend included an equal pay settlement of £7.8m



The Chief Executive of the Agency is also the Accounting Officer for the Payment of Local Authority Rates (POLAR) scheme. The Agency is responsible for administering the POLAR scheme for the Foreign & Commonwealth Office (FCO). This is a scheme by which local Billing Authorities in the UK are compensated by central government for the non-domestic rates due on properties occupied by a mission with diplomatic status.

Our role is to liaise with local billing authorities, diplomatic missions and the Foreign & Commonwealth Office (FCO). We pay the rates due to the billing authorities and then seek to recover a voluntary contribution from the diplomatic missions. Under the scheme, diplomatic missions are encouraged to contribute an amount known as the Beneficial Portion. This is to take account of the extraneous services such as the fire service and street lighting. The Beneficial Portion is currently set at 6% of the overall rates bill.

Our actual costs and forecast payments for 2014-15 are set out below:

| £m | 2010-11 (Baseline) | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|------------------------|-------------------------------|----------------|----------------|----------------|----------------|
| Gross payments - POLAR | 42.6 | 49.7 | 56.0 | 63.8 | 67.3 |

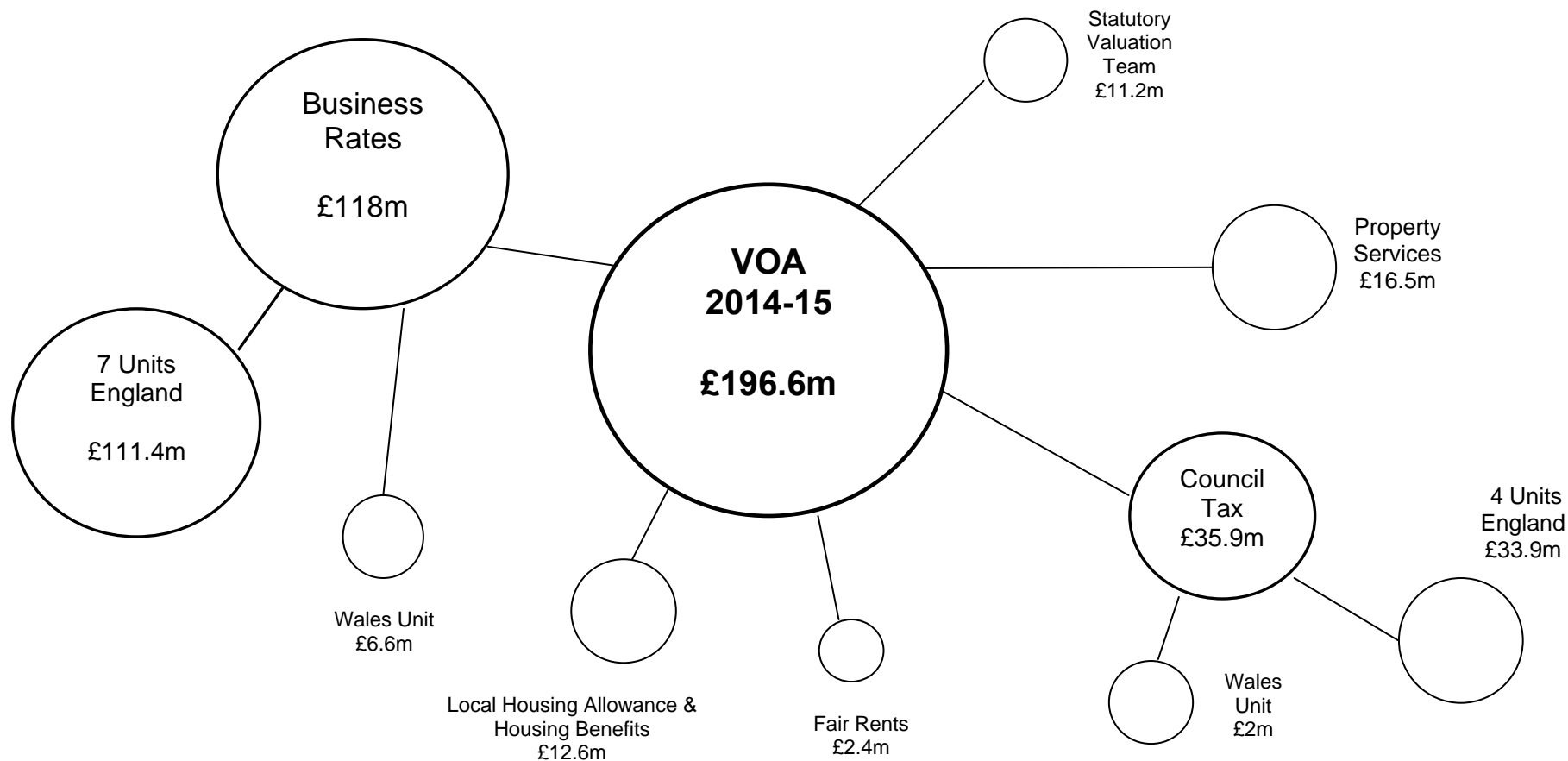
Following significant rises in office rental values, in central London in particular, many diplomatic buildings currently benefit from transitional relief, which phases the increase in rates payments. This relief has progressively declined over the years to 2014-15, which accounts for the significant increase in forecast expenditure.



D) Agency Expenditure

Budget Allocation for 2014-15

This chart sets out further detail on how our settlement will be allocated for the 2014-15 financial year, excluding capital expenditure, across our key programmes and activities.





D) Agency Expenditure Agency Efficiency

This data aims to let the public compare the Agency's operations against other organisations by setting out the cost of common operational areas and efficiency plans for 2013-14.

| Spending Category | Latest Data (31-03-2014) | Actions to improve operational efficiency in 2014-15 |
|-------------------------------|--|---|
| HR | 3,511 civil servants employed | To ensure that the right staff are employed at the right grade in the right locations with the right remuneration to deliver the needs of the client departments. We will set out our pay strategy and complete the next stage of our Pay and Grading Review. |
| Estates | 45,441 square metres | To continue with the estates rationalisation plan by reducing the contractual holding of the accommodation by a further 3,600m ² during 2014-15. The Agency's Blueprint Estates delivery plan which will replace the current estates rationalisation plan is being discussed with the major stakeholders. |
| Procurement | £7.02m | This relates to on-contract (centralised) spend which we have increased in 2013-14. Centralised procurement enables us to benefit from bulk purchasing power across Government which will deliver on-going savings. |
| Information Technology | £15.0m spent on IT systems including capital investment | A new IT strategy has been developed to provide greater benefits to the VOA through reduced costs and better delivery times. |
| Corporate Services | £5.9m on HR £2.4m on Finance £0.9m on Communications | We are continuing to invest in our Corporate Services to ensure we deliver our strategic objectives. |
| Fraud, Error and Debt | N/A | We completed the HMT Financial Systems Risk Review (Managing the Risk of Financial Loss) for key business streams in 2011-12 and for corporate business areas in 2012-13. Action plans were agreed based on the recommendations. A significant proportion of the recommendations have been completed in 2013-14 and the remaining have action plans agreed. In 2013-14 we completed the Cabinet Officer Fraud and Error Capacity assessment. Our risk of external fraud is extremely low given that our business model is to enable tax collection, not collect it. |



E) Transparency

Transparency is key to improved outcomes and productivity in our public services. Public reporting of data promotes higher quality and more efficient services, choice and accountability. Transparency is a driver of economic growth because it enables the development of tools to support users, commissioners and providers of public services.

This section sets out how the Agency will publish information that will allow taxpayers to assess the efficiency and productivity of public services, holding us more effectively to account. The commitments in this section will be kept under continuous review – it is essential that public services are consistently pro-active in publishing information to help citizens make the best decisions and routinely appraise their success in delivering meaningful transparency to their users.

This Business Plan makes commitments to the publication of key data sets that will improve the transparency of the public service – at the same time, it commits to providing data that is of good quality so that it can be used for effective comparison and to publishing this information in such a way so that it is as accessible as possible. In addition, departments are expected to work with data users to promote awareness of new data sets as they are published so that they become the focus of innovation and enterprise.

In most cases, the data will be available free of charge.

Transparency is a key operating principle for the Agency and will be championed by Adrian Ball, Director of Information and Analysis.



E) Transparency Indicators and Other Key Data

The Agency adopted the following indicators to help the public to judge whether our policies and reforms are having the effect they want. We have also highlighted key data that will help people judge the progress of structural reforms and make informed choices about public services.

General Indicators and Other Key Data

- 1. We will promote the radical devolution of power and greater financial autonomy to local government and community groups. This will include a review of local government finance.**

| Description – Impact Indicator | Type of measure |
|---|-----------------|
| Support the collection of taxation through compiling and maintaining Council Tax and Business Rates lists | Annual |

- 2. Delivering a more effective, better value and more transparent service for the taxpayer.**

| Description – Impact Indicator | Type of measure |
|--|-----------------|
| Proportion of VOA services meeting timeliness service levels | Annual |
| Proportion of VOA processes meeting quality standard levels | Annual |
| Proportion of VOA assessments meeting accuracy standard levels | Annual |



We recognise that deficit reduction and continuing to ensure economic recovery is the most urgent issue facing Britain

3. We will live within our means in our Spending Review period funding settlement, delivering even better value for money and a sustainable cost base. We will comply with government spending controls.

| Description – Input Indicators | Type of measure |
|--|------------------------|
| Average staff cost of dealing with a case for Business Rates | Annual |
| Average staff cost of dealing with a case for Council Tax | Annual |
| Average staff cost of dealing with a Housing Benefits referral | Annual |
| Average staff cost of dealing with Capital Taxation casework | Annual |

| Description – Impact Indicator | Type of measure |
|--|------------------------|
| The Agency will operate within its agreed budget (in real terms) over the Spending Review period | Annual |



E. Transparency

Transparency and Open Data

Our default position is that all data will be published in accessible and reusable formats, where reasonable and practical. However, we fully recognise the privileged access we have to confidential and personal information, and we will protect it.

Therefore, having consulted with stakeholders to determine appropriate data and formats, we will strive to publish more data, doing this in line with the law, Information Principles and Public Data Principles.

The VOA has adopted the open government licence for all re-use of its data and, following review, significantly reduced the costs for customers. We will seek to streamline its production and delivery processes and make it more accessible. The VOA will promote the removal of existing barriers and seek gateways to permit further data supplies where appropriate. We have facilitated the introduction of a new legal gateway in the Water Act 2014 which will allow access to council tax data to support the Flood Reinsurance scheme.

Through the legal gateway provided for in the Water Act 2014 we will provide information to support implementation of the Flood Reinsurance Scheme. We also provide aggregate data to the ONS for the production of National Statistics, including the Index of Private Housing Rental Prices (IPHRP) and the new version of the CPI which includes housing costs and CPIH.

Requests for new data will be treated as Freedom of Information requests. We will continue to publish Freedom of Information responses where release would not breach our legal obligations to protect customer data.

The Agency is progressively making more information about its operations available publicly, with no additional charge for analysis and re-use, through its Official Statistics publications. We release regular official statistics on the Council Tax and Non-Domestic Rating lists, including the number of challenges and changes to the lists, as well as private residential rents using data collected for Local Housing Allowances. Most of this information is available for local authorities and in some cases for lower geographical levels. We produce statistical information in line with the Code of Practice for Official Statistics as well as the Neighbourhood Statistics Geography Policy for lower geographies. We plan to improve these statistics through engagement with users in Statistics Advisory Panels and will publish a development plan later in the year.



Our statistical release timetable can be found on our website here:

<http://www.voa.gov.uk/corporate/publications/statisticalReleaseTimetable12months.html>

Key data releases

| Dataset Name | Description | Date of release | Frequency of publication | Open Government Licence? |
|-------------------------------|---|-----------------|---|--------------------------|
| CT valuation List | On-line facility to check the entry on the CT valuation list for your property. Available on the internet (directgov) only | Continuous | N/A | N/A |
| NDR rating list | On-line facility to check the entry in the NDR 2005 and 2010 rating lists for a property | Continuous | N/A | N/A |
| NDR rating list | Bulk data sets for entries (including address and rateable value) on the 2005 and 2010 rating lists (available as DVD (for the full datasets) and Internet File Transfer (for updates)) | | Up to 7 times per year for full datasets and weekly for updates | Yes |
| NDR rating summary valuations | Bulk data sets for 2005 and 2010 rating lists detailing available Summary Valuations supporting current live 2010 assessments (available as DVD (full datasets) and Internet File Transfer (updates)) | | Up to 7 times per year for full datasets and weekly for updates | Yes |



E) Transparency

Agency Workforce

This section provides information on the size and structure of people working for the Agency.

| Department and Agencies (total full-time equivalent) | | Most Recent (March 2014) | Previous (March 2013) |
|--|---|-----------------------------|--------------------------|
| Payroll Staff (FTE) (average in post over 12 months) | | 3,511 | 3,480 |
| Contingent Labour | | 9 | 12 |
| Average Staff Costs (£) (average in post over 12 months) | | 39,621 | 38,388 |
| Workforce Shape (%) | Administrative Assistants and Administrative Officers | 30.6% | 23.6% |
| | Executive Officers | 24.0% | 24.3% |
| | Higher Executive Officers and Senior Executive Officers | 34.8% | 41.6% |
| | Grade 7/6 | 10.3% | 10.2% |
| | Senior Civil Servants | 0.3% | 0.3% |
| | Part Time | 22.4% | 22.0% |
| Workforce Dynamics | Exceptions to external recruitment freeze | 133 | 293 |
| | Annual staff turnover (% total) | 7.0% | 4.1% |
| Workforce Diversity (%) | Black and minority ethnic | 6.4% | 5% |
| | Women | 48.3% | 48% |
| | Disabled | 6.6% | 6% |
| Engagement Index | | 41% | 46% |

Workforce Shape: The outcome from the VOA Pay and Grading Review has impacted the grade mix

Engagement Index: A composite score based on responses by staff from questions relating to say, stay and strive:

Say - speaks positively of the organisation; Stay - emotionally attached and committed to the organisation; Strive - motivated to do the best for the organisation.