



Valuation Office
Agency

2015-16

**BUSINESS
PLAN**

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CHIEF EXECUTIVE'S FOREWORD

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The Valuation Office Agency is responsible for delivering a wide range of property related advice and services which enable the collection of £48bn of local taxes each year, and support a wide range of customers, clients and stakeholders. This year will see the Agency continue to deliver these core services, working closely with our delivery partners including local authorities, while building on the progress made in previous years in transforming how we do business with our customers.

During the last six months of 2014-15 we began collecting data to inform the valuation of 1.9m business properties across England and Wales as part of the 2017 Revaluation. The Agency will continue to prioritise this major delivery programme in 2015-16 which will culminate in the publication of draft lists on 30 September 2016, on which business rates bills will be based from 1 April 2017. Alongside this the Agency will continue to deliver challenging operational targets, including: making necessary changes to existing assessments for council tax and business rates; determining Fair Rents; maintaining Broad Rental Market Areas for housing benefit purposes; supporting national property taxes; and delivering advice to a wide range of public sector clients through Property Services.

Our plan for this new financial year is aligned to the government's priorities for civil service reform and focuses on continuing our transformation through accelerating our planning for digital services; continuing to invest in developing our people; improving our portfolio and programme management capability; and ensuring that

we improve efficiency through targeted productivity and efficiency improvements of between 2.5 - 3.5% in our front line business. As part of our transformation programme – the Agency Blueprint - we plan to reduce our estate by eight offices this year as part of our continuing efforts to modernise and deliver value for money for the taxpayer and encourage flexible working across the VOA.

As well as delivering our front-line operations, we will continue to support the ongoing cross-Government review of the administration of business rates. This will include delivering our part in the modernisation of the business rates appeals system announced as part of the 2015 Queen's Speech and due to be enacted via the Enterprise Bill. We will continue to deliver data and analysis to support clients, delivery partners and stakeholders, including through the publication of official statistics.

I would like to take this opportunity to thank all our people for their ongoing hard work, commitment and enthusiasm. It is really appreciated; with their help I am confident that we can continue to transform the Agency into a more modern and even more effective organisation.

Penny Ciniewicz
Chief Executive, 23 July 2015

INTRODUCTION

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The Valuation Office Agency's Business Plan sets out how we expect to deliver our operations during 2015-16, as well as our work to build capability and modernise the Agency. This document provides an overview of the Agency's plans for our customers and our people, and in line with other government bodies covers the 2015-16 financial year.

2015 will bring a Spending Review across government. The Agency is preparing for this in order to maximise how we can effectively contribute to support Government priorities.



PURPOSE, SERVICES AND ORGANISATION

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The VOA is an executive agency of HM Revenue & Customs (HMRC).

Purpose & Vision

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

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

Strategic Objectives

- Target and achieve 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.

VOA Organisation

The VOA employs c. 3,600 people, based on full-time equivalents (FTE), in 69 offices across England, Wales and Scotland. 87% of these are in front line roles. The number of FTE is planned to rise in year largely driven by Revaluation, to 3,875. Services are delivered through four main business streams:

- Non-Domestic Rating (NDR)
- Council Tax (CT) and Housing Allowances (HA)
- Statutory Valuations Team (SVT)
- Property Services (PS).

The VOA's four Network Support Offices (NSOs) manage centralised processing work, including telephony and postal contact, in order to drive consistency and value for money. The delivery work of front-line teams is underpinned by corporate services and a range of shared services supported by HMRC.

The Agency operating model is to recover the cost of providing services from clients. In 2015-16, we expect to generate funding from clients; Property Services income; and capital funding from HMRC to cover our operating resource costs (£211m) and capital (£7m).

KEY PERFORMANCE INDICATORS (KPIs)

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KPIs are set during the planning process. They are aligned to the VOA Purpose, Vision, and Strategic Objectives. Key targets have been agreed with client departments whilst discussions continue on supporting metrics.

1. Non-domestic Rating Appeals: 95% of appeals outstanding in England in September 2013 cleared by July 2015
2. Non-domestic Rating Reports cleared: 50% in 12, 75% in 25, 99% in 90 working days
3. Council Tax Reports cleared: 50% in 8, 75% in 25, 99% in 90 working days
4. Non-domestic Rating quality: 94% of cases meet quality standards
5. Council Tax quality: 94% of cases meet quality standards
6. Housing Allowances quality: 94% of cases meet quality standards
7. Statutory Valuations Team quality: 94% of cases meet quality standards
8. Property Services quality: 94% of cases meet quality standards
9. Statutory Valuations Team service: 100% of Initial Appraisals reported within an average of five working days
10. Housing Allowances service: 95% of referrals determined where no inspection is required in three working days
11. Revaluation 2017: 85% of business properties in England & Wales valued by March 2016
12. Income: At least £15.6m Property Services income generated
13. Cost: Deliver value for money by realising estate footprint reductions of 3,400 m²
14. Cost: Deliver increased efficiency by increasing productivity within a range of 2.5% - 3.5% within our front-line business
15. Data security: Zero data incidents reported to the Information Commissioner
16. Professional development: 85% of people meet Continuing Professional Development requirements
17. Learning & Development (L&D): 80% of people attain the civil service minimum of five days L&D



AGENCY PERFORMANCE FRAMEWORK (APF)

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In 2015-16 a new strategic APF will be deployed in stages. This will help our people understand and drive performance against our strategic objectives, and make the organisation more transparent for clients.

The APF will bring together different types of indicators, including inputs, activities, outputs and outcomes, to help organisational planning, monitoring and performance reporting.



2015-16 FOCUS: DELIVERY

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Delivering for our clients and customers

Delivering against customer commitments consistently across England, Wales and Scotland is a key focus for the Agency. Doing this successfully will require us to be even more responsive to the needs and priorities of our customers and clients, whilst effectively managing risk, variable demand and working within challenging funding pressures.

To maintain our focus on customers we are committed to making improvements to the way we work. During 2015-16 we will:

- Prioritise those Non-domestic Rating appeals which form part of the Chancellor's Target, to clear 95% of appeals received before 30 September 2013 by July 2015, and then focus on other outstanding appeals. We will balance this with ensuring we are on track to deliver the 2017 Rating Revaluation.
- Continue to work closely with 348 Billing Authorities (BAs), receiving reports from them and raising our own to maintain accurate Rating and Council Tax lists and support Business Rates Retention in England. We expect to clear more than 270,000 Rating reports and 460,000 Council Tax reports.
- Review challenged Council Tax Bands, expecting to complete 19,000 informal reviews, deal with 36,000 formal proposals and 2,700 appeals.

- Continue to provide housing rental market data to the Office for National Statistics (ONS) for use in the measure of consumer price inflation (CPIH) which reflects owner occupied housing costs.
- Continue to provide the Council Tax data which underpins the Flood Reinsurance scheme to help householders at risk of flooding to get insurance.
- Generate income of at least £15.6 million through our Property Services team, delivering professional property valuations and advice to customers across the wider public sector, including the devolved administrations.
- Continue to provide property advice to public sector clients including HMRC, DCLG and DWP through our Statutory Valuations Team, aiming to meet all of our Service Level Agreement commitments.
- Continue to support Fair Rent and housing benefit customers through our Housing Allowances Team. We will introduce new digital services for customers and build more flexibility for our Rent Officers to operate across broader geographical areas.

2015-16 FOCUS: DELIVERY

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Revaluation 2017

Revaluation is designed to ensure that business rates are based on up to date property values. Delivery of Reval 2017 is a key programme for the Agency and our work over the coming year will ensure that we deliver draft rating lists for 1.9m properties in England and Wales at the end of September 2016, and compiled rating lists on 1 April 2017.

Our aim is to deliver all valuations to the required quality and standards, and in line with interim deadlines agreed with our clients. During 2015-16 we will:

- Deliver at least 85% of all valuations by March 2016.
- Ensure that we have the right people in place and that, where needed, they have the appropriate training.
- Communicate effectively with stakeholders.
- Ensure that our rental information data is accurate and that we have analysed this and built on the market reports we have compiled over the last year, and that valuation guidance and valuation schemes are in place.

The Chancellor's Autumn Statement NDR commitments

Working with the Valuation Tribunal Service (VTS), we will play our part in delivering the Chancellor's Autumn Statement 2013 commitment – that 95% of NDR appeals in England outstanding on 30 September 2013 are cleared by July 2015. We will also continue to work alongside HM Treasury (HMT) and the Department for Communities and Local Government (DCLG) on the Chancellor's commitment to review the administration of business rates, as announced in the same statement.

We will also be supporting the modernisation of the appeals system announced as part of the 2015 Queen's Speech and due to be enacted via the Enterprise Bill.

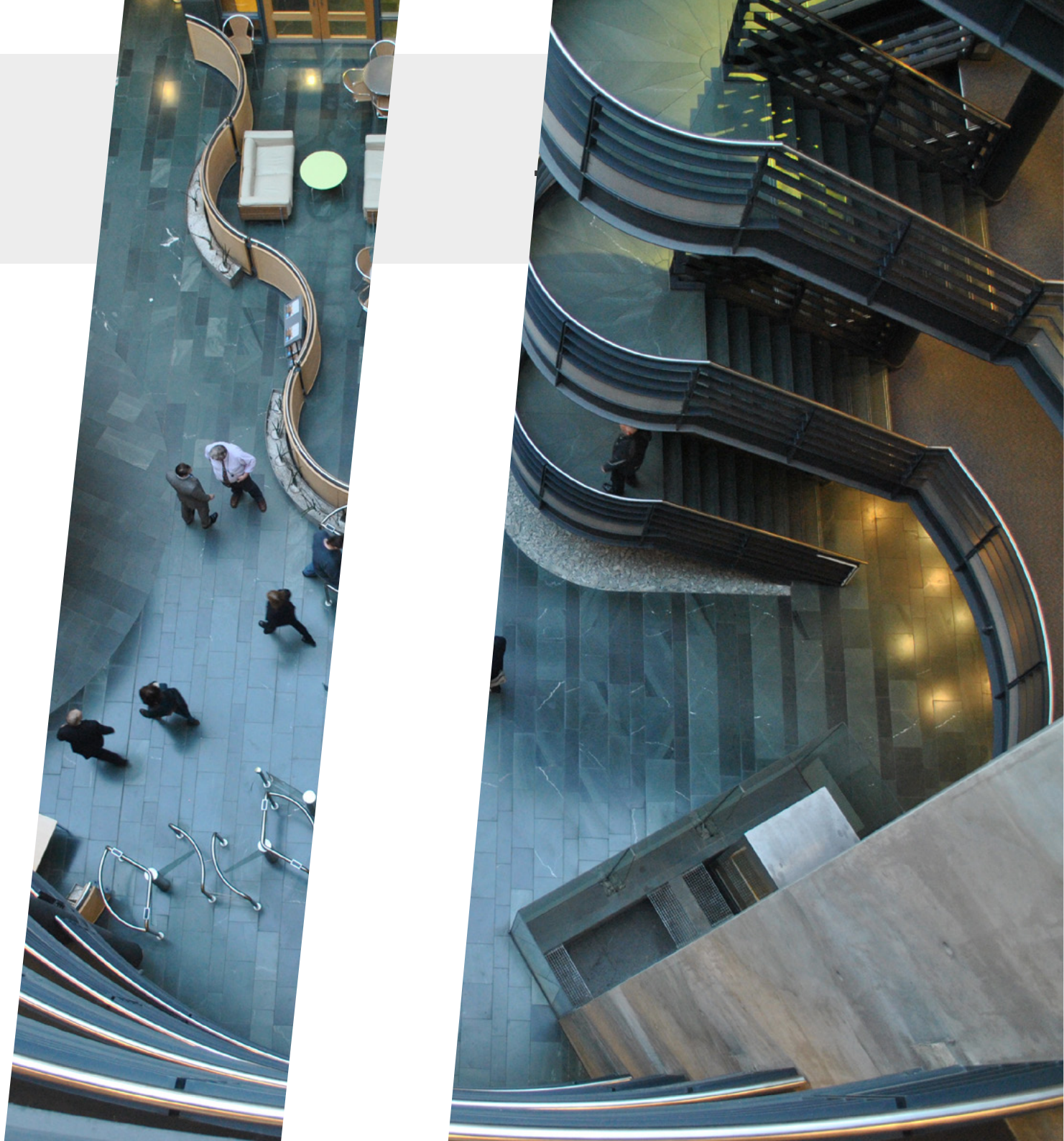
2015-16 FOCUS: TRANSFORMATION

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Blueprint programme

The Agency has embarked upon a transformation programme - the Agency Blueprint - which will modernise services and reduce costs over time. This work is a key part of the Agency's response to the Civil Service Reform Plan. During 2015-16 we will:

- Start work on transforming our online services into high-quality digital services for both our external customers and our people. These services will include an intuitive front-end design, as well as an updated open source technology developed to common standards providing better tools for our people and will underpin a 'digital by default' model for interacting with our customers.
- Work from fewer offices whilst maintaining our presence across the country, we will close eight of our offices in 2015-16. In doing so we will deliver better working environments for our people, with workspaces enabling flexible working.
- Facilitate transition to new ways of working through updated HR policies, updated mobile technology, and streamlined security policies - to enable people to work flexibly across locations, and by continuing to provide support, training and development to our people.
- Involve our people in the further development of our future operating model and new ways of working.
- Achieve these outputs and outcomes by using the skills and experience of our people to design, develop and embed change.



2015-16 FOCUS: TRANSFORMATION

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Provide more effective technology to help people do their jobs

We are currently updating our technology to deliver parts of the Agency Blueprint. This will help our people do their jobs more effectively, and support the Agency's move to new ways of working. During 2015-16 we will:

- Create and replace Digital solutions which provide easy to use, reliable products for external customers and users.
- Do the same internally, for users of our IT, including increased availability and reliability of systems and improved responsiveness in our IT service support function.
- Continue to listen to people's feedback on our processes and aim to improve our underlying technological infrastructure.

Make our processes easier for our customers and our people

During 2015-16 we will continue to focus on making our processes easier for our customers and our people so that they can use and improve them easily. During 2015-16 we will:

- Continue to identify and improve our internal and external-facing processes, making them easier to use and understand.
- Simplify the ways customers can contact us, so that our digital services are so easy to use that our customers choose to interact with us in this way.
- Use research to test and evaluate whether our changes have improved delivery for our customers and our people.
- Ensure our people and customers can help to identify and deliver service improvements. Learn from feedback and apply continuous improvement tools and techniques to encourage innovation across our business.

2015-16 FOCUS: PEOPLE

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Improve our leadership

In line with the civil service leadership behaviours we will focus on improving the leadership capability of our people so that everything else can fall into place. Our leaders will need the knowledge and skills to be inspiring, confident and empowering; and to act in that way. We also recognise the importance of effectively managing change. During 2015-16 we will:

- Enable our most senior leaders to spend more of their time listening to people, earning trust and encouraging people to be honest and open.
- Continue to use the “Future, Engage and Deliver” model with our leaders and their teams.
- Empower our people to improve current delivery and shape our future by involving them more in decisions which impact them and their work.
- Help our leaders communicate change effectively and ensure that our people know why change is happening.
- Implement change sustainably, taking our people with us, whilst meeting our clients’ and customers’ needs.
- Increase the number of our people who positively affirm that they understand the Blueprint Programme and how it is being delivered.

- Build capability and performance in the management of our portfolio of change.
- Realise the benefits committed to as part of our investment programme in transformation.

Support our managers to succeed

The most important thing that managers can do is to manage their teams effectively.

In considering our response to the annual civil service people survey our focus group identified that it was investment in line managers and their skills and abilities that is key to improving engagement. During 2015-16 we will:

- Implement a structured programme of management development for all new line managers and existing managers with development needs.
- Encourage managers to set up local networks so that they can also support each other.



2015-16 FOCUS: PEOPLE

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Sustain, build and be proud of our professions

Sustaining, building and being proud of our professions is a key element of retaining the high levels of professionalism which our people display on a daily basis. During 2015-16 we will:

- Continue to invest in all our professions to help retain, develop and attract talent.
- Support all our professionals in their continued professional development and gaining further professional qualifications when that helps them in their job.
- Build an improved understanding of who has a business critical role and take action to ensure their knowledge is maintained by having clear succession plans in place.
- Attract people into the Agency with increased use of apprenticeships e.g. IT, Surveying, Business Administration, secondments and ongoing graduate recruitment into both specific and generalist graduate programmes.
- Develop our strategic workforce planning activity to gain an effective understanding of the roles and professional skills we will need for the future.





Valuation Office Agency

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