



Evaluation of the Impact of Business Rates Appeals Reform on Customer Experience

Technical Annex

29 September 2020

Submitted to:

The Valuation Office Agency

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Document Control

Document Title	Evaluation of the Impact of Business Rates Appeals Reform on Customer Experience – Technical Annex
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Date	29 September 2020

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1 Introduction

The Valuation Office Agency (VOA) commissioned ICF to undertake an evaluation of the impact of business rates appeals reform on customer experience.

This Technical Annex sets out the evaluation framework, including hypotheses and data sources that have been used to answer each of the research questions, and provides a more detailed description of the methodology used for the study.

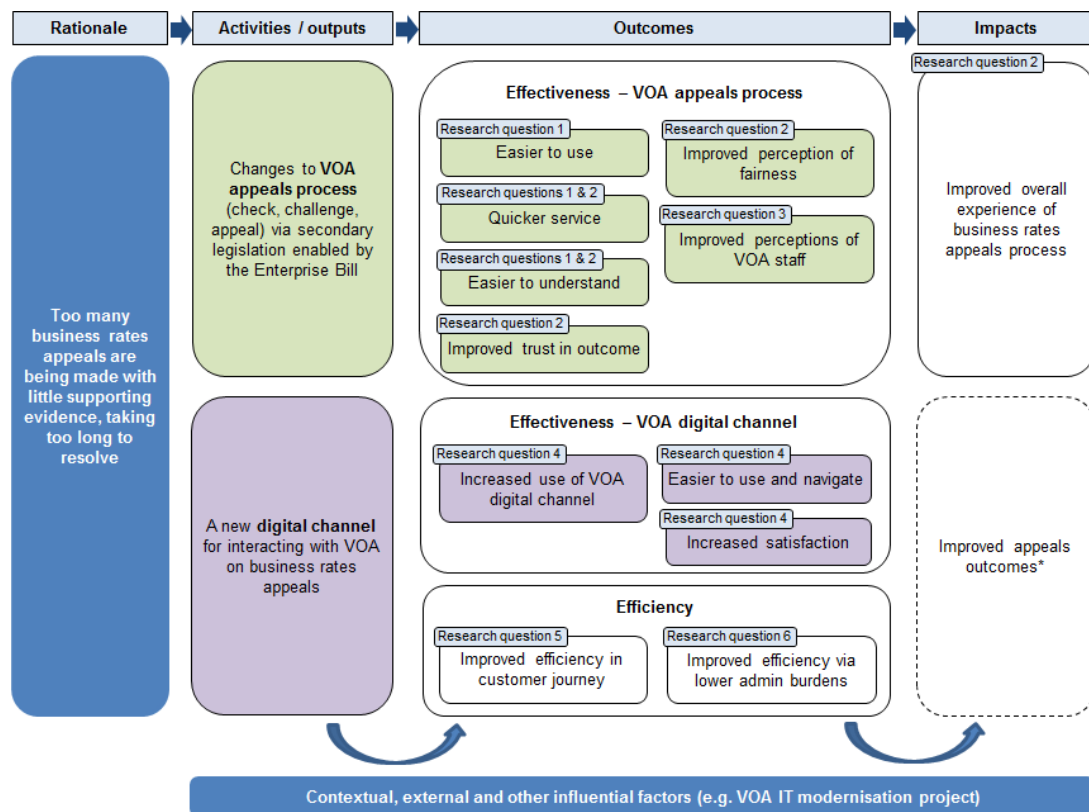
2 Evaluation framework

The evaluation framework is based on a logic model, presented below in Figure 2.1, which seeks to articulate the logic behind the main customer experience outcomes associated with the reforms to the business rates appeals system. The logic model also links to the core research questions of the study, which are split broadly between:

- those primarily relating to ‘impact’, which were the focus of the quantitative research undertaken in 2020:
 1. Have customer objectives for the new appeals system been met?
 2. Have customer metrics on interacting with the VOA changed with the new system, and how?
 3. For customers who have direct contact with VOA staff, have customer perceptions of staff changed over time?
- those primarily relating to ‘process’, which were the focus of the qualitative research undertaken in 2019:
 4. What are customers’ experiences of the new digital channel, and how can it be further improved?
 5. How do customers behave as they move through the system, and why? Do customers move through the system in the most efficient way possible?
 6. How has the customer administrative burden changed and why? Are there ways to optimise this from a customer perspective?
 7. Have there been any unintended consequences resulting from the new appeals system?

This approach aimed to ensure that the research would provide the information required to answer the key research questions and capture the different measures of impact on customer experience from the logic model. It provides clear linkages between the research questions to be addressed by the evaluation and the underlying logic behind the anticipated impacts of the VOA’s business rates appeals reform.

Figure 2.1 Logic model for customer experience impacts



Note: * Not to be measured as part of this evaluation of customer experience outcomes/impacts

Source: developed by ICF

The logic model shows the anticipated outcomes and impacts of the CCA system on customer experience and how these relate to the core research questions. Table 2.1 builds on this by disaggregating the core research questions into sub-questions.

For each sub-question, the tables set out a hypothesis that describes the impacts that the VOA expected to materialise when moving from the pre-reform system to the CCA system (and the new digital channel for interacting with the VOA). These have been tested through the research of the pre-reform system and the CCA system. The tables also set out the evidence that has been used to test each hypothesis, specifically divided into four key sources:

- The VOA’s monitoring information (MI);
- Quantitative data (from the quantitative surveys of non-agent businesses (including represented and unrepresented customers), undertaken before and after the introduction of the CCA system);
- Qualitative research with agents, undertaken before and after the introduction of the CCA system; and
- Qualitative research with non-agent businesses (including represented and unrepresented customers), also undertaken before and after the introduction of the CCA system.

Table 2.1 Framework for evaluation

Evaluation question	Sub-questions	Hypotheses about the impact of the new appeals system	VOA monitoring information	Quantitative research	Qualitative research with agents	Qualitative research with non-agent businesses
1) Have customer objectives for the CCA system been met?	1a) Is the CCA system quicker?	The customer journey will be quicker overall, as more appeals will be resolved at Check stage	Elapsed time between start and finish of cases	Perceptions and satisfaction with time taken	Views on the duration of cases, including causes of any delays	Views on the duration of their case, including causes of any delays
	1b) Is the CCA system easier to use?	The CCA system, including the digital channel for interacting with the VOA, is more transparent and easier to use, as customers can check factual information before deciding whether to proceed to Challenge and Appeal The use of agents might decrease as the system becomes easier for laypeople to use (particularly at the Check stage)	Proportion of cases that use agents Data on number and nature of enquiries received from customers (* may not be available for CCA)	Perceptions of ease of use of the system Reasons for use, or not, of an agent	Views on the ease of appealing, including difficulties faced by agents and businesses	Views on the ease of each stage of the process, and reasons for their opinion Reasons for use, or not, of an agent, and the role of system complexity
	1c) Is the CCA system easier to understand?	The CCA system will be more transparent and easier to understand as more information about what determines a rateable value will be available, together with more information on the process, and the reasons for outcomes. The use of agents might decrease as the system becomes easier for laypeople to use (particularly at the Check stage)	Data on number and nature of enquiries received from customers (* may not be available for CCA) Web analytics	Perceptions of understanding of the system Reasons for use, or not, of an agent	Views on the simplicity of system, what is confusing (for agents or their clients), where agents struggle to explain procedures to clients, etc.	Views on understanding of the system, how the outcome was reached, how rateable values are determined The role of agents in shaping opinion

2) Have customer metrics on interacting with the VOA changed with the CCA system, and how?	2a) What are customers' overall experiences of dealing with the VOA?	Improvements to the system will translate into increased satisfaction amongst customers and agents in terms of their overall experience of dealing with the VOA	n/a	Rating of overall experience of dealing with the VOA	Opinions of the VOA and what has shaped those opinions	Opinions of the VOA and what has shaped those opinions
	2b) Do customers trust the VOA?	Greater transparency, for instance better visibility of the factors that determine a rateable value, will lead to improvements in perceptions of the VOA's trustworthiness	n/a	Perceptions of trust in the VOA	Views on the trustworthiness of the VOA, and reasons for their opinion (e.g. explanations for outcomes)	n/a
	2c) Do customers think the CCA system is fair?	Greater transparency, for instance better visibility of the factors that determine a rateable value, will lead to improvements in perceptions of the VOA's fairness	n/a	Perceptions of the fairness of the VOA	Views on the fairness of the VOA, and reasons for their opinion (e.g. explanations for outcomes)	n/a
3) For customers who have direct contact with VOA staff, have customer perceptions of staff changed over time?	3a) Do VOA staff have knowledge and expertise of the subject area?	There will be less direct contact between the VOA and customers / agents, which might impact customers' perceptions of the VOA	n/a	Perceptions of the knowledgeability of VOA staff	Perceptions of the knowledgeability of VOA staff, and reasons for their opinion	n/a
	3b) Do VOA staff respond in a timely fashion to queries?	The CCA system should allow for simple queries to be resolved more quickly, and thus means that the VOA can respond to more complex queries in a more timely fashion	Aggregate information on time to respond to general queries (* may not be available for CCA)	Perceptions of timeliness of the VOA in responding to queries	Perceptions of the timeliness with which the VOA responds to queries, and reason for opinion	n/a

	3c) Are VOA staff professional in their dealings with customers?	There will be less direct contact between the VOA and customers / agents, which might impact customers' perceptions of the VOA	n/a	Perceptions of the professionalism of VOA staff	Perceptions of the professionalism of VOA staff, and reasons for their opinion	n/a
	3d) Are VOA staff polite and friendly in their dealings with customers?	There will be less direct contact between the VOA and customers / agents, which might impact customers' perceptions of the VOA	n/a	Perceptions of the politeness and friendliness of VOA staff	Perceptions of the politeness and friendliness of VOA staff, and reasons for their opinion	n/a
4) What are customers' experiences of the new digital channel, and how can it be further improved?	4a) What contact channels did customers use and what would they prefer to use in future?	No hypotheses: question 4 pertains to the user experience of the digital channel under the CCA system. The evaluation will not include a before-and-after analysis, therefore, and this evaluation question is only to be considered as part of the Component 2 research.	n/a	Incidence and frequency of using different contact channels and preferences for future contact	Incidence and frequency of using different contact channels, perceptions and reasons for using the different channels, and preferences for future contact	Perceptions and reasons for using the different contact channels, and preferences for future contact The influence of agents over the frequency and type of contact
	4b) Is the digital channel easy to understand and navigate, and what could be improved?		Web analytics on movements through the digital channel (including use of online guidance and support)	Perceptions of understanding and ease of navigating the digital channel	Views on the simplicity and ease of navigating the digital channel, what is confusing or difficult (for agents or their clients), and what could be improved	Views on understanding and ease of navigating the digital channel, what is confusing or difficult, and what could be improved The role of agents in using the digital channel and shaping opinion

	4c) Are customers satisfied with their overall experience of using the digital system?		Aggregate information on the number of customers using the system	Rating of overall satisfaction of using the digital system	Views of the digital system and what has shaped their opinions	Views of the digital system and what has shaped their opinions The influence of agents on their use and satisfaction of the digital system
	4d) What dissuaded customers from using the digital channel?		n/a	Perceptions and reasons for not using the digital channel / using alternative channels	Reasons for not using the digital channel and the extent to which decisions are made by agents or customers	Reasons for not using the digital channel Influence of agents over those decisions
	4e) What caused customers to drop out of the digital channel?		Aggregate information on the number and proportion of customers dropping out of the system	Perceptions and reasons for dropping out of the digital channel / using alternative channels	Reasons for dropping out of the digital channel and the extent to which decisions are made by agents or customers	Reasons for dropping out of the digital channel Influence of agents over those decisions
5) How do customers behave as they move through the system, and why?	5a) How do customers move through the system and why?	CCA will encourage users to move through the system more efficiently, by encouraging them to only reach the stage most appropriate to their needs The introduction of charges for using the tribunal should also discourage speculative cases from getting that far	Number of cases reaching different stages of the process Web analytics (on movements and progress through the online system)	n/a	The extent and nature of agents' interaction with customers and who makes key decisions on whether to proceed, and how	Exploration of decisions taken, reasons for decisions, how and why they are made, and the type of information used at different stages

Do customers move through the system in the most efficient way possible?	5b) Are ratepayers more or less likely to use agents under the CCA system?	The use of agents might decrease as the system becomes easier for laypeople to use (particularly at the Check stage)	Proportion of cases that use agents	Reasons for using or not using an agent	Perceptions of why customers choose to use agents, and how this has changed under CCA	Reasons for using or not using an agent, including the importance of complexity of the system
	5c) Does the VOA provide sufficient support for moving through the system?	The new digital system should be easier to use and understand, with less need for direct contact between customers/agents and the VOA	Data on number and nature of enquiries (* may not be available for CCA) Web analytics (on use of online guidance/support)	n/a	Views on quality and appropriateness of guidance provided by the VOA, gaps and role of agents in providing guidance	If and how customers use VOA guidance, whether they need to contact the VOA directly, the role of agents in guidance
	5d) What drives customer behaviours?	More transparent information and better understanding should enable customers to make better informed decisions	n/a	n/a	If and how agents influence customer behaviour and why	Explanations for decisions made, and role of agents in these decisions
	5e) How do customer experiences differ between groups and contexts?	There may be a difference in behaviours and decision-making depending on: i) whether or not customers are represented; ii) size of business; iii) grounds for appeal; iv) type of property; v) rateable value	n/a	Cross-tab analysis of responses by customer segments etc.	Views on different 'types' of customer and how this affects their decision-making	If and how key characteristics affected behaviours / decision-making (e.g. why they used an agent)

<p>6) How has the customer administrative burden changed and why? Are there ways to optimise this from a customer perspective?</p>	<p>6a) Has the administrative burden changed under the CCA system, and if so why?</p>	<p>The aggregate administrative burden should decrease as customers drop out earlier, assuming there is not much of an administrative burden for those appealing speculatively. However, the burden may increase if the onus is on customers and agents to submit more robust and evidenced cases</p>	<p>n/a</p>	<p>Time taken to complete various forms/tasks (including time spent interacting with agents)</p>	<p>Scale of, and reasons for, burden of the CCA processes and the time taken at various steps</p>	<p>Views on burden associated with identifying and working with an agent, dealing with the VOA etc., and the drivers of this burden</p>
	<p>6b) How can the administrative burden be optimised under the CCA system?</p>	<p>No hypothesis: this question is about further learning once CCA is introduced</p>	<p>n/a</p>	<p>n/a</p>	<p>Views on what can be done to further reduce burden</p>	<p>Views on what can be done to further reduce burden</p>
<p>7) Have there been any unintended consequences resulting from the CCA system?</p>	<p>n/a</p>	<p>n/a</p>	<p>n/a</p>	<p>Views on other consequences of the CCA system (in addition to the above)</p>	<p>Views on other consequences of the CCA system (in addition to the above)</p>	

3 Methodology

The methodology used to collect and analyse data for this evaluation consisted of three components of research:

- Component 1: quantitative and qualitative research with pre-reform customers and agents;
- Component 2: quantitative and qualitative research with CCA customers and agents; and
- Component 3: synthesis and analysis of the research findings from Components 1 and 2 to evaluate the impact of business rates appeals reform on customer experience.

3.1 Component 1 research

The aim of Component 1 was to collate existing data and collect new data to develop a baseline measure of customer experience under the pre-reform system. The methodology for Component 1 involved:

- Adding questions to the final two waves of the VOA's Customer Tracking Survey (CTS), in 2016 Q4 and 2017 Q1, to capture additional quantitative data and ensure comprehensive coverage of relevant baseline indicators for the pre-reform system;
- Undertaking analysis of CTS data and VOA data to produce baseline measures for the pre-reform system and explore trends over time;
- Primary research undertaken with customers (unrepresented and represented), agents and maintenance cases. In summary the primary research included the following:
 - **Unrepresented customers** – qualitative interviews, undertaken between February and May 2017, with 30 SMEs and eight large businesses that appealed without using an agent;
 - **Represented customers** – qualitative interviews, undertaken between February and May 2017, with ten SMEs and two large businesses that used an agent to appeal their case;
 - **Agents** – qualitative interviews, undertaken between February and May 2017, with 40 agents; and
 - **Maintenance cases** – a quantitative survey of 300 maintenance cases, undertaken in March and April 2017 (to supplement the quantitative data collected from the CTS for 'appeal' customers) and qualitative interviews with 25 maintenance cases, undertaken between March and May 2017.

The numbers of completed interviews and survey responses are presented in Table 3.1 alongside the response rates and characteristics of each sample.

Table 3.1 Component 1 research: Response rates / sample characteristics

		SMEs	Large businesses	Agents	Maintenance cases	
					Qualitative sample	Quantitative sample
Completed interviews / response rates						
Completed interviews		40	10	40	25	300
Response rate		11%	17%	25%	9%	18%
Completed interviews / response rates						
Type of customer	Represented	10	2		-	-
	Unrepresented	30	8		25	300
Appeal / case outcome	Change to rateable value	13	4		5	105
	No change	27	6		20	195
Type of property	Complex bulk	6	1		2	34
	Non-bulk	8	3		5	32
	Non-complex bulk	26	6		13	117
	Unclassified	-	-		5	117

The response rates for the qualitative interviews ranged from 9% for maintenance case customers, to 25% for agents¹. The response rate for the quantitative survey of maintenance cases was also within this range, with the survey achieving a response rate of 18%. These response rates were broadly in line with expectations, although additional contacts were required for large businesses and SMEs with specific attributes (i.e. those with successful appeal outcomes and those associated with non-bulk properties).

Purposive sampling was used to select the samples for each type of customer and ensure coverage of a range of characteristics that might affect their experience of the process for appeals and maintenance cases. The figures show good coverage across the different characteristics, which included: whether customers were represented by an agent; the outcome of the case; and the type of property. The agent sample also provided coverage of a broad range of characteristics in terms of:

- number of employees (ranging from micro to large businesses) and size of the team dealing with business rates;
- geographical coverage (including agents with local and national coverage);
- number of appeals per annum (ranging from fewer than 50 to more than 1,000); and
- fee structures (including fixed fees, minimum fees plus a proportion of any savings and 'no win, no fee' arrangements).

3.2 Component 2 research

The Component 2 research was delayed to allow longer for the CCA system to become more embedded, to support larger sample sizes for the research. The qualitative research was undertaken between February and March 2019, while the quantitative survey took place between January and March 2020. A pilot survey was

¹ Response rates are calculated as the percentage of completed interviews from the total sample after removing duplicates and those who opted out of the research.

undertaken in October 2019 but the mainstage survey was further delayed due to the purdah period initiated in light of the December 2019 general election.

3.2.1 Qualitative research

The Component 2 qualitative research comprised a total of 117 in-depth qualitative interviews with agents and customers. The response rates and characteristics of these samples are presented in Table 3.2 below. Overall, the sample included:

- 40 agents who manage CCA cases on behalf of businesses, 13 of which were also interviewed in the Component 1 research. The sample also included 29 of the largest 40 agents (ranked using VOA data on the number of Checks they had submitted), which was used to identify and include agents with extensive experience of using the CCA system.
- 77 customers comprising:
 - 31 customers represented by agents, including eight from the ‘Challenge sample’ (those that had received outcomes to Checks and Challenges under CCA) and 23 from the ‘Check sample’ that had received outcomes to Checks only.
 - 46 unrepresented customers (24 from the Challenge sample and 22 from the Check sample).
 - The sample also included 33 smaller proposers and provided coverage of Checks/Challenges that resulted in changes to the rating list (49 customers) as well as those that did not result in changes (28 customers).

Table 3.2 Component 2 qualitative research: Response rates / sample characteristics

		Agents	Customers in the Check sample	Customers in the Challenge sample
Completed interviews / response rates				
Completed interviews		40	45	32
Response rate		26%	13%	13%
Characteristics of the sample				
Type of customer	Represented	-	23	8
	Unrepresented	-	22	24
Outcome / Decision	Facts changed	-	36	13
	Facts not changed	-	9	18
Smaller proposers		-	24	9
Participation in Component 1 research		13	-	-
Largest 40 agents (by no. of resolved Checks)		29		

The agent sample was selected to include the 40 largest agents (in terms of the number of resolved Checks) and a random selection of a further 120 agents. Eight agents opted out of the research, leaving a final sample of 152. However, the recruitment process confirmed that 13 of these businesses were customers who had been incorrectly recorded as agents, while a further 30 were also suspected of not being agents. The agent response rate of 26% would therefore increase to 37% if these confirmed and suspected 'non-agent' businesses were excluded from the sample.

The samples were selected at random, from customers that had received an outcome to their Check or Challenge within the last three months, before being given the opportunity to opt out of the research. The Challenge sample was drawn later so it could focus on customers that submitted Challenges using the digitised system that launched in January 2019. Additional batches were added to provide new contacts for represented customers, who were more difficult to engage due to their limited experience of the CCA system, and to boost the relatively small Challenge sample. A final response rate of 13% was achieved for both the Check and Challenge samples. While these samples represent a relatively small proportion of the total customer population, the analysis suggests that the interviews were sufficient to achieve saturation in terms of responses to the research questions.

3.2.2 Quantitative research

This section describes the sampling methodology, fieldwork process, response rates and weighting approach used for the quantitative survey of customers that had received responses to Checks and Challenges submitted using the CCA system.

3.2.2.1 Sampling

The VOA provided contact details for 4,253 customers listed as having used the CCA system, who did not opt-out of the research after receiving an email from the VOA. The contact file was then checked to remove duplicated contacts and entries with invalid or blank phone numbers. This resulted in a total of 3,936 unique contacts available for the survey.

The survey aimed to achieve a target of 600 interviews, split evenly across four sub-samples:

- 150 interviews with represented customers at the Check stage;
- 150 interviews with unrepresented customers at the Check stage;
- 150 interviews with represented customers at the Challenge stage; and
- 150 interviews with unrepresented customers at the Challenge stage.

3.2.2.2 Fieldwork and response rates

Interviews were conducted using Computer Assisted Telephone Interviewing (CATI) and took an average of 25 minutes to complete. Fifteen pilot interviews took place in October 2019 and included coverage of the four sub-groups. Only minor changes were implemented after the pilot, which included the removal of a few questions to reduce the length of the questionnaire.

A total of 601 interviews were completed, with an overall response rate of 15%. The following table summarises the number of interviews completed by customer group together with the response rate for each of these. It was not possible to achieve an even distribution of interviews across the four sub-groups because of the limited number of contacts provided for unrepresented customers at the Challenge stage, and a low response rate for represented customers at the Check stage. It was therefore decided to increase the number of interviews in the other two sub-groups.

Table 3.3 Component 2 quantitative survey: Response rates / sample characteristics

	Represented Check customers	Unrepresented Check customers	Represented Challenge customers	Unrepresented Challenge customers	Total
Contacts used	1,150	1,123	1,143	520	3,936
Completed interviews	118	210	156	117	601
<i>Response rate</i>	<i>10%</i>	<i>19%</i>	<i>14%</i>	<i>23%</i>	<i>15%</i>

3.2.2.3 Weighting

The VOA collects information on the total numbers of represented and unrepresented customers that submit Checks and Challenges through the CCA system. This information was used to weight the survey data and make them representative of the wider populations for each of the four types of customer.

3.3 Component 3 synthesis and analysis

Component 3 synthesised all of the data collected during Components 1 and 2, including the VOA's management information (MI), the quantitative research undertaken with customers, and the qualitative research undertaken with agents and customers.

A mixed methods approach was selected based on an assessment of the available data. The use of quasi-experimental methodologies was also considered. For example, a difference-in-difference (DiD) approach was considered before being ruled out as it would have required additional research with a comparator group of similar businesses that was not subject to the new CCA process (such as businesses in Wales). Furthermore, propensity score matching (PSM) was discounted because of the lack of comparability between the different stages of the CCA and pre-reform systems, which prevented it from being used as a key characteristic in the PSM matching process. A mixed methods approach was therefore used to evaluate the different sources, including:

- MI data provided useful quantitative information on both the pre-reform and CCA systems and allowed analysis of represented and unrepresented customers, and the different stages of each system. This informed 'before-and-after' comparisons of key indicators such as:
 - The overall numbers and characteristics of cases and customers over time.
 - Average resolution times and outcomes for completed cases.
- The results of quantitative surveys provided further quantitative information on the perceptions and experiences of customers of both the pre-reform and CCA systems and also facilitated analysis for represented and unrepresented customers and different stages of each system. This also informed 'before-and-after' comparisons of key indicators including:
 - Reasons for submitting cases;
 - Customer perceptions of the overall duration of cases and administrative burdens;

- Customers' use of agents, reasons for using or not using agents, and perceptions of their relationships, payment arrangements and levels of interaction and involvement;
- Customer perceptions of the level and nature of interactions with the VOA and views of VOA staff;
- Customer perceptions of the ease of using and understanding each system and the outcomes of cases; and
- Levels of customer satisfaction and perceptions of the trust and fairness.

The MI data and responses to the quantitative surveys were supplemented by additional data and information including:

- The findings of the qualitative research, undertaken with customers and agents of both the pre-reform and CCA systems. This was used to provide a more detailed analysis and explanation of differences between the two systems, and the extent to which differences can be attributed to the introduction of CCA.
- Web analytics data for the new CCA system, which provided useful insights into customer behaviour and activity.

The analysis synthesised and triangulated the quantitative data collected through the quantitative customer surveys and provided by the MI data, and the qualitative data collected through interviews with customers and their agents. The data and evidence were analysed against each of the key research questions.