



Valuation Office
Agency

VALUATION OFFICE AGENCY

BUSINESS PLAN 2021-22

Structure

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FOREWORD

CHIEF EXECUTIVE'S FOREWORD

What we do matters. We are the public sector's property valuation experts. Our business rate and council tax valuations underpin around £60 billion of taxation, so our work is vital in funding local public services. We also make a critical contribution to the financial wellbeing of national Government and the delivery of other public services.

This business plan sets out our priorities and targets for this financial year. It builds on a strong record of delivery over the last twelve months. It was an extraordinary year for the agency, as it was for the entire country, with COVID-19 having a huge impact on us professionally and personally.

The pandemic also led to changes in the wider business rates landscape that have operational consequences for the agency in the year ahead, for example, the postponement of the next Revaluation to 2023.

Delivering Revaluation 2023 to a compressed three-year timescale and dealing with the increased level of demand for our Check and Challenge service means we will face significant operational pressures. Clearance of older challenge cases and hardship cases remains a priority for us.

2021-22 will also be a critical year in the modernisation of the agency. Our Business System Transformation programme is re-designing and simplifying our core business processes. The investment we secured for it, will see us start to deliver the technological systems that underpin those new processes this year.

In the autumn, we look forward to the outcome of the Government's Fundamental Review of Business Rates, which aims to improve the current business rates system and look at more fundamental, sustainable reforms for the future. We stand ready to implement and operationalise any resulting changes to the way we work.



Jonathan Russell



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Improving our efficiency and effectiveness continues to be an area of focus. We'll further exploit the opportunities offered by the automation of processes and develop our use of data and analytics. Reviewing our processes to improve our productivity and efficiency will be more important than ever.

To support this, we'll continue to strengthen our workforce, including launching further recruitment campaigns to attract additional chartered surveyors. We'll carry on embedding new ways of working, making us more flexible, efficient and better placed to handle changes in demand for our services.

We'll also keep taking action to make the VOA a better place to work, for example, by improving our working environments and investing in people's professional development. The increases we have seen in our engagement scores over the last few years are really encouraging, and we want to see that continue this year.

I am extremely proud to lead this organisation. Although I have no doubt the year ahead will be stretching, last year has demonstrated the agency's ability to adapt. Our response to COVID-19 gives me every confidence that we can rise to the challenges that undoubtedly lie ahead.

Jonathan Russell, CB
Chief Executive
27 July 2021



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ABOUT US

Introduction

The Valuation Office Agency (VOA) is an executive agency of HM Revenue and Customs (HMRC). We employ approximately 3,310 people based on full-time equivalents in 36 locations throughout England, Wales and Scotland.

We provide valuation and property advice to support taxation and benefits. As well as undertaking council tax and business rates valuations, which typically underpin the collection of around £60 billion a year in council tax and business rates by local authorities, we also provide support to other public sector bodies. Our valuations also support the collection of property-related national taxes and property-related benefits.

Context

The VOA faces an unprecedented set of challenges and opportunities, which are driving the biggest transformation in its recent history.

In 2019-20 we published a one-year business plan. At the start of 2020-21, the uncertainty created by the pandemic meant we did not publish a business plan for the year. Instead, we set benchmark expectations against our key performance indicators based on the targets within our 2019-20 business plan. We have reviewed these each quarter and have monitored our performance against them.

The impact of the COVID-19 pandemic had a significant effect both on the way we work and our immediate priorities. This included the Chancellor's announcement that the next business rates revaluation would be postponed until 2023, with a new antecedent valuation date of 1 April 2021, and an increased demand for our check and challenge service.

Taken together, they mean we will face significant operational pressures this year.

3,310

people in 36 locations
throughout England,
Wales and Scotland



26 million

domestic properties
valued for council tax

£18 billion

business rates collected
due to our work on non-
domestic rating*



*327million business rates collected in 2019-20,
reduction due to COVID-19 impacts

Professionalism
Integrity
Respect
Innovation



As a result, we have a revised target for handling challenge cases, moving away from dealing with 90% of cases within 12 months. Instead we are focusing on reducing the number of older challenge cases, meeting the 18-month statutory deadline, prioritising hardship cases and clearing less complex challenge cases as quickly as we can. We will continue to target clearance of 90% of checks within 3 months.

The Treasury also confirmed changes in England, which mean measures brought in as a result of coronavirus will not be considered a Material Change of Circumstances (MCC) for the purposes of business rates valuations. We received and dealt with a significant number of COVID-19 related MCC cases last year. These have been paused, pending the passage of related legislation by Parliament.

Demands on the agency are increasing, we need to be more flexible to respond to multiple policy requirements, while improving productivity across all operational areas. More generally, the rapid growth of digital technologies and rising public expectations around customer service are also having a profound effect on how we need to deliver our services.

Our Business System Transformation programme (BST), the Fundamental Review of Business Rates being carried out by the Government, and an appetite to draw on best practice from across Government gives us a platform for sustained improvement.

The agency's new five-year strategy sets out how we will respond to these challenges and opportunities to deliver our vision to be a world-leading provider of public sector valuations.

As part of this, we have revised our strategic objectives which set out what we'll do over the next five years in order to deliver our vision.

Our Core Purpose

We are the public sector's property valuation experts and advisers, providing the valuations needed to support local taxation and benefits; our work underpins the funding of vital public services.

Our Vision

To be a world-leading provider of public sector valuations.

Our Values

Our values are:

Professionalism
Integrity
Respect
Innovation

Our Strategic Objectives

Our three strategic objectives that we will deliver against during 2021-22 are to:

1. Produce trusted property valuations efficiently;
2. Deliver an excellent customer experience;
3. Be a great place to work.

WHAT WE DO

The work we do enables the collection of approximately £60 billion¹ of revenue in non-domestic rates (also known as business rates) and council tax in England and Wales, which helps to fund essential public services. We also help determine fair rents and housing allowance received, as well as undertaking property valuation work for a range of public sector clients.

Business rates

We compile and maintain statutory lists of the rateable values for over two million non-domestic properties, enabling the collection of typically £27 billion¹ in business rates by billing authorities throughout England and Wales.

Council Tax

We compile and maintain statutory lists of council tax bands for approximately 26 million domestic properties, enabling the collection of approximately £38 billion¹ in council tax across England and Wales.

Housing Allowances

We determine Local Housing Allowance rates and maintain a register of fair rents, setting the maximum that can be charged for regulated tenancies in England.

We advise local authorities of the maximum subsidy level payable for housing benefit claims under the local reference rent system. We also collect and interpret rental data on residential properties, which is used to inform parts of the benefits system and reporting for Consumer Pricing Index including owner occupiers' housing costs (CPIH).

Statutory valuations

We provide statutory valuations to support taxes administered by HMRC. We deal with Right to Buy determinations and Community Infrastructure Levy appeals in England and Wales.

We also provide the Department for Work and Pensions (DWP) with valuations to support the administration of benefits.

District Valuer Services

We provide a range of independent property advice and valuations throughout the public sector, in cases where there is a public function or public money is involved.

¹ Source: Country and regional public sector finances: Financial year ending March 2021 (ONS).

HOW THE VOA WILL ACHIEVE ITS STRATEGIC OBJECTIVES IN 2021-2022

The VOA has a number of immediate priorities that we need to deliver whilst maintaining our customer service and operational performance in 2021-22. This includes the delivery of Revaluation 2023, clearing outstanding challenge cases and beginning delivery of our Business Systems Transformation programme.

The level of demand on our Check and Challenge service, coupled with the compressed timetable to deliver Revaluation 2023, means there are significant operational pressures facing the agency in 2021-22.



The Government is due to publish the outcomes of the Fundamental Review of Business Rates in the autumn, and this may also have implications for our work over 2021-22.

We will continue to prioritise hardship cases, clear challenge cases before the statutory deadline of 18 months and look for further opportunities to improve the service.

The Government is due to publish the outcomes of the Fundamental Review of Business Rates in the autumn, and this may also have implications for our work over 2021-22.



Objective 1: Provide trusted property valuations efficiently

Central and local governments rely on our valuations to ensure customers pay the right property taxes. We must deliver a service our customers, clients and stakeholders trust; and do so as efficiently as possible.

Our strategic focus over the next five years is to:

- Improve productivity, including introducing new technology and IT systems, streamlining processes and automating administrative tasks
- Anticipate and quickly adapt to future trends and demands, including adopting a faster and more flexible approach to delivering change
- Continue to make intelligent use of data and digital tools, including improving the quality, transparency and availability of data

In 2021-22 we will:

- Deliver key milestones towards the 2023 business rates revaluation. We will start the Valuation Phase in September 2021 delivering 40% of validated valuations by May 2022.
- Reduce the number of older challenge cases, with the aim that none go over the 18-month statutory deadline, unless this is by agreement with the ratepayer and/or their representative.
- Deliver further improvements to the check and challenge service, including productivity improvements.

- Clear the business rate appeals that we received over the life of the 2010 list, which had largely been held up pending the outcome of litigation in the relevant courts or awaiting listing/re-listing a decision from the Valuation Tribunal, by September 2021.
- Keep council tax valuations and business rating lists up to date, through raising and investigating reports following the receipt about property changes from billing authorities or ratepayers.
- Maintain our valuation quality, ensuring all our valuations achieve an assurance rating of 'reliable' or above.
- Continue to collect and interpret rental information for domestic properties for use in the operation of parts of the benefits system, determine local housing allowance rates across England and manage a register of fair rents.
- Undertake statutory property valuations and deliver property advice for public sector clients, delivering income of approximately £23 million.
- Continue to gather data about lettings in the private rental sector to support the production of the CPIH measure of consumer inflation.
- Begin the delivery phase of our Business Systems Transformation. This four-year programme will re-design and simplify our core business processes, and introduce new, more flexible data structures and technology systems to support them.



Objective 2: Deliver an excellent customer experience

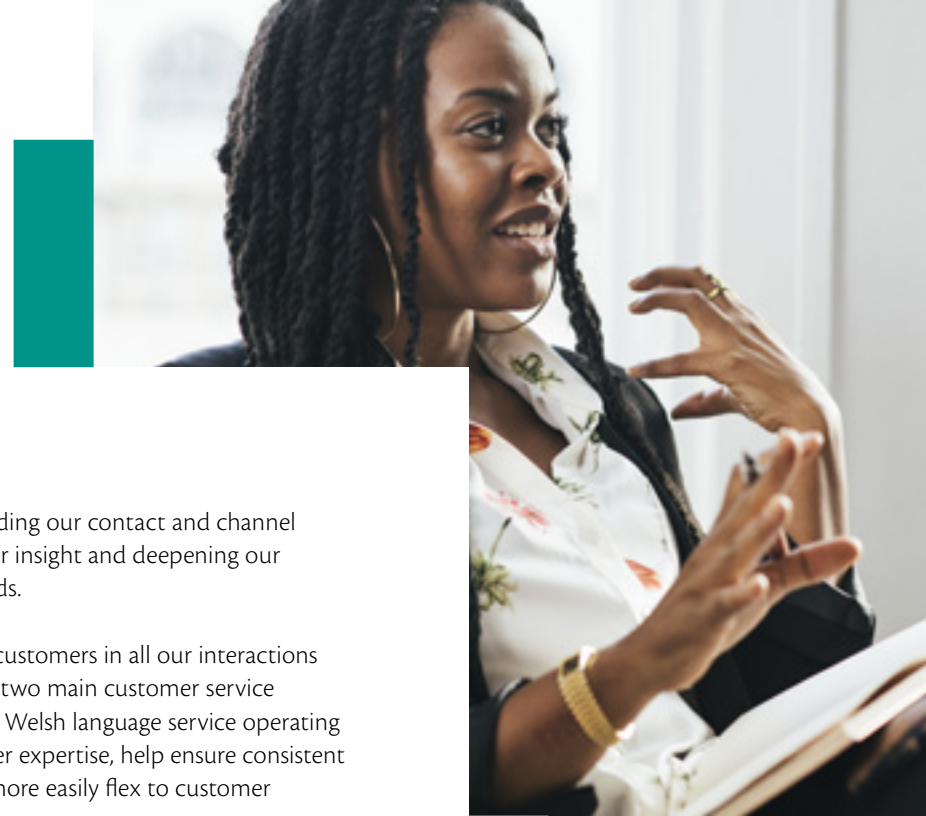
Our aim is to deliver a professional and expert customer service experience. We want to make things as straightforward as possible for our customers; work collaboratively with stakeholders and ensure that we consistently deliver what we promise.

Our strategic focus over the next five years is to:

- Further develop our customer insight and use it to design better services.
- Make it easier for customers to self-serve and get the right answer first time. For example, providing customers with easy to understand guidance, enabling them to track their case and interact with us throughout their journey and improving the service we offer customers who need extra support.
- Foster an ethos of excellent customer service; making the best of what we do the standard. For example, we will seek Customer Service Excellence accreditation.

In 2021-22 we will:

- Refresh our customer strategy, including our contact and channel strategy, by developing our customer insight and deepening our understanding of our customer needs.
- Provide a consistent service for our customers in all our interactions with them. We will consolidate into two main customer service centres in England, with a dedicated Welsh language service operating out of Cardiff. This will bring together expertise, help ensure consistent service standards and enable us to more easily flex to customer demand.
- Continuously improve our customer service with at least 75% of customer queries resolved at the first point of contact.
- Continue to look at how we can improve customer correspondence and our online support and digital services to make it easier for customers to self-serve or find information online.
- Launch our new online council tax tool, that enables customers to check their council tax band, to improve accessibility and provide a more straightforward service for them.
- Publish our refreshed customer charter, setting out the standards of behaviour and values our customers can expect of us, as well as their responsibilities.



- Foster an ethos of excellent customer service, across all our services, from all our people, supported by the introduction of internal champions in the form of operational customer journey owners and a cross-agency customer experience advisory group.
- Continue to engage with stakeholders through regular forums with representatives of business and local government, as well as with industry and professional bodies.
- Continue to develop our delivery partnership with billing authorities to support the service we deliver to our customers and the efficient delivery of our valuation work.
- Update our reasonable adjustments guidance and improve how we recognise customers who need extra support.
- Review and update the VOA's code of practice for complaints to ensure it is clearer for customers how we handle their complaints and aligns with our new customer charter.



Continuously improve our customer service with at least 75% of customer queries resolved at the first point of contact.

Objective 3: Be a great place to work

We are continuing to build a more inclusive environment for all our people, one that engages and motivates us all to perform at our best and makes the VOA a great place to work.

Our strategic focus over the next five years is to:

- Become the employer of choice for all professions, including property and operational delivery professionals who make up the majority of our workforce. For example, we will continue to promote inclusion, enable smarter working and look for ways to strengthen our employment offer.
- Develop talent and build career progression pathways, including piloting a learning academy to give new starters a consistent induction and refreshing our leadership development offer.
- Further develop our long-term recruitment and resourcing plans, to ensure we have the people with the right skills in the right roles.

In 2021-22 we will:

- Further strengthen our surveyor pipeline, continuing to raise our profile externally using a refreshed attraction strategy to recruit qualified and talented surveyors. We will also continue to develop our own people supporting them through a range of programmes and our surveyor academy to achieve surveying qualifications. We will also work with the Government Property Profession to deliver a new Property Fast Stream programme.
- Continue to support our people to develop their careers through learning and development, professional qualifications, career pathways and development opportunities inside and outside of the agency.
- Improve the diversity and inclusivity of our organisation, by delivering on the commitments in our equality objectives and Race Equality Action Plan.

Develop a new leadership framework, setting clear expectations of our leaders, supported by a refreshed leadership development offer.

- Continue to implement our engagement and communications strategies, including delivery of our Valuing our Future programme.



- Build on the positive findings from our 2019 VOA pulse survey and the 2020 Civil Service People Survey, increasing both the response rates and engagement score.
- Move to hybrid ways of working from September 2021. This will include a mix of working from the office and home, offering all our people more flexibility based on business need and providing them with the tools they need to do their job effectively.
- Continue to improve our working environments: investing in our existing offices, as well as completing moves to Government hubs, to ensure we have high-quality, digitally enabled and safe workspaces for our people that support hybrid working.
- Complete our technical integration programme with HMRC, including the roll-out of new laptops and Surface Pros, migration onto O365 and upgrading our networks.
- Deliver our health and wellbeing strategy.
- Pilot a new learning academy for new colleagues joining the agency or moving to new areas of work.

OUR ORGANISATION AND RESOURCES

2021-22 Budget and Efficiencies

Since the publication of our 2019-20 business plan, the context we are operating in has changed. As a result, our budget profile this financial year has changed. We continue to drive out efficiencies across the agency whilst working to meet our financial commitments.

| | 2020-21 Budget | 2021-22 Budget |
|-------------|----------------|----------------|
| Resource* | £151.6m | £164.6m |
| Capital | £7.5m | £24.4m |
| Agency TDEL | £159.1m | £189m |
| Workforce | 3,328 FTEs | 3,500 FTEs |

*Resource budget excludes depreciation and includes £41m and £42m income from public sector clients in 20-21 and 21-22 respectively.

The VOA Spending Review 2020 settlement provides a £13 million cash increase in core resource funding from 2020-21 to 2021-22. The VOA's capital budget increased by £16.9 million in cash terms this year.

As part of the Spending Review 2020, the VOA received £22 million to modernise IT systems, enabling us to become more flexible, efficient and resilient and £31 million to support Revaluation 2023.

We started 2021-22 with around 3,400 FTEs. We plan to recruit to increase our total workforce to around 3,500 FTE by the end of the year. Our plan includes delivery of around 4% of operational efficiencies across our key activities, driven by continuous improvement activities and improved productivity.

Next Spending Review

This year, we will also be agreeing the next period of funding with HM Treasury as part of the next Spending Review. We will set out the cost of maintaining our current performance expectations, protecting the integrity of our existing operations and our investment propositions, which are needed to secure our technical future and drive our delivery over the next few years.

Annex 1: Measuring our performance

Our approach to managing performance

We have designed our approach to performance management with the aim of ensuring the Board, our executive committee, our senior managers and our people all know the extent to which we are meeting our priorities in an efficient and effective manner.

Working closely with our funding providers, our executive committee identified a series of performance measures and targets that we monitor monthly. Additional indicators are monitored at management and team level. Every year, we publish an annual report setting out how we have delivered against our targets.

Our key performance indicators

Our performance measures and targets cover three main areas: our timeliness in dealing with our work; the quality of our valuations; and the quality of our customer service.

While we are committed to improving our performance against these measures, we have had to balance this commitment against our available resources. The targets set out within the table below are challenging and performance is impacted by the volumes of cases we receive.

Our volume assumptions

We are forecasting the following volumes in 2021-22; these are hard to predict and any change in our assumptions will have an impact on our performance.

*Includes appeals against the 2005 and 2010 ratings lists and 2017 Wales ratings list.



On Council Tax

we expect to clear around

537,500

reports, band reviews
and proposals,

and
4,600
appeals



On Business Rates (England and Wales)

we expect to clear around

195,000

maintenance reports

and
31,300*
appeals



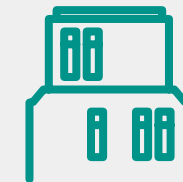
On our Check and Challenge service

we expect to complete work
on around

97,100

Checks

and
18,500
Challenges



On our Housing Allowances work

we expect to collect in
the region of

480,000

items of lettings data

2021-22 Expected Service Levels

2021-22 volume assumptions

| Work Area | Baseline plan volumes for 2021-22 |
|---------------------------------|--|
| Volumes | |
| Check and Challenge service | Clear 97,100 checks, 18,500 challenges and 700 appeals. |
| Business rates | Clear around 195,000 maintenance reports and 31,300 appeals. |
| Council Tax (England and Wales) | Clear around 537,500 reports, band reviews and proposals, and 4,600 appeals. |
| | 343,200 Stamp Duty Land Tax matches. |
| Housing Allowances | Collect 480,000 items of lettings data. 88,200 decisions made in relation to housing benefit referrals. |
| Fair Rent | Determine 32,500 fair rent cases. |

2021-22 performance targets

| Name of Measure | Performance Expectation for 2021-22 |
|---|---|
| Timeliness | |
| Council Tax | Clear 95% of maintenance reports within 90 working days. |
| Business Rates | Clear 95% of maintenance reports within 90 working days. |
| Check | 90% of check cases resolved within 3 months of receipt. |
| Challenge | All challenge cases resolved within 18 months of receipt, unless there is an extension agreed with the ratepayer and/or their representative ² . |
| Housing Allowances | Where no inspections are required, determine over 96% of housing benefit referrals within three working days. |
| Fair Rent | Determine 95% of Fair Rent cases within 40 working days. |
| Statutory Valuations | Clear all initial appraisals for HMRC within an average of 5 working days. Report 80% of DWP cases within seven working days. |
| Valuation Quality | |
| Valuation quality – a check on the quality of our valuation, process compliance and timeliness in making a valuation decision | Achieve valuation quality of at least reliable, across all business areas. |
| Serving our Customers | |
| How we deal with customer enquiries | Deal with 75% of enquiries to our customer contact points at first point of contact. |

² We propose to target working all cases to the 18-month statutory deadline