



Valuation Office
Agency

VALUATION OFFICE AGENCY

BUSINESS PLAN 2023-24

STRUCTURE

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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.

The 2023-24 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. Like many other organisations, we have again experienced a challenging year and I am incredibly proud of everything the agency and all our people have achieved over the past year. We have worked hard to deliver our vision to be a world-leading provider of public sector valuations.

Our commitment to delivering excellent customer service will remain at the heart of our work this year. We are putting customers at the centre of what we do, engaging with them to design and deliver better services. We will continue improving our check and challenge service, ensuring changes have a positive impact for our customers and colleagues, with resolution of hardship and older challenge cases remaining a priority for us.

Last year we completed the 2023 Revaluation, and, on the 1 April 2023, we will publish the valuations for over 2.1 million non-domestic properties in England and Wales. Revaluations are a huge undertaking for the agency and relies on experience and expertise of our surveyors, the quality and quantity of the evidence we collect and open information exchange with ratepayers and their agents. We have commenced work for the next Revaluation in 2026, which will be the first in a new three-year cycle of revaluations.

Alongside this we will continue our work in partnership with HM Treasury, HMRC and the Department for Levelling Up, Housing and Communities to implement the important reforms to non-domestic



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Jonathan Russell CB

rating coming out of the Government's Business Rates review. In parallel we will also continue to support the Welsh Government to implement their proposed reforms around Council Tax and non-domestic rating. This will include the adoption of the check, challenge and appeal (Gwirio, Herio and Apelio) process in Wales.

2023-24 will also be a critical year in the modernisation of the agency. Our Business Systems Transformation programme is redesigning and simplifying all our core business systems and processes. This will be a fundamental change to the way we work and will also see us replace ageing systems that were introduced in the early 1990s. This will bring huge opportunities to improve our productivity and efficiency and further develop our use of data and analytics.

It is a huge transformation: encompassing our IT, our processes, our data, how we communicate with our customers, our interactions with Local Authorities and the way our people do their job. This brings complexity, challenge and risk that we will need to manage to ensure delivery.

Our people are crucial to what we do, so we'll also keep taking action to make the VOA a great place to work, for example in 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 pleasing, and it is important that people feel happy and supported working in the agency, and we will continue to focus on this area. Recruiting and retaining the workforce we need, including surveyors, remains a key priority for us and whilst we can't always match the private sector on pay, we will continue to ensure our overall employee offer is competitive. A key part of this is the flexibilities we offer, the variety of our work and the second to none development and career development opportunities we provide.



Our people are crucial to what we do, so we'll also keep taking action to make the VOA a great place to work

I am extremely proud to lead this organisation and of the hard work and commitment that colleagues in the agency continue to demonstrate. The next 12-months will be truly transformational for the agency, delivering lasting positive change to the way we operate. The opportunities and benefits that will bring for colleagues, customers and stakeholders are hugely exciting, and although no doubt there will be significant challenges that lie ahead, I have every confidence that working together we will meet them.

Jonathan Russell, CB
Chief Executive
31 March 2023

ABOUT US

Introduction

The Valuation Office Agency (VOA) is an executive agency of HM Revenue and Customs (HMRC). We employ approximately 3,830 people, based on full-time equivalents, with offices in 35 locations throughout England, Scotland and Wales.

We provide valuation and property advice to support taxation and benefits. As well as undertaking Council Tax and non-domestic property valuations, which typically underpin the collection of over £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 over the next few years, which are leading to the biggest transformation in its recent history.

Changes in the wider business rates system and the Council Tax landscape in Wales have operational consequences for the agency and are fundamentally changing both the way we work and how ratepayers engage with us.

2023-24 will be a pivotal year for the agency as we aim to deliver a number of major transformation programmes alongside our core services and new areas of work. This is in the context of balancing delivery whilst managing substantial financial pressure like many other government bodies.

Following the Government's announcement of the outcome of the Business Rates Review last year, we are working in partnership with HM Treasury, HMRC and DLUHC to implement the reforms. We are also supporting the Welsh Government on their plans to reform Council Tax and non-domestic rating in Wales.



35

offices throughout
England, Scotland
and Wales

3,830

People based on full-
time equivalents

On the 1 April 2023 we will publish the non-domestic ratings (NDR) compiled lists for England and Wales from the Revaluation 2023. We have already commenced work for the next Revaluation in 2026, which will be the first in a new three-yearly cycle of revaluations.

At the end of 2022-23 we saw a significant increase in demand on our check and challenge service, with a substantial number of checks received in the last quarter. We expect a large proportion of these to flow through to challenges, though there is a high degree of uncertainty around this. To manage this going into 2023-24 we will build on the improvements made to our check and challenge service last year to handle cases more efficiently and effectively which will continue to help us deliver a better experience for our customers. As a result, by the end of 2023-24 we will ensure that most challenges cases are responded to within 12 months.

In 2022-23 we saw a sustained increase demand across our Council Tax work, with more customers checking their Council Tax band and submitting a proposal in light of the current economic circumstance. We expect this demand to continue, which means we will continue to face operational pressures on our Council Tax service going into 2023-24.

With demands on the agency increasing and unpredictable, 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.

Improving our efficiency and effectiveness continues to be an area of focus. The delivery of our Business System Transformation, which will fundamentally redesign and simplify our core business processes and operating systems, is critical for our future operational success.

The agency's 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.



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 are to:

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



WHAT WE DO

The work we do typically enables the collection of over £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 approximately £25 billion¹ in business rates by billing authorities throughout England and Wales.

Council tax

We compile and maintain statutory lists of Council Tax bands for over 26 million domestic properties, enabling the collection of approximately £37 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 Prices Index including owner occupiers' housing costs (CPIH).

¹ Source: Country and regional public sector finances: Financial year ending March 2022 (ONS). Typically, total Council Tax and business rates revenue is around £60 billion. In 2021-22 it was lower due to government rates reliefs, with the collection of around £20 billion in business rates.

District Valuer Services

We provide statutory valuations to support taxes administered by HMRC. We deal with Right to Buy determinations in England 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.

£25 billion

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

**over 26
million**

domestic properties
compiled for
council tax lists

HOW THE VOA WILL ACHIEVE ITS STRATEGIC OBJECTIVES IN 2023-2024

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

The VOA has a number of immediate priorities that we need to deliver whilst maintaining our customer service and operational performance in 2023-24. This includes the publication of the 2023 statutory rating lists for 2.14 million non-domestic properties following the 2023 business rates revaluation across England and Wales and preparing for the 2026 revaluation as part of 3-yearly revaluation cycles. In parallel we will deliver our Business Systems Transformation programme.

We have continued to face pressure on our check and challenge service. We made improvements, which have helped deliver a better experience for our customers and improved productivity. We will continue to prioritise hardship cases, clearing challenge cases before the statutory deadline of 18 months and look for further opportunities for improvement, aiming to clear most cases within 12 months by the end of 2023-24.

We will work closely with HM Treasury, HMRC and DLUHC to implement the reforms from the Government's Business Rates Review. The NDR Bill will be introduced into Parliament this year and is expected to achieve Royal Assent in autumn. We will continue to deliver the programme to deliver on those reforms.

The Welsh Government has announced plans to reform Council Tax and plans and to explore reform of non-domestic rating in Wales to make it fairer. We will work with them to deliver their priorities.

Data is a key focus for VOA this coming year. We will be looking to build on the introduction of our transformed business IT system by developing data capabilities and wider data literacy across the organisation. We look to collaborate more with our cross-Government colleagues to support their policy objectives through sharing of our data where it may help them deliver improved public services.

Objective One

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 2023-24 we will:

- On 1 April publish the statutory rating lists for over 2.1 million non-domestic properties for the 2023 business rates revaluation across England and Wales.
- Prepare for the next revaluation of non-domestic properties in 2026, which has an antecedent date of 1 April 2024. Our priority this year is to build up our market knowledge, ensuring that our rental information data is accurate and ready for the valuation phase commencing in April 2024.
- Ensure that most challenge cases are responded to within 12 months and that none go over the 18-month statutory deadline, unless this is by agreement with the ratepayer and/or their representative.
- Support ratepayers, agents and stakeholders to adopt the check and challenge service from the 1 April for all business rates appeals against the 2023 rating list for non-domestic properties in Wales.
- Deliver further improvements to all our customer-facing services, including check and challenge, responding to customers more quickly, providing a more consistent service and productivity improvements.
- Complete the clearance of business rate appeals received over the life of the 2010 list, many of which had been held up by litigation, which are currently in the control of the Valuation Tribunals.
- 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.
- Commence a two year inspection programme for the Department for Education, reviewing around 4,500 schools, providing accurate, up to date data on their capacity to inform their future school estate.
- Maintain our valuation quality, ensuring all our valuations achieve an assurance rating of 'reliable' or above, and continue to carry out additional compliance reviews on our check work.
- Implement a new quality strategy, to ensure a more consistent approach, strengthen our quality management framework and continue to build a quality culture across the agency to drive quality improvement.
- 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 £31 million.

- Continue to gather data about lettings in the private rental sector to support the production of the CPIH measure of consumer inflation.
- Deliver the fourth year of our Business Systems Transformation programme which will re-design and simplify our core business processes, and introduce new, more flexible data structures and technology systems to support them. As part of the delivery timeline, this year we will;
 - Deliver the Valuation Mapping System (VMS). A new geospatial tool to assist colleagues in their valuation work.
 - Develop the first major Council Tax release, ahead of go-live in 2024-25.
- Continue to progress our Business Rates reforms programme. Priority deliverables this year include building and testing new customer-centric services to underpin the move to 3-yearly revaluations and supporting the introduction of the new business rates Improvement Relief from April 2024.
- Work with the Welsh Government to help support their proposals for Council Tax and non-domestic rating reforms in Wales.
- Continue compliance work to support the Welsh Government's holiday lets policy, completing the second year of the biannual review, and in England complete the first year of the compliance work to support DLUHC's holiday lets policy.
- Work with DLUHC to implement the outcome of their consultation on how Houses in Multiple Occupation in England are valued.
- Further develop our geospatial capabilities to support our property valuations and upskill our colleagues in the use of new geospatial tools.
- Work collaboratively with our partners across Government including the Geospatial Commission and Ordnance Survey to prepare for the introduction of legislation which will widen accessibility of VOA property data sets.

Objective Two

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 2023-24 we will:

- Embed our customer and channel strategy, further developing our customer insight seeking more regular customer feedback through exit surveys, and implementing annual customer surveys to drive improvements and design better services.
- Continue to build a culture of excellent customer service from all our people, providing a consistent experience for every customer in their interactions with us.
- Improve the end-to-end customer journey across all our services, supported by revised material, updated training tools and the Customer Excellence Group.

- Continue to operate from two main customer service centres in England, with a dedicated Welsh language service operating out of Cardiff, enabling us to flex to customer demand more easily.
- Continue to provide our services in Wales in line with our published Welsh Language Scheme.
- Deliver our Business Systems Transformation programme to introduce a new customer relationship management system, that provides a single view of customer contact across all our customer channels. Increase use of our current customer contact log to improve monitoring of customer enquiries, ahead of BST delivery.
- Continuously improve our customer service with at least 75% of customer queries resolved at the first point of contact.
- Continue to improve written customer communications, embedding new standards across the agency, and continuing to enhance our online support and digital services to make it easier for customers to self-serve or find information online.
- Ensure our customer-facing services, systems and support are designed to facilitate easy compliance and that our compliance framework is implemented in a fair and proportionate manner.
- Continue to review and update our guidance on helping customers who require extra support and improve our ability to identify them.
- Introduce a new set of standards to improve working between the agent community and the VOA.
- 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.
- Introduce a new online portal, providing a single access point for billing authorities to correspond and share information with us more easily.
- Develop complaints insight function, sharing actionable learnings with teams in the agency to improve our service to customers.
- Publish our revised litigation and settlement strategy and enhance our processes and transparency.

Objective Three

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 our learning academies which give new starters a consistent induction, and embedding our new leadership development offer.
- Further develop our long-term recruitment and resourcing plans, to ensure we have the right people with the right skills in the right roles.

In 2023-24 we will:

- Further strengthen our surveyor pipeline, continuing to raise our profile externally to attract talented trainees and qualified surveyors. We will continue to support our people at all levels through a range of vocational, academic and experiential programmes to achieve surveying qualifications. We will build on the work we have embarked on to deliver school outreach activities to break down socio-economic barriers and support a much more diverse range of people to pursue a career in surveying.
- Continue to support our people to develop their careers through learning and development, professional qualifications and providing clear career pathways and development opportunities inside and outside of the agency. We will encourage our colleagues to enrol on new apprenticeships to support transformation and embed our mentoring scheme.

- Embed our apprenticeship offer and deliver against the 2022-2025 Civil Service Apprenticeships Strategy.
- Continue to develop and modernise our learning offer to add value ensure our colleagues have the required knowledge and skills. This includes adopting new technology opportunities such as immersive learning.
- Build further capability and resilience within our property inspection resource, to ensure we have the right people with the right skills to undertake future inspection programmes.
- Further embed our recruitment and attraction strategies to enable the VOA to be an employer of choice.
- Continue to encourage people to declare their diversity data, communicating the importance to our people, tracking progress made and the decisions we make as an organisation.
- Create more diverse teams with a particular focus on support for colleagues from lower socio-economic backgrounds and tackling under representation at senior levels, through positive actions such as mentoring and development schemes to help accelerate progress.
- Continue to embed our leadership framework, setting clear expectations of our leaders, supported by a refreshed leadership and management 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 2022 Civil Service People Survey, maintaining both the high response rates and engagement score.

- Continue to embed more flexible ways of working. This includes a mix of working from the office and home, offering all our people more flexibility based on business need, providing them with the tools they need to do their job effectively.
- Review our estate needs; to ensure that it continues to support hybrid working, helps retain the right skills in the right locations, and aligns with the Government's levelling up agenda and 'Places for Growth' programme and supports our commitment to move roles out of London.
- 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, sustainable, digitally enabled, compliant and safe workspaces for our people.
- Deliver our health and wellbeing strategy, with a new commitment towards delivering 'digital' wellbeing.
- Supported by our new Environmental Sustainability strategy, continue to reduce our impact on the environment and deliver against the 2021-2025 Greening Government Commitments.

OUR ORGANISATION AND RESOURCES

2023-24 budget and efficiencies

Since the publication of our last 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 efficiencies across the agency whilst working to meet our financial commitments.

	2023-24 Budget
Resource	£178.1m
Capital	£8.7m
Agency TDEL	£186.8m
Workforce	3,800 FTE

The VOA settlement provides an £8 million increase in Agency TDEL funding from 2021-22 to 2022-23, bringing the total to £197.1m.

As part of the Spending Review 2021, the VOA received £21.7 million to modernise its IT systems, enabling us to become more flexible, efficient, and resilient, and £30 million to support Revaluation 2023.

We start 2022-23 with around 3,800 FTEs and expect this to remain broadly the same across the year. Our plan includes delivery of around 1% of operational efficiencies across our key activities, driven by continuous improvement activities and improved productivity.

Spending Review Funding

As a result of HMRC's Spending Review 2021 (SR21) settlement, we received £605 million of funding to deliver our core activity and investment across the 3-year SR21 period.

Our settlement commits us to delivering savings of about £40 million by 2024-25.

As part of the SR21, we have agreed the next 3 years investment funding plan with HM Treasury. Our investments primarily are required to upgrade our existing IT systems, improve customer experience, comply with the latest legislation and to 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 2023-24; these are hard to predict and any change in our assumptions will have an impact on our performance.



On Council Tax (England and Wales)

we expect to clear around

545,000

maintenance reports, band reviews and proposals

and

3,000

appeals



On Business Rates (England and Wales)

we expect to clear around

175,000

maintenance reports

and

12,400*

appeals



On our Check and Challenge service

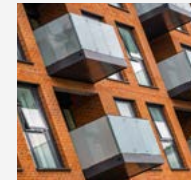
we expect to complete work on around

141,400

Checks

27,100

Challenges



On our Housing Allowances work

we expect to collect in the region of

480,000

items of lettings data in England

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

2023-24 EXPECTED SERVICE LEVELS

2023-24 volume assumptions

Work area	Baseline plan volumes for 2023-24
Volumes	
Check and challenge service	Clear 141,400 checks, 27,100 challenges and 590 appeals.
Business rates	Clear around 175,000 maintenance reports and 12,400 appeals.
Council tax (England and Wales)	Clear around 545,000 maintenance reports, band reviews and proposals, and 3,000 appeals. 250,000 Stamp Duty Land Tax matches.
Housing allowances	Collect 480,000 items of lettings data. 76,200 decisions made in relation to housing benefit referrals.
Fair rent	Determine 25,000 fair rent cases.

2023-24 performance targets

Name of Measure	Performance targets for 2023-24
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. All check cases resolved within 12 months of receipt.
Challenge	90% of challenge cases resolved within 12 months of receipt. All challenge cases resolved within 18 months of receipt, unless there is an extension agreed with the ratepayer and/or their representative.
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.
Complaints handling	Resolve 90% of complaints within 20 working days.

Note: the Council tax and Business rates maintenance volumes excludes the work around Holiday Lets