



Implementing Appeal Reform

Valuation Tribunal Service Corporate Plan 2018-21 incorporating the 2018-19 Business Plan

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Introduction by the Chairman

I was appointed Chair of the Valuation Tribunal Service on 1 April 2018 and I am delighted to introduce our Corporate Plan for 2018-21, incorporating the Business Plan for 2018-19.

John O'Shea, the Acting Chairman since November 2016, retired after 10 years of dedicated service at the end of March 2018. He has made a tremendous contribution over the years and we shall miss his wise counsel.

Our focus will continue to be on delivering an effective and efficient appeals service. During the period of the Business Plan we shall be implementing a number of new procedures and new technology designed to improve the speed and efficiency of the appeals process. Change is always challenging but we are confident that we shall continue to provide a constantly improving service for all tribunal users.

Robin Evans
Chairman

Introduction by the Chief Executive

The last year has been another one of great change. The pace of change continues to present challenges for us in an environment where there is pressure on budgets, whilst demands on services rise.

The 'check' and 'challenge' parts of government's legislative reforms for non-domestic rating appeals against the 2017 rating list are now firmly in place. However, appeals are slow to manifest and we wait to see how the new requirement for a fee to be paid in order to make an appeal will impact.

In the meantime, the internal reforms we introduced to facilitate a more focussed disclosure and exchange process aimed at better preparing parties for a hearing for non-domestic rating appeals has achieved significantly greater clearance rates by encouraging settlements. The Consolidated Practice Statement issued by the President of the Valuation Tribunal for England in July 2017 has provided a more straightforward framework leading up to a tribunal hearing. Our next step is to align a disclosure and exchange process for all council tax appeals.

In developing this Corporate Plan and Business Plan we have set out the priorities that will assist us in strengthening our role. Taking advantage of information technology will be key to this.

We remain confident that we will continue to deliver a high quality and value for money service that remains responsive to changes and challenges that present themselves.

Tony Masella
Chief Executive and Chief Operating Officer

Executive summary

The Corporate and Business Plans set out our vision and priorities for 2018-21 and 2018-19 respectively, and the context and strategies for delivering them.

Our statutory role is to deliver a wide range of services that allows the Valuation Tribunal for England (VTE) to exercise its jurisdiction in the hearing and determination of council tax and non-domestic rating appeals.

Our aim is simple: to carry out our statutory function of supporting the VTE in providing access to justice for those who challenge their non-domestic rates, council tax valuations and bills and drive forward the government reforms in non-domestic rating.

This plan sets out how we will fulfil both our statutory role and support government policy in business rates, finance and the digital agenda, while focussing primarily on Tribunal users' needs. We will deliver this plan by building on the following values and strengths of the Service.

Our values

- People focussed – we value and promote positive relationships internally and externally, and are responsive to the needs of our users in taking care to get things right.
- Trustworthy – we act with integrity, honesty, impartiality and openness in exercising our statutory functions and to maintain confidence in us as a public service.
- Professional – we deliver on our commitments by applying high levels of expertise, conduct and personal responsibility, developing our skill base and seeking to earn a good reputation with users and stakeholders.
- Innovative – we actively embrace change, adopting new technology where possible and bringing new ideas to deliver excellent, value for money services for our users, demonstrating value for money, agility and flexibility in our approach.

Who we are and what we do

The Valuation Tribunal Service (VTS), is a statutory, independent organisation, created on 1 April 2004, sponsored by the Ministry of Housing, Communities and Local Government (MHCLG). The VTS delivers a range of services to the VTE to hear and determine disputes that have arisen between those who pay council tax or non-domestic rates and their local council or the Valuation Office Agency (VOA).

The VTE is headed by a President and is a separate statutory body charged with¹:

- dealing with appeals in ways which are proportionate to the importance of the appeal, complexity of the issues and the anticipated costs and resources of the parties;
- avoiding unnecessary formality and seeking flexibility in the proceedings;
- ensuring, so far as practicable, that the parties are able to participate fully in the proceedings;

¹ The Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009, as amended

- using any special expertise effectively; and
- avoiding delay, so far as compatible with proper consideration of the issues.

Although two separate bodies, the VTS and VTE work together to support the mission of **providing the fairest, most effective and efficient service we can to those involved in local taxation appeals**. For tribunal users, this means that even those whose appeals are not successful should feel that they have received a good service from the VTS and a fair hearing from the VTE.

Strategic Aims

Our four strategic aims will guide our work over the three-year period of our Corporate Plan and our Business Plan for 2018-19.

| Strategic Aims | What these aims mean |
|---|---|
| <p>Support the VTE by administering a fair, efficient and accessible appeals system.</p> | <p>We are committed to supporting the VTE in providing independent, open, fair and impartial hearings for business rates and council tax appeals and upholding the principles of fairness and justice for all.</p> |
| <p>Enhance the quality and consistency of our service to all stakeholders.</p> | <p>We will focus on the needs and expectations of those using our services, keeping them fully informed and enabling them to resolve their disputes as quickly as possible, adopting and developing IT solutions where they will benefit our users and our business needs, in line with the government's digital agenda.</p> <p>We will adopt and maintain high standards of behaviour and customer service and always strive to improve, by encouraging feedback and responding to and learning from it, delivering on our commitments by applying high levels of expertise, conduct and personal responsibility, developing our skill base and seeking to earn a good reputation with users and stakeholders.</p> |
| <p>Operate with financial and organisational initiative and efficiency.</p> | <p>It is public money that funds us and we must use proportionate, efficient and cost effective procedures that provide the taxpayer with value for money.</p> <p>We will share the wealth of our experience in local taxation matters with our stakeholders who operate in the business rating/council tax arena and with MHCLG in delivering Ministers' priorities.</p> |
| <p>Build capacity and capability in our staff, learning from their experience and from their feedback.</p> | <p>We will extend our in-house schemes to develop staff who show particular talents in areas of our work, so that we are able to respond to changing patterns of supply and demand always demonstrating our commitment to equality and diversity.</p> |

Context for the Business Plan

In July 2016, working in tandem with the VTE, we streamlined the appeals processes by introducing a new practice statement for non-domestic rating appeals. This requires parties to disclose and exchange their respective evidence submissions with a view to encouraging settlement of their disputes without appearing before the Tribunal, and to provide sanctions in those cases where the parties had taken no action. Following a successful pilot exercise, further reforms were implemented resulting in the publication of the Consolidated Practice Statement (CPS) on 1 July 2017, setting 'rules' around our requirements in respect of appeals.

The main benefit of these changes is a significant increase in the number of non-domestic rating appeals that are settled prior to the hearing date. Typically this would have been the case for some 35% of listed appeals, but now around **65%** are settled. As part of these in-house reforms we also introduced a more robust approach to dealing with the numerous postponement applications received. This change has greatly reduced the number of cases being postponed and requiring relisting. The net gain of these changes is twofold. Firstly, more cases are being cleared without delays and secondly, this allows a greater focus to be placed on the 2% of cases listed requiring an actual tribunal decision, which is a huge benefit to ratepayers who naturally want a speedy resolution to their dispute.

In April 2017 the Government introduced a new system for challenging non-domestic rating appeals. This coincided with the implementation of the new 2017 rating list, a revaluation of all non-domestic properties reflecting the rental market as at 1 April 2015 (the antecedent valuation date). New procedural and appeal regulations brought in the 'Check, Challenge and Appeal (CCA) system, in recognition of the fact that historically many appeals were made as a matter of routine, with the majority not requiring an appeal hearing nor resulting in a change to the rating list. The reforms mean that an appeal can only be made once the 'check' and 'challenge' stages have been completed with the VOA and are aimed at focussing public resources on legitimate cases, with supporting evidence provided early on in the process which it is hoped will reduce delays for ratepayers. These reforms have demanded close collaboration between the VTS and the VTE to seize and shape the opportunities that have been presented. We previously forecast that we would not see large numbers of appeals made under this new process in the early months, particularly as appeals would not reach us until appellants had gone through the check and challenge phases. This has proved to be the case, with the first appeal received in December 2017 and two further appeals made in March 2018.

A major change as part of these new regulations is the introduction of fees to be charged for lodging a non-domestic rating appeal against the 2017 rating list. The fees are set at £150 for a small proposer and £300 for a large proposer and are refundable if the appeal is successful. Our expectation is that the payment of fees will undoubtedly raise the expectations of appellants for the level of service that they receive, given that this is moving from a previously free to a fee paying system to instigate an appeal, and we have reviewed our customer service standards to build in this expectation.

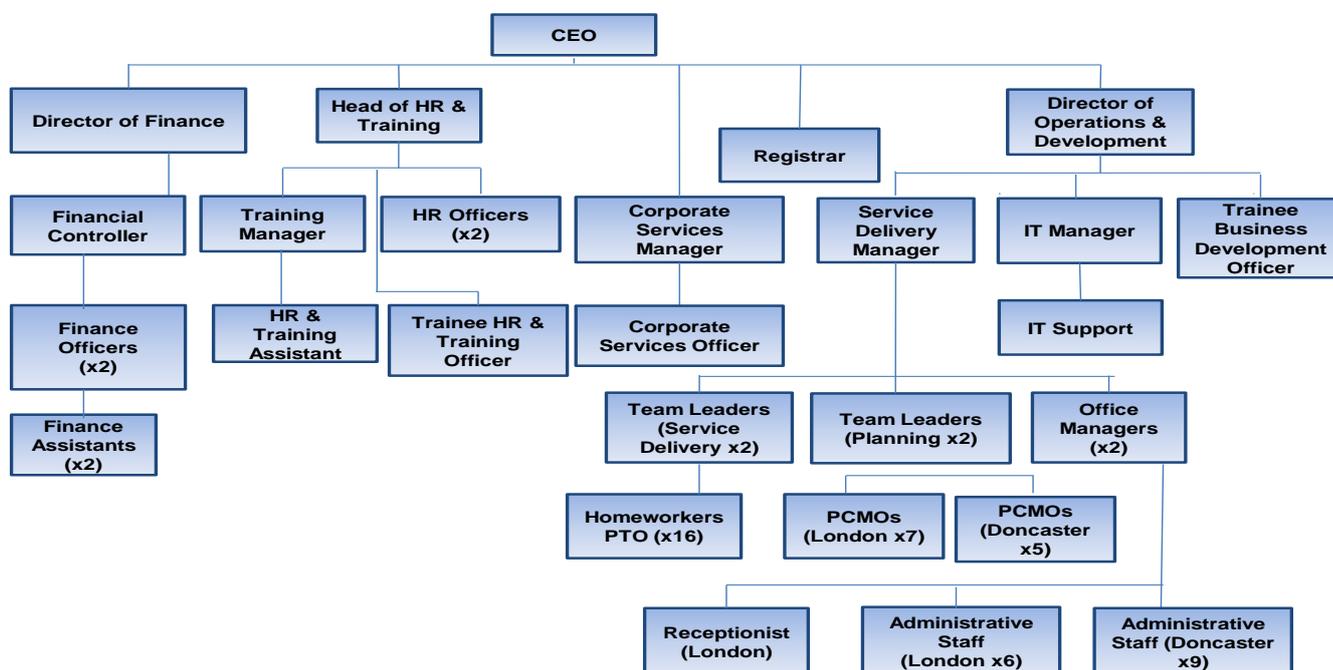
As a service provider it is important that we are able to quickly adapt to unexpected challenges when they arise. VTE judicial decisions are naturally subject to superior court judgments on appeal. Our role in such instances is to react administratively to enable the Tribunal to embrace any impact of law and procedure that may be reflected in such judgments. Very often this means balancing the impact of such decisions on the VTE as an independent judicial body with our role in supporting the priorities of government in this arena. The Upper Tribunal's recent judgment in *Simpsons Malt Ltd and Others v Jones and Others (Valuation Officers) [2017]*, though primarily reflecting an old suite of practice statements, has provided some very useful advice in how the Tribunal best applies its sanctions and any remedies, whilst endorsing the general direction of the 2017

Consolidated Practice Statement. An important element of this judgment's was the identification of a 'test' to be applied prior to applying a sanction where there has been partial compliance. This "Denton test" (*Denton v TH White* [2014]) requires the VTE to have regard to three particular stages to assure itself about the failings of either party and the appropriateness of the sanctions to be applied. The immediate impact has been an increase in tribunal time, with the number of cases requiring a tribunal determination having increased since this judgment from 2% to 3%, as this 'test' is applied by VTE panels as part of their consideration. Reflecting on the pressure that this new consideration has placed on tribunal hearing time, our commitment is to list a minimum of 100,000 non-domestic rating appeals so as to provide parties with a greater window of opportunity to do better justice to their respective cases under the disclosure and exchange practice statement before attending the Tribunal hearing.

Similarly, government is looking to introduce new legislation to address the Supreme Court judgment relating to *Mazars v Woolway (Valuation Officer)* [2015], which gave rise to what is commonly referred to by the media as the 'stairway tax'. Given its importance, we expect a number of appeals to be lodged as a consequence.

Staffing

We currently employ 71 administrative, specialist and technical staff. Many of the technical staff work peripatetically to support the VTE members, by providing technical, legal and procedural advice at hearings around the country. The VTS arranges hearing days (circa 1,300 in 2017-18), sets up VTE panels, case manages lists and individual appeals, provides general assistance to appellants and their representatives and issues statutory notices. We also provide the training programme for VTE members to ensure that they remain abreast of developments in the area of the Tribunal's jurisdiction. The current structure is as follows:



Our managers are key to our success and as such are expected to be proactive and show leadership in helping to develop the organisation by:

- actively and regularly engaging with staff, explaining our vision, objectives, targets and standards of expected performance and dealing with any poor performance promptly

- demonstrating clear decision making
- measuring performance and outputs to achieve agreed outcomes
- identifying training needs and developing staff, and
- championing our Customer Charter aims.

Our rolling customer survey keeps us alive to what our users expect from the service we provide and we learn from their feedback. Expectations of users change and it is important, as a public body, that we meet them. The feedback tells us that our users, unrepresented appellants in particular, greatly appreciate dealing with one person throughout the appeal process, through phone calls or email exchanges. We are therefore gradually moving to a situation where our technical staff will each handle a caseload of appeals from receipt to hearing, thus providing a single focus for the appellant. This in turn provides opportunities to make our office-based technical teams more tribunal facing, as well as upskilling our administrative staff to take on more planning and preparation of tribunal hearings.

Our operations are focussed in two administrative centres (Doncaster and London) each of which includes hearing rooms. We also use around 70 other hearing venues throughout England so that we continue to provide a local service for unrepresented tribunal users, something we consider to be important. We are in negotiations to close our current Doncaster office and co-locate our operation to another building in Doncaster on the government estate. The lease on our London office expires in July 2020.

Our priorities for 2018-19

We have six main priorities for the 2018-19 financial year.

1. Deliver a listing programme that successfully implements the new requirements of check, challenge, appeal and enables the parties to resolve appeals as efficiently as possible.
2. Successfully complete our programme of IT changes for the Check, Challenge and Appeal process for the benefit of internal and external users that will allow us to successfully implement this new change when appeal volumes increase.
3. Ensure our staffing structure is optimised to deal with the new statutory regime and fully understand the impact of legislative changes so that we are able to determine the optimal size and skills mix for our workforce.
4. Keep under review the balance of skills and experience within the VTE Membership to ensure they reflect the needs of the modern Tribunal and judicial environment.
5. Migrate our appeal data from the current appeal data base to the new, more flexible appeal management system introduced in December 2017.
6. Implement and embed a cyber security regime and data protection policies and practices to meet the requirements of the General Data Protection Regulation.

How will we deliver on our priorities for 2018-19

| Priority | | What we will do | When we will do it |
|--|---|--|---|
| <p>Deliver a listing programme that successfully implements the new requirements of check, challenge, appeal and enables the parties to resolve appeals as efficiently as possible.</p> |  | <p>Prepare a national listing programme that effectively drives through clearances.</p> <p>Review the CPS to ensure it provides an effective process for dealing with non-domestic rating appeals.</p> <p>Develop a disclosure and exchange procedure for all council tax type appeals.</p> <p>Keep under review postponement requests.</p> | <p>Quarter 1</p> <p>Quarter 1</p> <p>Quarter 1</p> <p>Quarter 2</p> |
| <p>Successfully complete our programme of IT changes for the Check, Challenge and Appeal process for the benefit of internal and external users that will allow us to successfully implement this new change when appeal volumes increase.</p> |  | <p>Build on our new appeal management database to develop direct portal access to our users to provide “drop in” facilities when instigating an appeal.</p> <p>Develop and review accounting and operational processes connected with appeal fees being lodged under CCA processor 2017 rating list.</p> <p>Implement paperless tribunal documentation at hearings for CCA appeals.</p> <p>Introduce and encourage use of tablets at hearings for VTE panel members, moving away from paper wherever possible.</p> | <p>Quarter 1</p> <p>Quarter 1</p> <p>Quarter 2</p> <p>Quarter 4</p> |
| <p>Ensure our staffing structure is optimised to deal with the new statutory regime and fully understand the impact of legislative changes so that we are able to determine the optimal size and skills mix for our workforce.</p> |  | <p>Review how we provide our services and ensure we continue to be fit for purpose in light of reform changes.</p> <p>Review our staffing structure to optimise service delivery.</p> | <p>Quarter 1</p> <p>Quarter 1</p> |

| | | | |
|--|--|---|-----------|
| Keep under review the balance of skills and experience within the VTE Membership to ensure they reflect the needs of the modern Tribunal and judicial environment. |  | Review the diversity of the VTE Membership. | Quarter 1 |
| | | Implement a training programme for the VTE. | Quarter 1 |
| | | Carry out a skills gap analysis of the VTE Membership. | Quarter 1 |
| Migrate our appeal data from the current appeal data base to a more flexible appeal management system introduced in December 2017. |  | Review plans to migrate and cleanse appeal data from the current HMRC environment to the new appeals management database. | Quarter 3 |
| | | Successfully migrate the cleansed data. | Quarter 4 |
| Implement and embed a cyber security regime and data protection policies and practices to meet the requirements of the General Data Protection Regulation. |  | Review and implement data protection policies in readiness for GDPR in May 2018. | Quarter 1 |
| | | Appoint a Data Protection Officer responsible to the Board. | Quarter 1 |
| | | Review cyber security within the organisation and document the security regime. | Quarter 2 |

Key performance indicators

We have a number of internal and external key performance indicators (KPIs) used routinely by the Board and the Executive Management Team to monitor our performance against our strategic objectives. We regularly review the effectiveness of our KPIs and similarly look at ways that we may improve the presentation of available information. Our KPIs for 2017-18 and the performance outturn to Q3 2017-18 are as follows:

| Service provision | Standard/target | Performance outturn to Q3 2017-18 |
|--|--|---|
| Meet customer expectations in issuing tribunal decisions quickly | Issue 87% of decisions within 1 month of the hearing | 94% for council tax decisions. 89% for non-domestic rating appeals. |
| Give decisions on reinstatement requests | Issue 80% of decisions on requests for reinstatement within 6 weeks of receipt | 71% - we are working with the VTE President to allow VTE Chairmen to carry out reinstatement processes thereby increasing the number of people who can do so. |

| | | |
|--|---|---|
| Reduce wasted resource re-working postponed appeals, by adopting a more robust, consistent postponement policy | Postpone fewer listed appeals than in 2016-17 (50% of listed appeals) | 8% - this follows the impact of the implementation of the Consolidated Practice Statement on 1 July 2017. |
| Reduce wasted resource and delays in listing appeals by planning lists that make the most of the hearing day | Plan tribunal lists so that 78% of them result in 2 or more cases being heard on the day | 80% |
| Reduce costs spent on external hearing venues | Use external venues that cost £250 or less per booking for 80% of bookings | 77% - our requirement for wi-fi in venues for paperless hearings has required a review of venues previously used. |
| Manage staff sickness absence | Sickness absence (excluding long term illness) is less than last year (4.2 days per full time equivalent) | 3.2 days |
| Increase operational efficiency | Operational cost per appeal listed is lower than in 2016-17 (£39.10) | £46.47 – lower volumes listed than previous year |
| Increase operational efficiency | Operational cost per appeal decided is lower than in 2016-17 (£1,657) | £1,358 |
| Reduce time to payment by increasing automation of financial transactional processing | Improve on percentage of invoices paid within 5 working days of receipt from 2016-17 level (89%) | 90.8% |

Full details for the whole year will appear in our Annual Report and Accounts.

Our KPIs for 2018-19 will build on many of those listed for last year, taking account also of revised processes and tribunal procedures. We will also continue to monitor tribunal user feedback.

| Our Service expectation | Our Target |
|--|--|
| Meet customer expectations in issuing tribunal decisions quickly | Issue 88% of decisions within 1 month of the hearing. Issue 100% of decisions within 2 months of hearing. |
| Implement appeals from Check and Challenge process | List 2017 rating list appeals within 5 months of receipt. |
| Maintain deferral rates below 10% | Postpone fewer listed appeals than in 2016-17 (50% of listed appeals). |

| | |
|---|--|
| Reduce wasted resource and delays in hearing appeals | Plan tribunal lists so that 80% or more result in 2 or more cases being heard on the day. |
| Increase operational efficiency | Operational cost per appeal decided is lower than 2017-18 (£1,358). |
| Manage staff sickness absence | Sickness absence (excluding long term illness) is maintained at or less than 2017-18 (3.2 days per full time equivalent) |
| Reduce time to payment by increasing automation of financial transactional processing | Improve on percentage of invoices paid within 5 working days of receipt from 2017-18 level (90.8%) |

Delivering financial efficiency

The VTS receives grant in aid funding from MHCLG for its activities. We recognise that these continue to be challenging financial times for the public sector and that restraint and sensitivity in using public money is a key objective. We are committed to providing excellent value from the public monies entrusted to us. The ongoing focus on cost savings across the public sector requires us to continually identify and drive forward more efficient ways of working, particularly across our IT and the way we continue to deliver our service to the public.

Reduced funding combined with significant regulatory changes can restrict planned improvements to our services. However, we will work with our sponsoring department to review ways of delivering financial efficiencies whilst we continue to comply with the requirements of our Framework Document and maintaining the statutory service required from us by Parliament.

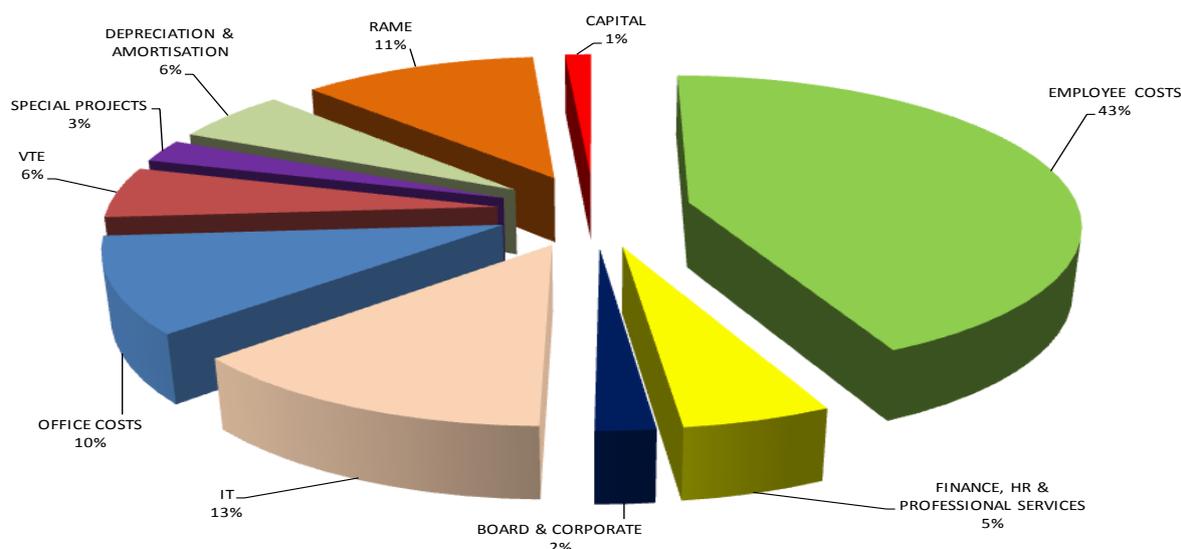
With approval from our sponsoring department we have again utilised available funds towards reducing our pension liabilities, which has been a key priority for us and government. This benefits the overall medium-term financial position of the organisation.

Our indicative total allocation of funding from the Ministry for 2018-19, based on the current spending review, is £7,636k. The table below illustrates the breakdown of this indicative funding.

| Budget category | £000's |
|-------------------------------|---------------|
| Pay | 2599 |
| Pension utilisation | 850 |
| Total pay | 3449 |
| Depreciation | 450 |
| Non pay | 3138 |
| Pensions and provisions (AME) | 500 |
| Capital | 100 |
| Total funding | 7637 |

We are in discussion with our sponsoring ministry to realign our Departmental Expenditure Limit (DEL) funding to reflect the consequences of the new appeal regime, given that the last

spending review took place before these changes came in to effect. The pie chart below shows the areas of spend our funding is allocated to:



Workload

We start this new financial year with 139,380 outstanding appeals. This is a much reduced figure from last year (205,825) and it is evident that the CPS changes introduced in respect of non-domestic rating is clearly making an impact on clearance rates. The outstanding appeals are made as follows:

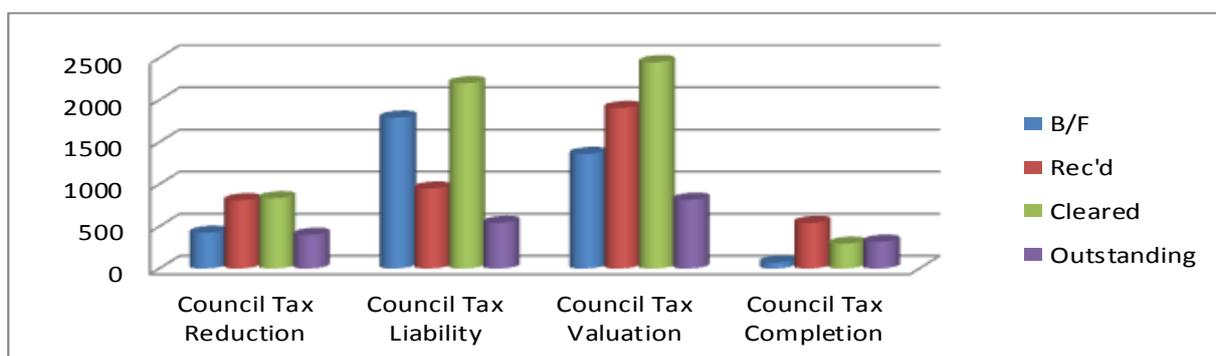
Council tax appeals (by type)

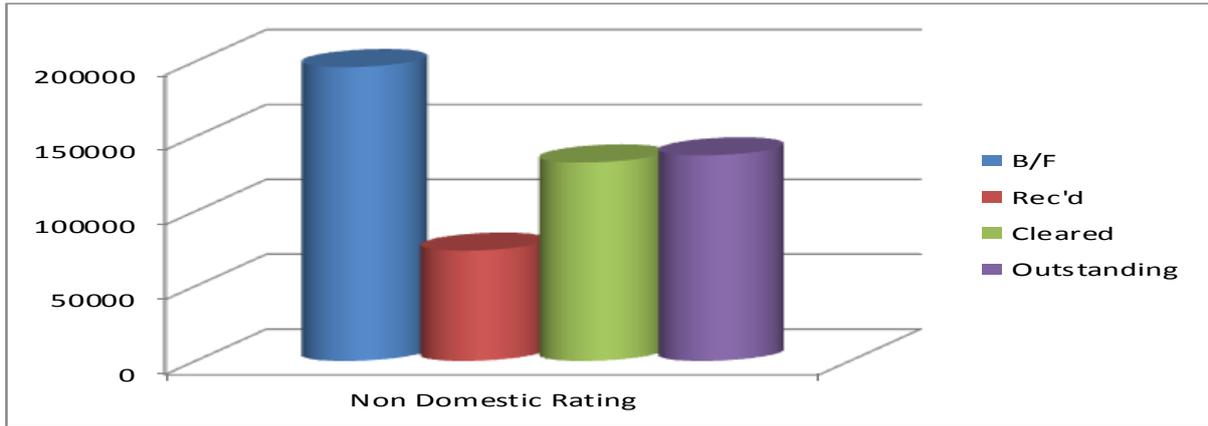
| | |
|------------------------|-----|
| Council tax reduction | 401 |
| Council tax liability | 543 |
| Council tax valuation | 818 |
| Council tax completion | 319 |

Non-domestic rating

| | |
|---------------------|---------|
| Non-domestic rating | 137,299 |
|---------------------|---------|

Our workload comprises a number of appeal types all connected with local property taxes. As a demand led service, the successful resolution of appeals naturally depends on the parties actively engaging with each other. The tables below show how our workload has progressed during 2017-18, for both council tax and non-domestic rating.





There is a significant number of outstanding appeals (50,000) awaiting either legislative changes surrounding 'Mazars' (which has been subject to Government consultation) and/or higher court judgments (Automated Telling Machines, air-conditioning, local authority schools, masts). Many of these appeals cannot progress until the higher courts have determined them.

Non-domestic rating (NDR) appeals constitute our biggest workload and factoring in current judicial and legislative changes, our commitment is to list up to 100,000 cases to reflect:

- Clearance of NDR 2010 appeals;
- Appeals that may be received from the proposed change in legislation following the review of the 'Mazars' case; and
- Appeals received under CCA.

The resource plan is to maintain consistent listing volumes throughout the year with 275 hearing days per quarter dealing with approximately 24,000 appeals. The breakdown per appeal type of Tribunal hearing and listing profile in 2018-19 is as follows:

| Appeal Type | Hearing Days | Listing Volumes |
|--------------------|--------------|-----------------|
| Council Tax | 500 | 5000 |
| Non Domestic Rates | 600 | 90000 |
| TOTAL | 1100 | 95000 |

Information Technology (IT)

Over the past two years we have worked on a wide-ranging programme of IT developments, which has included:

- a new appeals management system with the ability to manage a fee system; and
- extension of our electronic document and records management system, including a Board portal.

IT development is a critical part of our future effectiveness and efficiency plans. Some IT changes are unavoidable because we are part of larger government contracts which are

about to expire. Other changes are desirable to provide an ever improving service to our stakeholder. Future development during the next three years includes:

- Ensure our technology allows staff to be connected and supported in their operational needs for mobile working and have access to the necessary technology so that they may work flexibly.
- Prepare to move away from the old appeals management data base and migrate data to the new appeal management system.
- Participate in MHCLG’s programme of works in migrating from Fujitsu’s Connect desk top infrastructure to the proposed Office 365 Cloud hosting environment by March 2019.
- Develop a Cloud based infrastructure that will provide the control and flexibility we require as an independent statutory body supporting another independent statutory body.
- Introduce video conferencing to support our home workers.

Risks to the organisation

The VTS’s risk management process provides a structured approach for managing risk, with risk registers maintained at project, operational and strategic level. Our principle risks and uncertainties are as follows:

| Risk description | Mitigation |
|--|--|
| Reputational risk of the large number of business rates appeals in the system. | The introduction of the Consolidated Practice Statement provides a focus for clearances when appeals are listed. |
| Reduced funding (resource and/or capital) prevents developmental changes. | We will work with our finance sponsors to ensure our needs are understood and any decisions made are impacted on the organisation. |
| Uncertainty of workload for appeals received post 1 April under the CCA regulations. | Volumes will depend on the impact of the reformed system of ‘check’ and ‘challenge’ process undertaken by the VOA. |

Governance arrangements to support the Business Plan

All of our activities are underpinned by governance arrangements which support the delivery of our services. These include:

- the statutory framework set out in the Local Government Act 2003;
- Board reviews of performance and achievement against this Business Plan;

- reporting to MHCLG in line with the Framework Document and complying with government policy and sponsoring department rules;
- the Board's Finance and Audit & Risk Assurance Committees, which exercise detailed oversight in their relevant areas;
- Standing Orders, Standing Financial Instructions and Procurement Policy, which are reviewed and updated at least annually;
- our risk management processes which are overseen by both the Audit & Risk Assurance Committee and the Board;
- A business continuity plan which has been formulated with significant staff engagement and which is seen as a living document, regularly reviewed and tested;
- our information governance, through a set of policies that support effective and secure data handling, implemented by staff trained to ensure they handle data, especially personal data, appropriately;
- a Change Approvals Board which considers and controls all requests for IT and business process changes.

Delivering and reporting on the Business Plan

The Business Plan is published on our website and on the staff intranet. VTS budget holders bid for budgets for activities designed to deliver the objectives outlined in the Plan and to minimise risks. The objectives set out in the Plan provide the basis for staff personal development objectives. The delivery of this Plan will be monitored quarterly at three levels:

- the delivery of targets and achievements against the Plan will be monitored by the Board, which may amend the Plan to reflect new or revised Ministerial requirements that emerge during the year;
- the Chief Executive & Chief Accounting Officer will monitor the achievements of the Plan with his executive team; and
- we will share our progress and achievements with our sponsoring Ministry through regular Accounting Officer meetings.

The next three years

Finance

The financial and organisational challenges facing the public sector are unlikely to diminish and we remain focussed on finding ways in which our statutory functions can continue to be delivered efficiently and effectively. The VTS has managed to maintain its performance during a prolonged period of reduced funding. The funding environment remains challenging. The table below sets out our own estimates of funding needed over the next three years taking in to account our current thinking regarding staffing, the estate, IT development, appeal volumes and the VTE requirements. Naturally, our estimates are subject to consideration and approval from our sponsoring department and subject to wider public financing decisions.

| | 2018-19 | 2019-20 | 2020-21 |
|-------------------------|--------------|-------------|-------------|
| Admin - Pay | 3,232 | 3,032 | 3,032 |
| Admin - Non Pay | 3,100 | 2,950 | 2950 |
| Depreciation | 400 | 320 | 210 |
| Provision Utilisation | 708 | 708 | 708 |
| Net Resource DE | 7,440 | 7010 | 6900 |
| Capital | 500 | 200 | 200 |
| Resource AME | 745 | 745 | 745 |
| Total Budget Bid | 8,685 | 7955 | 7845 |

Staffing

We employ staff to provide technical and procedural advice to VTE Panels at hearings ('clerks'). These grades of staff are specialists who are either partly or fully qualified by the Institute of Revenues, Rating and Valuation due to the nature of their expertise. In the past our recruitment pool has been local government but as councils have over the years, outsourced their revenue and valuation work, this is a pool no longer available to us and qualified staff are hard to find. Therefore, over the past few years we have provided a qualification scheme to home grow talented staff who want to progress to the professional grade. The qualification itself can extend to a four year course and requires commitment from those undertaking it.

The VTS has the luxury of many skilled staff who have been with the organisation for many years. However, this means we must have a plan to replace a significant number of experienced staff over the next few years as they reach, or get near to, retirement age. We will need to recruit staff who are either qualified in the area of rating valuation or willing to undertake a period of study whilst, at the same time, gaining experience of our service. We also have a head office team of specialist staff whose salaries should be comparable with similar organisations within our sponsor's family of arm's-length bodies. We will be carrying out a benchmarking exercise of these posts to gauge whether there is a gap in salaries and what steps can be taken to review the position. We recognise that increases in the pay budget will have drawbacks, but we have to remain competitive to attract the people we need to take the organisation forward. We will review our structure to ensure that it remains fit for purpose and streamline wherever possible.

The estate

We operate from two offices (London and Doncaster). The London lease expires in July 2020 and we are in the process of negotiating a co-location of our Doncaster staff into another government building in Doncaster, expected to be in May 2018. Government's repositioning of its estate will naturally impact on the decisions we make regarding where and how we work as our leases come to an end. We will be reviewing whether a single administrative centre is the right move for us as an organisation and, if so, where the best location for such a centre would be. We recognise that this may involve redundancies, whether voluntary or compulsory, and will engage with the recognised union should we arrive at that position.

Information Technology

We had entered a shared contract service with our sponsoring ministry for desk top services in 2017. However, MHCLG's contract ceases in March 2019. This provides an ideal opportunity to move to cloud based services as envisaged in our IT strategy. Being cloud based will provide us with greater opportunities in the wider IT world. However, any such development will require some capital investment which we have to bid for on an annual basis. We estimate that over three years we will require around £900k of capital to cover planned projects which includes the implementation of a new telephone system, development of a resource allocation module for our new appeal management database and the incorporation of video conferencing.

Appeal volumes

Although the revised appeal process has been in force since 1 April 2017 the reality of how many challenges will materialise as appeals is yet unknown. We expected appeals under CCA to take some time to arrive as they first needed to progress through the formal VOA stages.

We believe that the new legislative requirement of paying a fee when making an appeal will not deter those who want to challenge the VOA's decision and expect that this change in the process for our users will take some time to embed.

There are a number of superior court judgments awaited on a number of VTE decisions appealed by either the ratepayer and/or valuation officer and these cannot progress until such time as the judicial process has taken its course. Similarly, such judgments may give rise to subsequent appeals being lodged.

Valuation Tribunal for England

Our statutory purpose is to support and provide advice to the VTE. The make-up of the Tribunal has changed since it was first created in 2009. Appointments are made to the Tribunal by the Judicial Appointment Commission (JAC). Because JAC specialises in judicial appointments, its advertising is targeted towards the legal community. The appointment of VTE members is contained within primary legislation and our aim is to explore with JAC and our sponsors whether we are able to extend advertising wider to attract applications from the surveying community and those with experience in rating valuation generally.

Being able to take time out from business or personal activities to carry out a non-paid role is not something readily available to all. The VTE is sponsored by the Ministry of Housing, Communities and Local Government, but appointments are made by the Lord Chancellor. We will work with both our Ministry and the Ministry of Justice to ensure that the make-up of the VTE remains diverse whilst retaining the skill set required. We would like to see recruitment from a wider source of applicants that better reflects the community within which we operate.