



# **VALUATION TRIBUNAL SERVICE STRATEGY PLANNING 2005-2012**

## **PROGRAMME UPDATE: IMPACT OF COUNCIL TAX REVALUATION POSTPONEMENT**

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## GLOSSARY

AU	Administrative Unit
CT	Council Tax
HOA	Head of Administration
IT	Information Technology
JIC	Judicial Interface Committee
LATD	Listing after Target Date
MJC	Members' Judicial Committee
NDPB	Non-Departmental Public Body
NDR	Non-Domestic Rating
ODPM	Office of the Deputy Prime Minister
PTO	Professional Tribunal Officer
RC	Registrar Clerk
RM	Regional Manager
RPG	Regional President's Group
VO	Valuation Officer
VOA	Valuation Office Agency
VRP	Voluntary Redundancy Programme
VT	Valuation Tribunal
VTS	Valuation Tribunal Service

**PROGRAMME UPDATE:  
IMPACT OF THE DECISION TO POSTPONE COUNCIL TAX REVALUATION**

**1. Introduction**

1.1 The VTS Board responded to their Strategy Development consultation on 20<sup>th</sup> July 2005 with a wide range of measures for implementation during a 5-year developmental period. The outcome document described those decisions taken by the Board on staffing, administrative and estates issues, and provided a copy of the VTS Chairman's recommendations to the Minister on tribunal and member issues. This work has been taken forward by an Implementation Team.

1.2 On 21<sup>st</sup> September 2005 the Government announced that the Council Tax revaluation scheduled for April 2007 would be postponed. Since this date the VTS has provided staff and members with a series of updates, and made clear that such an event would prompt a review of the implementation programmes. The Board sought a holistic review, rather than piecemeal check, of all the measures outlined in the consultation outcome document, to assess properly the impact of the Council Tax revaluation postponement. It has taken time to confirm that any changes are justified fully, each of the programme strands are integrated fully, and that opportunities offered by the Government's announcement have been completely explored.

1.3 There is no formal indication when a revaluation will now take place, but given the statutory requirement to undertake the next Non-Domestic Rating (NDR) revaluation in 2010, the best estimate remains that 2011 or 2012 would be the earliest that Council Tax revaluation would take place. The Board has therefore recognised that those measures that were planned or recommended under the assumption of a heavy Council Tax workload in the 2007-09 period would need to be reviewed. The VTS Board has appreciated that the Government's announcement has created more uncertainty but the VTS has not rushed its review – nor fed results out piecemeal – in the interests of announcing a single coherent package that would be well understood.

1.4 The postponement of the revaluation will have an effect on the workload of both staff and members. Nevertheless, the Board saw no reason to stop or delay the process of development and in other areas there was scope to accelerate programmes that could achieve earlier and greater savings and efficiencies. The 2006/07 financial year had always been planned as a time of transition, and it was unlikely that this would change. This transition includes the Board's firm commitment, in collaboration with the Valuation Office Agency (VOA), to introduce Listing After Target Date (LATD) in April 2006, and to continue the necessary planning work for the introduction of Appeals Direct. The Board was already planning to monitor and react to any shifts in patterns of NDR appeals following the 2005 NDR revaluation, consequent upon changes in regulations such as the removal of time limits on making appeals.

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1.5 This document outlines results from the programme integrity check undertaken by the Board and details any changes to the VTS strategy development programme.

### **2. Regions**

2.1 The Board has reaffirmed its commitment to the early introduction of the 4 new regions, and sees no reason to delay beyond the 1 April 2006 date already announced, subject to the completion of the Regional Manager recruitment cycle.

### **3. Staffing**

3.1 The Regional Manager posts will now be the only element of the new staffing structure introduced during the 2006/07 financial year. We expect to introduce the remainder of the structure in April 2007.

3.2 The strategic plan outlined how HOAs and Clerks would be assimilated into the Regional Manager, Registrar Clerk and Deputy Registrar grades, and that no redundancy was envisaged due to the anticipated workload over the short-term. This fundamental has clearly now changed and the VTS Board will introduce a Voluntary Redundancy Programme (VRP) for the HOA and Clerk grades only. This group has already been informed of the VRP and we will be writing again to all of these staff outlining the terms and conditions of the programme.

3.3 The recruitment of Regional Managers will not commence until the definitive list of those choosing to leave under the VRP is known. To ensure the Regional Manager recruiting pool retains sufficient depth and width, PTOs with a professional qualification will also be permitted to apply, in addition to HOAs, Clerks and Responsible Officers. Any further reductions in staffing would take place through normal retirement or losses experienced during the estate rationalisation programme.

3.4 Those HOAs remaining at 31<sup>st</sup> March 2006, unaffected by the VRP or promotion to Regional Manager, will be given new contracts as a Clerk, since the HOA position will no longer exist. Pay will not be affected.

3.5 There will be a need to 'backfill' the Clerkships to tribunals who lose their Clerk to either the VRP or by promotion to Regional Manager. Where possible, the remaining Clerks will be used, although exceptionally an existing PTO may be given acting temporary Clerk status to fulfill the function. As soon as VRP and recruitment results are known we will be engaging with Presidents who have lost their Valuation Tribunal Clerk to agree solutions.

### **4. Estates**

4.1 The Board agreed that the retention of the 15 long-term regional offices outlined in the consultation outcome was no longer justified. They reviewed all of the options, including a reduction to just one office in each region. Overall, the Board agreed that a uniform reduction to three offices in each region would be justified given the constraints of our present leasehold arrangements, in view of the prevailing

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uncertainties, and that this would better reflect the reduced workload and a smaller staff.

4.2 The Central Region has only been allocated three offices and will be unaffected.

4.3 In the North Region the Board wishes to reduce the two offices in the North-West to one; this is consistent with the original proposal in the consultation document. Further work will be needed to identify the options, but the Board is now placing a marker against either Bolton or Preston to close, although this is likely to be towards the latter part of the development period. The Board accepts, and regrets, that this will create further uncertainty in the North-West, only a short time after it had acted swiftly and decisively to bring forward a decision on whether a new office would be established in the region. Further evaluation will be undertaken in co-operation with the regional staff to identify options for a single office in the region.

4.4 In the East Region, the proposal for a new office in the St Albans/Hatfield area will be dropped, and the work redistributed between Witham and the new Cambridge/Newmarket office.

4.5 In the South Region, the VTS office at Horsham will close and its work will be redistributed to Croydon. The additional workload at Croydon will mean that the existing demise will be retained and a replacement office in the Croydon area will not be sought. This will provide additional savings.

4.6 Further details on these closures, and where possible an acceleration of new premises, will be provided in the near future.

### **5. Appeals Direct**

5.1 Appeals Direct is not affected by the recent announcement and the Minister, speaking at the President's and Chairman's conference in October, reaffirmed his commitment and his earlier agreement in principle to the new system of appeal. Additionally, we have had meetings with ODPM and the Chief Executive of the VOA, who are intent on pursuing this agenda with us.

5.2 In the short term the VTS will not invest in new bespoke software for Appeals Direct due to the reduced workload, and instead work with CapGemini on revisions to the existing software. The main attention will be on introducing new software instead for the 2010 revaluation that will incorporate Appeals Direct for both Council Tax and Non-Domestic rating.

### **6. Tribunals**

6.1 During the 2006/07 financial year the 56 tribunals will be administered through the four new regions. Details of the regions were provided in the consultation outcome. Where applicable, changes to the Clerkships will be resolved quickly, and if necessarily temporarily, pending clarification of the ODPM's position on the introduction of the single tribunal.

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6.2 The loss of the Administrative Units does affect the Members Judicial Committee (MJC) and the Regional Presidents Groups (RPGs). The VTS Chairman has advised the Minister on how the MJC might now reflect the new VTS administrative structure, with a parallel reduction to a committee of eight Presidents (two from each region) from April 2006 in line with the consultation outcome document. RPG meetings should also take place on the basis of the new regions, rotating the location of meetings between the VTS premises in the region.

6.3 In the consultation outcome it was argued that this was not the time to be focusing on member numbers and complements, in view of the surge in Council Tax appeals expected after April 2007. The Government's announcement has however, allowed the VTS to bring forward its advice to the Minister on this issue. Further detailed work has been undertaken on this issue and the VTS Chairman will recommend to the Minister that overall member numbers should be reduced to no more than 536. A list of recommended complements for each of the four new regions is attached at **Annex A**, with current complements for each of the current 14 administrative units outlined for comparison. These figures have been calculated on workloads across tribunals, and based on an average of 12 non-standard decisions per member, per year. Should the single tribunal be introduced, complements would be calculated on a Regional basis, with Divisional Vice Presidents having responsibility for the distribution of members across Groups. The Board are already discussing with the MJC how reductions could be achieved, and over what period of time.

6.4 This section has focussed on how tribunals and members will be affected by the introduction of administrative strategic development during the 2006/07 financial year. A further tranche of the strategic development is dependent upon departmental policy and deals with the proposals for a single tribunal, a single President and issues surrounding member's appointments. The VTS Board has not only reaffirmed the validity of these recommendations made to the Minister but sees a strong case for accelerating such programmes, and is in regular discussion with ODPM staffs on how this can be best achieved.

6.5 The consultation outcome document proposed a member's Group structure based on the long-term location of offices. In line with the details above on changes to the estate it would be appropriate to revise this Group structure and the advice of the MJC will be sought.

## **7. Conclusion**

7.1 The announcement by the Government on revaluation postponement caught everyone by surprise, and has inevitably led to an integrity check of our programmes. It is quite right that time should be spent confirming the validity of all aspects of the strategic development, but the Board has now acted decisively with a series of measures for greater effectiveness and efficiency, identified where change is needed and ensured that momentum is maintained.

7.2 Some people will be affected more than others by these additional measures, and the Board is conscious that not all uncertainty has been eliminated. Any further

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work outlined here is already under way and results will be communicated as soon as possible.

7.3 If you require any further clarification of issues outlined in this document, please contact the Chief Executive.

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**ANNEX A:**  
**PROPOSED MEMBER NUMBERS**

Region	Administrative Units	Members Now	Per Member All Decisions	Per Member Non-Std	%age of Members	%age of Workload	Complements based on 12 non-standard decisions per member	Reduction
<b>North</b>	Northern	128						
	Yorkshire	111						
	North-West	173						
	<b>TOTAL</b>	→ 412	27	5	35	30	172	-240
<b>Central</b>	West Midlands	171						
	East Midlands	57						
	Gloucestershire	15						
	Oxfordshire	12						
	Lincolnshire	15						
<b>TOTAL</b>	→ 270	22	4	22.5	17	90	-180	
<b>East</b>	London North	100						
	HC North East	66						
	Eastern (- Lincs)	58						
	Buckinghamshire	14						
<b>TOTAL</b>	→ 238	39	7	20	25	139	-99	
<b>South</b>	London South	67						
	HC South	48						
	Southern	36						
	Wessex (- Glos)	57						
	South-West	51						
	Berkshire	11						
<b>TOTAL</b>	→ 270	40	6	22.5	28	135	-135	
		<b>Total:</b> 1190	<b>Average:</b> 31	<b>Average:</b> 5.5	<b>100</b>	<b>100</b>	<b>Total:</b> 536	<b>Total:</b> -654

Example calculation: Central Region. 1080 non-std decisions (270 x 4), divided by 12 (requirement) = 90 members required.