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CORPORATE PLAN

for the

Valuation Tribunal Service

2006-2009

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Foreword
by
The Chairman of the Valuation Tribunal Service

Welcome to the Valuation Tribunal Service's (VTS) Corporate Plan for 2006 to 2009. This Plan is updated every year and spans a three-year period; our second Plan here marks the start of my third year as the VTS Chairman. I am proud to be able to tell you about the VTS' priorities and plans for the year ahead and beyond.

The plan describes our strategic objectives over the medium term, during which much emphasis will be placed on sustaining and further developing a customer focussed service. We will be working in partnership with the members of valuation tribunals in striving to achieve greater coherence and consistency across the service.

The Government's announcement regarding the postponement of the council tax revaluation has inevitably led to the VTS carrying out an integrity check of our programmes. It has also allowed us to confirm the validity of all aspects of our response to the Strategy Development consultation that was undertaken during 2005.

We remain mindful that the broader world of Tribunals is undergoing significant change, and our plan must take account of those changes. We must seek to put ourselves into the most effective shape, to meet both the challenges of implementing successful internal changes and adapting to the evolving Tribunal environment.

Our aims and aspirations will require us to maintain an effective dialogue with sponsors and partners. This dialogue will influence our thinking and assist us to move forward with our planning year-on-year.

Each year, we publish a Business Plan, which converts our broad strategic aims into detailed objectives, against which the Board of the VTS can manage the in-year performance and progress of the service. The Corporate Plan however, enables us to look further forward, to explore what we wish to achieve in future years, and how we will work in partnership with others to further develop our service.

Anne Galbraith OBE
Chairman

1. Vision of the Valuation Tribunal Service

1.1 The Valuation Tribunal Service (VTS) seeks to provide a fair, effective and efficient service for users, in support of the hearing of their appeals by an independent valuation tribunal, by providing appropriate administrative back up, hearing facilities, clerking support and training.

2. Aim of the Valuation Tribunal Service

2.1 The Management Statement agreed with our sponsoring department, (formerly the Office of the Deputy Prime Minister, now the Department for Communities and Local Government), sets out the broad framework within which the VTS will operate. This document identifies the aim of the VTS as:

- 'To secure the efficient and independent operation of the valuation tribunals in England and to improve customer service through the spread of best practice'.

2.2 The overall aim is defined as:

- 'To provide staff, accommodation and other support (including general advice about procedure in relation to proceedings before tribunals) to valuation tribunals in England'.

2.3 The VTS will work towards the targets and objectives as defined within the Management Statement:

- To establish a cohesive national structure for the VTS within which policies on training, information technology, accommodation and staff terms and conditions are applied consistently.
- To improve customer understanding of and satisfaction with the work of the valuation tribunals.
- To work with valuation tribunals and other stakeholders to improve the process of appeals from lodgement to settlement.
- To secure improvements in the efficiency, effectiveness and consistency of service provided by the valuation tribunals.
- To offer general advice to valuation tribunals in relation to proceedings before hearings.

3. Introduction and Context

3.1 During 2005 a consultation process on the strategic development of the VTS was carried out. Based on this exercise, the VTS issued its outcome based on the results, outlining the Board's views and describing the decisions taken and the recommendations made to the Minister on tribunal and member issues.

3.1.1 In summary, the consultation outcome determined that the VTS Board would:

- replace the current 14 administrative unit structure with four new regions;
- reduce the number of regional offices from 23 to 15;
- introduce a new staff structure.

3.1.2 The document also recommended to the Minister that:

- Appeals Direct should be introduced for council tax;
- a single English valuation tribunal should be formed under a National President;
- a common public appointments process should be introduced for members;
- local authorities should no longer play a part in the appointments process for members;
- valuation tribunal members' age limit of 72 should be retained;
- a further study should be taken into the number of members required over the long-term; and
- Chairmen and Vice-Presidents should be appointed against a framework of skills.

3.2 The Government's announcement to postpone the council tax revaluation, scheduled for 1 April 2007, prompted a review of the implementation programmes as many of the measures were planned or recommended under the assumption of a heavy council tax workload during 2007 to 2009. The Board sought a holistic review of all the decisions arising from the consultation to assess properly the impact of the council tax revaluation postponement and to ensure that: -

3.2.1 each of the programme strands was integrated fully, and

3.2.2 opportunities offered by the Government's announcement had been explored fully.

3.3 Following the programme integrity check undertaken by the Board, the VTS issued a Programme Update during October 2005 outlining further refinements to the VTS strategy development programme. In summary, the Board reaffirmed its decision to move to four regions and to introduce a new staffing structure with effect from 1 April 2006. In considering the estates position, given the constraints of the present arrangements regarding current office leases, the Board considered that a further reduction in the number of regional offices from 15 to 12 was warranted.

3.4 As part of its integrity check, the VTS Board introduced a Voluntary Redundancy Programme (VRP) aimed at the senior management grades of Heads of Administration and Clerks of valuation tribunals. This led to 12 staff taking up the voluntary redundancy package offered.

3.5 The VTS reinforces its commitment to ensuring that members presiding at valuation tribunal hearings will continue to be well served. In partnership with its Presidents the VTS will continue to identify appropriate training that will guarantee tribunals are equipped to deal effectively with the different types of appeals where a

tribunal decision is required. Additionally, in conjunction with these committees it will continue to develop the procedures affecting matters before a tribunal.

3.6 The VTS will ensure that individual valuation tribunals are provided with well-trained professional and administrative staff to support their statutory functions, and that this support is in place through effective staff management and the continued professional development of all staff.

Listing after Target Date

3.7 In supporting the disposal of appeals, the VTS has worked with Presidents of valuation tribunals to introduce on 1 April 2006 a more effective and efficient system for managing non-domestic rating appeals that will provide a single, consistent tribunal listing practice across the 56 valuation tribunals in England.

3.8 Listing after Target Date is a transitional measure, until Appeals Direct can be implemented (see 3.11). It is designed to improve the handling of appeals lodged with valuation tribunals. This scheme will work in tandem with the current Valuation Office Agency programming process and focuses on the need for the parties to enter a period of negotiation before a valuation tribunal is convened.

3.9 Listing after Target Date will expedite cases where the potential for a resolution exists without necessitating the convening of a valuation tribunal hearing. This allows a greater focus on appeals where a hearing is the only means of a resolution. It is expected that Listing after Target Date will show a saving in administrative costs, mainly associated with the issue of notices advising of a valuation tribunal hearing. It may also reduce the number of tribunals convened.

3.10 The operation of Listing after Target Date will be kept under constant review to ensure its effectiveness.

Appeals Direct

3.11 The VTS continues to recognise that the lodgement of appeals directly with the VTS, instead of through the Valuation Office Agency (VOA), would enhance the customer view of both the perception and reality of independence of valuation tribunals. Appeals Direct for council tax has been agreed in principle by the Minister. The VTS will develop its mapping processes and work with the sponsoring department towards a regulatory timetable to achieve, by 1 April 2007, a system where appeals are made direct to valuation tribunals rather than through the body whose decision is challenged. The VTS will further develop the Appeals Direct process for non-domestic rating appeals in the future.

3.12 The VTS continues to be mindful of the ongoing work in relation to tribunal rationalisation, both by the Department for Constitutional Affairs and elsewhere. We will seek to co-operate in any further review of our own appeal system, and will work towards understanding where synergies within the tribunal world exist, and where new opportunities for valuation tribunals may occur.

Organisational Structure

3.13 As part of the VTS' continued commitment to providing greater consistency of working practices, with effect from 1 April 2006 the organisation has moved to a structure of four regions (North, East, Central and South) from a previous structure of 14 administrative units. In addition, the management structure has been aligned to this new business structure, with the introduction of four Regional Managers who will provide greater leadership within the regions.

3.14 Given the constraints of our present leasehold arrangements, the VTS estate will reduce to a total of 13 offices, three in each region serving valuation tribunals and a head office.

3.15 Already a review of valuation tribunal structures has begun and, as part of its review, the Board has proposed a reduction in valuation tribunal membership. The Board has also proposed a move to a single English valuation tribunal, with appropriate divisions and groups within it, and will be working with the sponsoring department to refine and develop this plan.

3.16 During the implementation of its strategy development the VTS Board will continue its commitment to improving public access to valuation tribunals, to creating a better understanding of the Service amongst the community and to developing its dialogue with stakeholders and customers alike.

3.17 The Board continues to seek ways to work in partnership with tribunal members to introduce a clear equality and diversity policy, with the objective of implementing the plan at every opportunity.

3.18 The VTS will complete this Corporate Plan period in a position where its workforce, estate, organisation and procedures remain optimised for the next decade so that: -

- there is clarity of purpose;
- the culture of performance is enhanced;
- the co-ordination and coherence is improved;
- the VTS remains customer focussed.

4. Strategic Objectives

4.1 In accordance with achieving the overall aim as defined by the Secretary of State, the strategic objectives for the VTS are: -

- To improve and develop the efficiency, effectiveness and consistency of the national structure for the VTS.
- To improve customer and stakeholder understanding of, and satisfaction with, the work of the valuation tribunals leading up to a hearing and the associated administrative processes post-hearing.

- To work in partnership with the lay membership in developing the national structure of valuation tribunals, and the consistency of the service, within the valuation tribunal regulatory and legislative framework.
- To work with internal and external stakeholders to continue in the improvement of the process of the appeal system from lodgement to settlement.
- To be effective and efficient in the disposal of appeals.
- To identify and research areas of development for the VTS in the wider arena of tribunal organisations.
- To seek regulatory change to facilitate the above.
- To develop a framework for the effective overall financial management of the VTS.

4.2 To deliver the above strategic objectives, the VTS has identified the following priority areas for action: -

- Operational – improving the customer and stakeholder understanding of, and satisfaction with, the work of valuation tribunals and identifying areas that will assist the VTS to develop within the wider arena of tribunal organisations.
- Organisational – improving and developing the efficiency, effectiveness and consistency of a national structure by enhancing the operation of the VTS and maintaining a highly motivated workforce.
- Tribunal Partnership Working – providing appropriate support to valuation tribunals in the execution of their function in working towards the timely and effective disposal of appeals, and identifying regulatory requirements for change.
- Financial - improving the framework for the effective overall financial management of the VTS that will support regional engagement, with continuing pursuit of improvements in service delivery, value for money, efficiency and effectiveness.

5. Operational Objectives

5.1 The following strategic objectives will be addressed: -

- Continue to promote a better understanding of the organisation with stakeholders and to build relationships.
- Improve delivery through business tools, introducing e-communication for the delivery of regulatory notices associated with valuation tribunal hearings.
- Involve stakeholders to help improve delivery by carrying out surveys.

- Improve the quality and accessibility of customer service delivery by implementing the recommendations from customer care surveys.

5.2 In focusing on these objectives, the VTS will: -

- Continue to review all published information and develop a plan for the improvement of the content and accessibility of material published by the VTS.
- Listen to customers, provide feedback and develop flexible systems to enhance customers' understanding of the role of valuation tribunals and the VTS.
- Research and develop IT processes to enhance and support current and future workload.
- Develop and implement an e-business strategy that will improve communication between valuation tribunals, ratepayers and their agents.

6. Organisational Objectives

6.1 The following strategic objectives will be addressed: -

- Develop the role of the VTS and valuation tribunals by liaising with other organisations that provide tribunal services and learning from them.
- Continue to work with government agencies and professional and voluntary bodies to raise awareness of the VTS and, by involving key stakeholders, improve our delivery.
- Promote equal opportunities and diversity in valuation tribunals and VTS offices.
- Provide a first class service to the public, stakeholders and the sponsoring department.

6.2 In focusing on these objectives, the VTS will: -

- Implement and support the introduction of four regions and the new management structure. Develop approaches to cultural and organisational change, human resource practices, training and development to ensure that we attract and maintain motivated and committed people within the national organisation.
- Maintain meaningful links with other tribunal-based organisations and share knowledge and working practices.
- Identify partnership websites to raise awareness of the VTS.
- Promote equality and diversity, and operate effective equality performance monitoring across the organisation.

- Develop an estates programme that optimises the regional spread of offices over the life of the Corporate Plan. In accordance with the Strategy Development plan, reduce the current estate to 13 offices.
- Promote the VTS as a learning organisation by celebrating success, sharing learning experiences and working in partnership to support each other in a constantly changing environment.
- Develop a robust and coherent performance management regime that reflects key priorities and standards.

7. Tribunal Partnership Working Objectives

7.1 The following strategic objectives will be addressed: -

- Work in partnership with a lay membership to develop the national structure of valuation tribunals.
- Enhance the level of service to our stakeholders by providing 'user-friendly', quality decisions that stakeholders understand.
- Promote more effective ways of working through the tribunal Presidents.
- Review procedures and processes to improve case management.
- Provide staff support and guidance.

7.2 In focusing on these objectives, the VTS will: -

- Introduce Listing after Target Date for the disposal of non-domestic rating appeals. A pilot scheme operated in the North West of England has served to provide a very good indication of the processes to be adopted and has allowed the VTS to fine-tune them along the way. The VTS has implemented national guidance on operating a consistent scheme throughout the 56 valuation tribunals in England.
- Work in partnership with the sponsoring department, the Presidents and external stakeholders, to review and develop regulatory requirements that will introduce Appeals Direct for council tax appeals by 1 April 2007, and to investigate an Appeals Direct process for non-domestic rating appeals.
- Introduce a policy which will enable Presidents to handle judicial complaints.
- Work towards introducing a consistent framework for 'Reasons of Decisions'.
- Work towards introducing consistent practices regarding the election processes adopted by valuation tribunals by introducing standing orders.
- Develop and implement a single recruitment process for the appointment of members to valuation tribunals.

- Review procedures and processes to improve case management, leading to a reduced time-delay between receipt of an appeal and the hearing of an appeal.
- Work with Presidents to ensure that appeals are listed in a timely and consistent manner.
- Provide appropriate support, staff and other resources, to ensure the effective disposal of all appeals in all appropriate locations.
- Support the development of valuation tribunal members through structured training.

8. Financial Objective

8.1 The following strategic objective will be addressed: -

- To seek improvements on the current framework for the effective overall financial management of the VTS that supports regional engagement, with continuing pursuit of improvements in service delivery, value for money, sustainability, efficiency and effectiveness.

8.2 In focusing on this objective, the VTS will: -

- Introduce a national procurement contract recognising value for money from providers.
- Streamline our accounting functions conducive to the new management and regional structure.

9. Risk Management

9.1 The VTS recognises that effective risk management underpins sound corporate governance and is crucial to achieving our objectives.

9.2 The Board's risk management strategy defines how the VTS identifies and manages risks to an acceptable level. This strategy is supported by a detailed policy that guides staff on how to apply risk management principles in their day to day work.

9.3 The Board has been actively involved in identifying the strategic risks the VTS is exposed to and has been working with the Executive Management Team to identify suitable actions to manage those risks to an appropriate level.

10. Future Aspirations

10.1 Since the creation of the VTS many changes have already been introduced. Much of this has been in response to our Strategy Development Plan, and our subsequent review of the implementation plans, that supported the introduction of Appeals Direct for council tax valuation appeals, a four-region administrative structure, a new staffing structure aligned to the new regional administrative

structure, and the reduction in the current estate portfolio to three offices per region before 2012.

10.2 Our annual objectives spanning from our rolling three-year Corporate Plan are detailed in our business plans.

10.3 Aspirations for 2006-07

- The introduction of Listing after Target Date (LATD) on 1 April 2006 will provide valuation tribunals with greater management of non-domestic appeals. It has been designed to work in tandem with the current Valuation Office Agency (VOA) programming process and focuses on the need for the parties to a non-domestic rating appeal to enter a period of negotiation before a valuation tribunal is convened. This will expedite cases where the potential for a resolution exists without necessitating the convening of a valuation tribunal hearing and will:-
 - Allow a greater focus on appeals where a valuation tribunal hearing is the only means of resolution.
 - Show a saving in administrative costs, mainly associated with the issue of Notices of Hearing advising of a valuation tribunal hearing.
 - Allow staff to plan better valuation tribunal agendas and thus provide more customer focussed hearings by allocating time slots for appellants.
 - Provide members with meaningful hearings that require judicial decisions rather than administrative action.

- The introduction of four regions with Regional Managers, providing staff leadership in supporting 56 valuation tribunals. A simplified administrative structure will make the administration of members and of hearings more effective, whilst retaining a regional footprint of offices and a local footprint of hearing venues. (A local footprint is defined as ‘the retention of sufficient offices throughout the country that allows us the ability to provide a local presence’). The benefits of this are:
 - better service for the customer
 - greater accessibility for the user
 - a regional locus for staff and members
 - greater staff retention and motivation.

- Work with tribunal Presidents to achieve a reduction in valuation tribunal membership, which is appropriate for the current workload, and to encourage further cross-valuation tribunal working.

- Work with the sponsoring department on developing the regulatory requirements for a single valuation tribunal for England.

- Develop a timetable for the introduction of Appeals Direct for council tax and work with partners in developing a suitable IT solution.

- Work with internal stakeholders to implement the findings of the Investors in People health check.
 - The Board commissioned a health check on the organisation in January 2006 and will be implementing recommendations as part of the Board's consistent working practices agenda.
- Review the VTS estate, being mindful of any natural breaks arising in leases and of operational needs. The Board has decided that the VTS estate should offer high quality accommodation for staff and good facilities for members and users, and should not have any associations with Government revenue raising institutions or local government.
- Develop VTS Board discussions regarding rules on procedure governing the appeals process, and work with the sponsoring department, with the aim of introducing improvements in the management of appeals.
 - The Board has commissioned research into potential improvements in the current appeal administrative process, with a view to identifying changes to current appeal regulations. This would better position valuation tribunals in line with changing organisational needs and best practices identified within the wider tribunal arena.

10.4 Aspirations for 2007-08

- Continue to implement the five-year strategic development plan covering estate rationalisation, staff structures, regional development and procedural reform.
- Introduce Appeals Direct for council tax appeals. The Government has postponed the council tax revaluation due in 2007. Under the present system, the VTS expects to deal with a maximum of 30,000 appeals per annum. Under Appeals Direct, this expectation would be reduced to around 20,000 appeals as this process will introduce the ability for a taxpayer to make a conscious decision whether to lodge an appeal against the council tax banding following unsuccessful negotiations with the Listing Officer of the Valuation Office Agency. This process will put taxpayers in full control of the decision whether to pursue an initial challenge (to the Listing Officer) through to an appeal stage, providing them with greater clarity and transparency of the appeal process whilst enhancing the measure of real and perceived judicial independence. It will also allow better case management for valuation tribunals, dealing with appeals which will largely require a formal hearing, and providing a far more efficient and responsive process.
- Work towards a single valuation tribunal for England with a National President. A National President would drive forward coherent and consistent practices and procedures that would secure the fairness and impartiality of tribunal hearings. The position would strengthen judicial independence and provide an authoritative voice on judicial issues affecting valuation tribunals.

- Work with the sponsoring department and valuation tribunals to achieve a consistent reduction in membership numbers in accordance with advice provided to the Minister.
- Develop the role and job specification of National President and conduct recruiting through the Judicial Appointments Committee.
- Work with stakeholders and the sponsoring department in developing process mapping for an appeals direct system for non-domestic rating appeals.
- Achieve the agreement of Ministers for the introduction of Appeals Direct for non-domestic rating in April 2010.
- Continue to review the VTS estate to ensure it meets changing operational needs.

10.5 Aspirations for 2008-09

- Continue to implement the five-year strategic development plan covering estate rationalisation, staff structures, regional development and procedural reform.
- Become fully accredited as an 'Investor in People'.
- Research Charter Mark as a management toolbox for developing a strategy for customers and users.
- Review the VTS estate in line with natural breaks arising and operational needs.
- Research a standalone IT network for the VTS that provides greater separation from the VOA.
- Introduce a system of member appointments and reappointments through the Judicial Appointments Commission.
- Introduce a complete electronic appeals system for appellants.

11 The VTS Estate

11.1 The VTS Strategy Development recognised a reduction from a portfolio of 23 regional offices (in 2005) to 12. This process will be largely through natural breaks in leases and inter governmental MOTO (Memorandum of Terms of Occupation) agreements, in accordance with both the Lyons and Gershon Reviews. This rationalisation process is to align the geographical location more appropriately to enhance the delivery of service. **Table 1** below illustrates the current planned programme of disposals, renewals and acquisitions within each financial year until 31 March 2010.

Table 1

Year	Renew	Dispose	Acquire
2006-07	Durham	Norwich	
2007-08	Croydon	Winchester Wokingham* Worcester Peterborough	Winchester/Salisbury Cambridge area
2008-09	Nottingham	Maidstone Weston Harrow Horsham*	Leamington area Exeter/Taunton area
2009-10	Whitechapel [^]	Plymouth Leamington (old)	

[^] There is a possibility of reducing the current office space at the existing premises depending on operational needs at the time of negotiating a new lease.

* Investigating the possibility of an early surrender.

In addition either the Bolton or Preston office will close, although a decision on which has yet to be made.

12. Proposed Staffing Levels

12.1 The VTS currently employs a total of 131 staff in 20 offices throughout England, supporting 56 Valuation Tribunals. These figures are drawn down from operations as at July 2006 and reflect the disposal of the Norwich office, planned earlier in the year. **Table 2** below shows proposed staffing levels during this three-year period. The VTS has already undergone a Voluntary Redundancy Programme (VRP) aimed at senior managers and during the period of this plan we will not be seeking any staff reductions other than by natural wastage, (through retirement, or statutory redundancies following office closures where staff choose not to take up any opportunities for alternative employment).

Table 2			
Staff Numbers:	2006-07	2007-08	2008-09
Executive Management Team	3	3	3
Chief Executive's Office Staff	9	10	10
Regional Managers	4	4	4
Professional Staff (Clerks)	13	12*	12*
Professional Staff (Professional Tribunal Officers)	45	48	48
Administrative Staff	54	54	54
Domestic operatives	3	4	4
Total	131	135	135

* Estimated

13 Valuation Tribunal Member Numbers

13.1 The Secretary of State determines the numbers of valuation tribunal members. There are currently 998 members who serve in a voluntary capacity on valuation tribunals, although some members serve across multiple valuation tribunals as either chairman or member.

13.2 **Table 3** below shows a breakdown of the valuation tribunal membership.

Table 3		Member Numbers	
Presidents		54	
Chairmen		259	
Members		685	
Total		998	

14. Resource Allocation

14.1 The VTS is funded by Parliament through its sponsoring body, supplemented by other minor income (from, for example providing ad hoc IT assistance and training to the Welsh Valuation Tribunal). Our spending plans for the years 2006-09 are based on the revised allocation of resources issued by the sponsoring department, (5 November 2005) following implementation of our VRP. The VTS Board decided to fund the VRP in the 2005-06 financial year by reducing its 2006-07 grant in aid entitlement by £1.5m as immediate repayment to the Department, reducing the annual budget from £11.5m to £10m. This was possible because of the additional IT savings associated with Appeals Direct detailed in paragraph 14.3. A further substantial reduction in the Departmental Expenditure Limit will take place in 2007-08 (although the Grant In Aid will be higher to allow for commitments made in previous years. This is shown in Table 4 below, with years beyond subject to the next Comprehensive Spending Review.

14.2 The total financial resource available to the VTS to fund planned activities is shown in **Table 4**. Expenditure for the three-year period is broadly classified into:

- Administration – includes staff and member costs, telecommunications, office supplies and training.
- Capital – includes costs of major capital IT purchases, IT software enhancements and estates improvements.

Table 4			
Type of Expenditure	2006-07 £k	2007-08 £k	2008-09 £k
Administration	9,543	9,456	10,248
Capital	500	500	500
Total	10,043	9,956	10,748
Comprising:			
Grant in aid	10,043	9,951	10,743
Other income	0	5	5
Total	10,043	9,956	10,748

14.3 The VTS had planned the development of a new IT system for Appeals Direct in the 2006-07 financial year at a cost of £1.0m. The postponement of the council tax revaluation has led to a reassessment of this requirement in the short term, and the VTS will seek a low cost solution with the existing software and IT database to introduce Appeals Direct. These costs are currently estimated to be within the region of £150,000 to £250,000. But as the system develops, costs may exceed baseline funding, so further funding may be sought from our sponsoring department.

14.4 The take up of the VRP met our expectations. The expenditure on staff salaries for 2006-07 will be reduced to £4,735,000, taking account of savings of some £635,000.

14.5 The implementation of our strategic plans will require, in some areas, an initial investment that produces financial benefits only in the medium term. However, value for money will result from having a modern, better-positioned, well researched and managed organisation to meet the needs of the next decade, championing best practice across the administrative and judicial spheres and showing greater responsiveness to customer needs.

14.6 The VTS Strategy Development Plan has addressed the processing of appeals, and the development of the estate, staff and members' structure. The aim of the plan, over a five-year period, is to improve coherence, efficiency, effectiveness and customer focus, and to serve as a blueprint for future development. It is designed to improve, where necessary, the placement and use of staff to assist in the provision of services, including general support to valuation tribunals and the public at large.

15. Delivering Efficiency

15.1 As with all government bodies, the VTS is charged by its sponsoring department to seek efficiency gains. Although saving money and creating greater efficiency is an important consideration for any public body, it is not the sole driving force for our development strategy. Equally important is the need to fulfil important principles set by the Board:

- Greater customer focus and service.
- The enhancement of judicial independence.
- Tribunal partnership working.
- A strong public image of fairness and effectiveness.
- Consistency of practice and procedure.
- Streamlined and responsive management structures.
- Greater utilisation of people and resources.

15.2 **Table 5** shows the VTS' targeted percentage reduction in administrative costs to invest in the implementation of its development plan.

Table 5			
	2006-07	2007-08	2008-09
	£k	£k	£k
Administrative costs	9,543	9,456	10,248
Targeted % savings	4.1%	3.1%	5.0%

15.3 Detailed year on year business plans will be developed for achieving these challenging targets. These will include the continued rationalisation of our estates, streamlining our back office, moving supplies and services to 'G-Cat' providers (suppliers who have undergone a tendering process in accordance with government guidelines to provide value for money services), and renegotiating existing contracts.

15.4 The VTS expenditure by VTS function

Table 6 below shows the anticipated expenditure on an annual basis over this three year period, equating expenditure to VTS objectives.

Table 6			
Type of Expenditure:	2006-07	2007-08	2008-09
	£k	£k	£k
Operational	8,973	8,721	9,360
Organisational	214	230	265
Tribunal Partnership Working	512	607	682
Financial	344	398	441
Total	10,043	9,956	10,748

15.5 The VTS expenditure by main areas of spend

Table 7 below provides a breakdown of the expenditure by the VTS' main areas of spend over this three-year period.

Table7			
Main areas of spend:	2006-07 £k	2007-08 £k	2008-09 £k
Staff costs	4,979	5,000	5,080
Estates	1,975	1,887	2,050
Professional services	1,181	1,154	1,345
General administration	858	800	821
Members' costs	446	500	580
^Capital purchases (includes IT development)	500	500	500
Board costs	104	115	122
Implementation fund	0	0	250
Total	10,043	9,956	10,748

- Staff costs are post-VRP and will increase because of annual pay settlements and costs associated with office closures.
- General administration costs including office supplies are constantly targeted for reduction by a combination of reviewing our operational processes and renegotiating outsourced contracts. In subsequent years we have targeted increased expenditure on publicising our services and channelling more funds to the development of our staff.
- A progressive increase in Board member costs has been recognised to take into account Board activity as a consequence of implementing the VTS Strategy Development Plan.
- The Implementation Fund in year 1 has been absorbed into operational requirements.

^ The VTS will be seeking permission from HM Treasury to alter the split of resources between Capital and Revenue.