

# **VALUATION TRIBUNAL FOR WALES**

## **ANNUAL REPORT 2011-2012**

## Table of Contents

<b>Sections</b>	<b>Page</b>
Foreword by the President of the Tribunal – Mr J H Owens	2
Introduction by the Chief Executive – Mr S C Hill IRRV(Hons)	3
<b>1.</b> The Valuation Tribunal for Wales' (VTW's) Main Functions	4
<b>2.</b> The VTW's Organisational Structure	4
<b>3.</b> The VTW's Management Framework	5
<b>4.</b> The VTW's Staff Structure	7
<b>5.</b> Membership of the VTW	8
<b>6.</b> Workload	9
<b>7.</b> The VTW's Estate	11
<b>8.</b> Information Technology	12
<b>9.</b> The VTW's Resources	13
<b>10.</b> Risk Management Overview	14
<b>11.</b> Training and Development	15
<b>12.</b> Customer Care	16
<b>13.</b> Complaints	16
<b>14.</b> Equality and Diversity	17
<b>15.</b> Disability Discrimination	17
<b>16.</b> Health and Safety	18
<b>17.</b> Data Protection and Freedom of Information	18
<b>18.</b> Administrative Justice and Tribunals Council (AJTC)	18
<b>19.</b> The VTW's Strategic Objectives for 2011/2012	18

## Appendices

Appendix A – The Valuation Tribunals' Membership Analysis

Appendix B – Workload Statistics for 2010/2011

Appendix C – Summary of VTW's Expenditure 2010/2011

## **Foreword by the President of the Valuation Tribunal for Wales**

Following the major restructuring that led to the establishment of the single Valuation Tribunal for Wales (VTW) in July 2010, this year has seen a period of consolidation and further development to establish consistency across all Regions in Wales. New policies have been introduced and internal instructions have been reviewed to secure and reinforce uniformity in the Tribunal's procedures and processes.

Notwithstanding these fundamental changes in its structure, the VTW cleared nearly 9,500 appeals during the past year, with most of this clearance being attributable to the processing of appeals against the 2010 Non Domestic Rating List. The number of appeals determined by the Valuation Tribunal increased by 37% over the previous reporting period with 1,709 cases being heard, only five of which were appealed to a superior court. This excellent clearance record was due to the tireless efforts of the staff and lay members that make up the Valuation Tribunal for Wales and I am proud to report that these results were achieved within the allocated budget.

Regular meetings of the Governing Council ensured that the VTW continued to perform its statutory duties in accordance with legal requirements and that its administrative functions were compliant with the management framework agreed with its sponsoring department.

Senior members of staff continued to meet on a regular basis to co-ordinate and oversee administrative projects, which included the development of policies and internal guidance to promote consistency across Wales. A suite of Best Practice Protocols, providing more in-depth information regarding procedural arrangements in relation to the processing of appeals, were also developed during the year and members received training on their content at their Annual Regional Meetings.

A structured programme of training was arranged by the Staff and Members Training Committee and included events that were tailored to meet the needs of chairmen and members. Staff "practitioner days" continued to be held on a regular basis and members of staff continue to be encouraged to attain relevant professional qualifications that will assist the future operation of the Valuation Tribunal for Wales.

Arrangements for the biennial election of members to the Governing Council were just commencing as the end of the year covered by this report was approaching. I have decided to step down as President after ten years of leading the Tribunal and its predecessors through several periods of reorganisation and change. I am confident that my successor will ensure that the Tribunal continues to improve its service to the citizens of Wales and sincerely wish the new President every success in his/her endeavours to further develop and enhance the service offered by the VTW.

In conclusion, I would like to thank all the members of the Tribunal and the staff who have collectively contributed towards the efficient and effective service delivered by the VTW during this busy year, in spite of the additional pressures resulting from the creation and ongoing development of the new single Valuation Tribunal for Wales.

J H Owens  
President – Valuation Tribunal for Wales

31 March 2012

## **Introduction by the Chief Executive**

Welcome to the Valuation Tribunal for Wales' Annual Report for 2011-2012. This is the second report of the organisation's activities following the significant restructuring that took place during the first quarter of 2010-2011, resulting in the merger of four geographically distinct Tribunals into a single Valuation Tribunal for Wales.

Recent years have seen many changes to the organisation of the Tribunal and its predecessors. The Valuation Tribunal Service for Wales (VTSW) was established in 2005 and, under the direction of its Governing Council, it provided administrative support to the long established Valuation Tribunals. The VTSW developed a unified administrative platform under which the four component Tribunals could function with judicial independence and did much to pave the way for more recent changes.

Following a consultation exercise that took place in 2008, the Minister for Social Justice and Local Government decided to implement one of the substantive recommendations contained within the Rolph Report (2007) and to establish a single Valuation Tribunal for Wales (VTW). The Valuation Tribunal for Wales Regulations 2010 partly came into effect on 1 April 2010, enabling the election of the Governing Council, and became fully operational on 1 July 2010.

Under the regulations, the functions of the VTW are performed on its behalf by its Governing Council. The VTW's Governing Council and its Chief Executive have a duty to strategically manage the administration by providing leadership and direction, and in doing so further develop a unified administration for the VTW and thus enable the delivery of an efficient and effective service. The President and Chief Executive have dual roles: the former being the statutory judicial head and also one of the Chairs of the VTW and the latter being the administrative head and also holding the position of statutory Clerk to the Tribunal. The Chief Executive is also the Regional Clerk for the East Wales Region of the Valuation Tribunal for Wales.

The work streams of the VTW mirror those of its predecessor Tribunals and primarily cover the hearing of Council Tax and Business Rate appeals. The VTW strives to continue to provide an effective, customer-focussed independent service to citizens, which results in the timely resolution of appeals and commands public confidence.

Following the successful introduction of the single Tribunal during 2010-11, this year provided a period of consolidation for the Tribunal. The VTW continued to pursue further improvements in its service to users in ways which reinforce and emphasise its independence. The development of policies and internal guidance to promote consistency across Wales formed a large part of the reporting period's work and continues to feature heavily in its future plans.

The VTW will continue to develop its members, staff, processes and technology to support its modernisation aims. These aims must also take full account of the developments across the world of tribunals in general.

S C Hill IRRV(Hons)  
Chief Executive – Valuation Tribunal for Wales

31 March 2012

## **1. The VTW's Main Functions**

1.1 The Valuation Tribunal for Wales (VTW) has both judicial and administrative functions, which are prescribed by the Valuation Tribunal for Wales Regulations 2010 ("the regulations").

1.2 The VTW has a statutory judicial function to hear and determine appeals against the valuation of property for Non-Domestic (Business) Rates, Council Tax and Drainage Rates. Other types of appeals within the Valuation Tribunal's jurisdiction are those lodged against Council Tax liability, Completion Notices and certain types of penalties imposed by Billing Authorities (Councils) or the Valuation Office Agency.

1.3 The VTW's administrative functions, in support of its judicial role, include:

- the provision of accommodation;
- the appointment of staff including the Chief Executive/Clerk of the Tribunal;
- the provision of information technology;
- the provision of equipment;
- the provision of training for members and staff;
- the co-ordination of the provision of general advice on procedure relating to VT proceedings; and
- the active management of issues of compliance.

1.4 The Valuation Tribunal is entirely independent of the Valuation Office Agency (VOA) which sets the rateable values on non-domestic properties and council tax bands for homes and the Councils that send out the rates and council tax demands.

## **2. The VTW's Organisational Structure**

2.1 Members are local volunteers who are appointed to the Tribunal jointly by the President and the Billing Authorities (BAs) in Wales. They sit on the panels that hear and determine appeals. Hearings are arranged at local venues, a feature recognised as providing benefit to the rate/taxpayer.

2.2 The VTW comprises four geographical regions and is administered from three offices situated on the M4 and A55 corridors. Offices are currently located at Carmarthen, Newport and Llandudno Junction. The latter office re-located from Colwyn Bay in late 2010.

2.3 Each of the four Regions that exist within the Valuation Tribunal has a Regional Clerk and Professional Tribunal Officer(s) (PTO(s)), together with administrative support staff. Professional members of staff provide legislative and procedural guidance and general support to the lay membership.

2.4 The VTW's Governing Council was established from 1 July 2010 and comprises six non paid members who are supported by VTW officers (the Chief Executive/Statutory Clerk and the Regional Clerks who form the Management Team). The statutory functions of the VTW are performed on its behalf by the Governing Council, its role being similar to that of a Board. The Clerks manage their

individual Regions and contribute to the Council's work and its endeavours to strive for uniformity of administrative operations and consistency in Tribunal practice across Wales.

2.5 The Governing Council comprises the President of the VTW, elected by the entire membership of the Tribunal, and Regional Representatives who are elected by those members from within the East, North, South and West Wales Regions of the Tribunal respectively. Welsh Ministers also make a single appointment to the Governing Council.

2.6 During 2011-2012, the members of the Governing Council were:

Mr J H Owens, President of the VTW (elected)  
 Mr E C Beaumont, East Wales Regional Representative (elected)  
 Mr H M McEvoy MBE, North Wales Regional Representative (elected)  
 Ms C Cobert JP, South Wales Regional Representative (elected)  
 Mr N K L Thomas, West Wales Regional Representative (elected)  
 Mr R G Parry OBE, Independent Welsh Government appointed member

2.7 Since the establishment of the Governing Council in July 2010, its Constitution, Procedural Rules and Standing Orders have been formulated and agreed. A Code of Conduct was drafted and signed by all members of the Governing Council and a central register of their interests has been established.

2.8 A total of 4 Governing Council meetings were held in 2011-12. Each meeting was attended by the permanent members of the Governing Council, however in the event that a Regional Representative is unable to attend the meetings can be attended by the respective elected Deputy Regional Representatives.

Member	Position	Meetings Attended	Elected	Appointment Ends
J H Owens	President	4	June 2010	June 2012
E C Beaumont	Regional Representative	4	June 2010	June 2012
H M McEvoy	Regional Representative	4	June 2010	June 2012
C Cobert	Regional Representative	4	June 2010	June 2012
N K L Thomas	Regional Representative	4	June 2010	June 2012
R G Parry	Independent Member	4	Appointed June 2009	June 2012

### 3. The VTW's Management Framework

3.1 The Management Statement and Financial Memorandum, which were finalised in September 2010, set out the relationship between the VTW and Welsh Government (WG) and define the terms and conditions under which Welsh Ministers provide funding to the Tribunal. They specify the limits of delegation and other rules, regulations and guidelines relevant to the exercise of the VTW's functions and detail how the VTW will be held to account. Payment of funds to the VTW is conditional upon the satisfactory performance of its obligations, as set out in the above

documents and such other conditions and requirements as the Welsh Ministers may from time to time impose.

3.2 The Governing Council has continued to promote enhancement of the management disciplines adopted by the VTW, which will in turn lead to a strong corporate governance culture that will ensure:

- proper process, propriety, scrutiny and accountability are demonstrated;
- policy and planning frameworks are established;
- comprehensive and robust accounting procedures are in place;
- clear guidance on effectiveness and efficiency are in place; and
- clearly supported compliance policies exist and continue to be developed.

3.3 In addition to the detailed statements regarding functions, compliance, responsibilities, policy framework, staffing and personnel management and periodic reviews of the service, the VTW considers that the aforementioned documents expect it to achieve the following key objectives:

- to establish a cohesive service within which policies on training, information technology, accommodation and staff terms and conditions are uniformly applied;
- to strive to improve customer understanding and satisfaction with the work of the Valuation Tribunal;
- to foster enhancement of the work of the VTW and its stakeholders to improve the appeals process;
- to seek to improve efficiency, effectiveness and consistency of service provided by the Valuation Tribunal; and
- to ensure that the Tribunal functions with absolute judicial independence, and is perceived as such by its 'customers,' so as to enhance public confidence.

3.4 During the year the Governing Council established three new committees to complement the existing Staff and Members' Training Committee with a view to assisting it in performing its statutory administrative and management functions. Expressions of interest in becoming a member of these committees were invited via a VTW Newsletter and members were chosen from those applicants who had expertise or experience within the areas of responsibility of these new committees. The new committees are:

- HR and Personnel – encompassing areas such as staff recruitment and retention, staff policies (e.g. Code of Conduct and Disciplinary/Grievance Policies) and superannuation.
- Compliance – monitoring the VTW's adherence to Welsh language, disability discrimination, health and safety and equality and diversity requirements etc.
- Finance and Audit – encompassing, inter alia, the VTW's financial procedures, risk assessment, budget setting and monitoring processes.

The first meetings of these committees took place in June/July 2011.

3.5 The Governing Council and the Management Team accept that progress in meeting modernisation objectives over recent years has been slower than desired. This was primarily due to the organisational changes, required as a consequence of the 2005 regulations, having arisen at a time when Tribunals were dealing with the

peak workload that emanated from the dual (Council Tax and Non Domestic Rating) 2005 revaluations. Progress has also been hampered by the consultation exercise leading to 'the new 2010 regulations', which impacted on limited staff resources and created a further period of uncertainty following previous short-lived organisational changes.

3.6 The administrative functions that are required to be performed by the VTW to support its judicial functions are similar to those performed by the English Valuation Tribunal Service (VTS), which in turn provides administrative support to the Valuation Tribunal for England (VTE). The availability of greater resources has enabled the English VTS to establish comprehensive administrative support, primarily out of its London head office. Its head office employs around 16 staff, many of whom have expertise in specific fields such as IT, HR, training, finance and compliance.

3.7 The current VTW management structure is primarily dependent on its Chief Executive and Regional Clerks to perform the senior administrative and monitoring functions that the VTW is required to carry out. These personnel have dual roles and are actively involved in the day to day core business of processing appeals, whether as Clerk or overseeing Professional Tribunal Officers, in addition to their senior administrative duties. Such arrangements hamper the VTW's ability to make progress at the same rate as its English counterpart.

#### **4. The VTW's Staff Structure**

4.1 As stated earlier, the VTW carries out its administrative functions from offices operating out of four regions (North, South, East and West Wales). Each region has a 'Regional Clerk' who provides local leadership and managerial direction. They also assist the President in his statutory duty to secure arrangements for the determination of appeals.

4.2 Following the advent of the VTW, all members of staff were informed of their transfer of employment, from the Valuation Tribunal Service for Wales (VTSW), under the same terms and conditions. Job descriptions have been updated to reflect recent changes in the organisation and, over the last year, new contracts of employment were issued to all members of staff to complement the initial letters that detailed their transfer to the new employing Tribunal under TUPE arrangements. A new Code of Conduct has been signed by all staff and several new staff policies have been drafted over the year, including a new Staff Travel and Subsistence Policy and Staff Disciplinary Procedures. An Organisational Change and Redundancy Policy, a Staff Grievance Procedure, a Bullying and Harassment in the Workplace Policy and a Whistle Blowing Policy were all approved during 2010-11. Any policy affecting members of staff has been the subject of staff consultation and UNISON approval, in accordance with the VTW's Union Recognition Agreement.

4.3 During the reporting period, 19 people were employed by the VTW, although the established complement is 20 (full time equivalent) members of staff. At 31 March 2012, the average age of members of staff stood at 47 years, 58% of the workforce was female and the average length in service was 16½ years.

4.4 Employees belong to four different pension funds within the Local Government Pension Scheme (according to location) and 100% of the workforce is included within these pension arrangements.

4.5 The VTW continues to monitor staff attendance and reports to Welsh Government on a monthly basis, as part of its remit to monitor staff absences within public service bodies. Long term absences within the VTW remain rare. Where such absences cause difficulties in matching human resources to workloads, peripatetic Professional Tribunal Officers work alongside Clerks to match resources to needs.

4.6 A total of eighty two days were lost to staff sickness during the year, which equates to a staff absence rate of just over four days per member of staff. Figures were distorted by the medium-term absence of one member of staff and they represent a small increase in comparison to the previous year's figure. However, the figure remains well below the public sector annual average of 8½ days absence per member of staff and compares favourably with other Welsh Government Sponsored Bodies (WGSBs).

## 5. Membership of the VTW

5.1 Prior to 31 March 2010, the maximum complement for the four VTs in Wales was 238 lay members, which included a single Welsh Government appointment to each Tribunal. All members of the previous Tribunals were transferred to the membership of the single VTW and transitional arrangements permitted these members to continue their respective terms of appointment to the "old" Tribunals. Any new appointments to the VTW needed to reflect the new regional complements, which cannot be exceeded. Over the year, the membership within some Billing Authority areas needed to be reduced in order to comply with the revised complements specified in 'the new VTW regulations'.

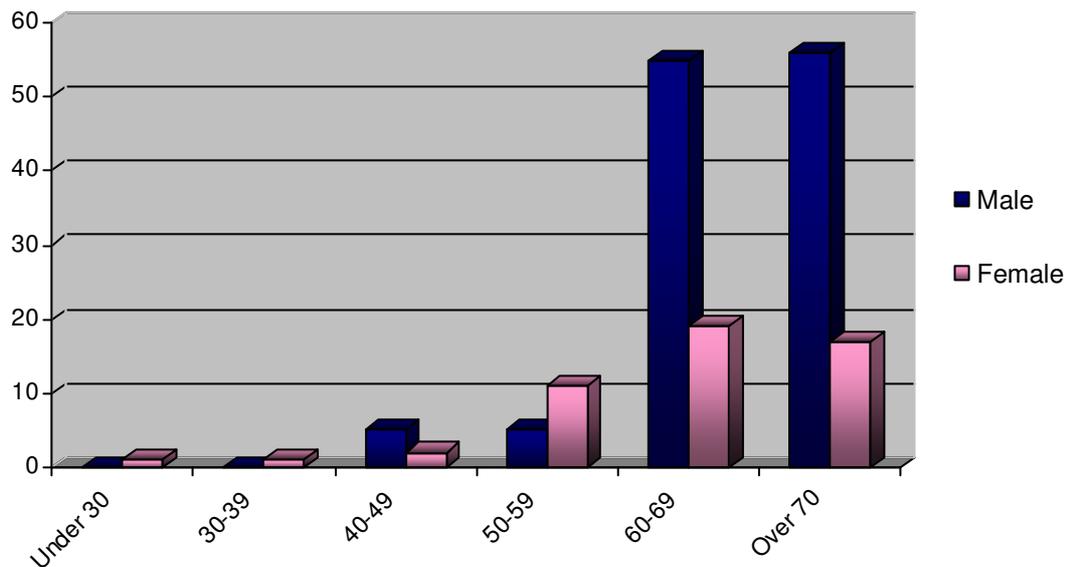
5.2 The Regional Complements from 1 April 2010 are:

<b>East Wales</b>	<b>48</b>	<b>South Wales</b>	<b>48</b>
<b>North Wales</b>	<b>46</b>	<b>West Wales</b>	<b>44</b>

5.3 The reduction in the membership complement has resulted in current members sitting more frequently, enabling them to gain broader experience of the Tribunal's jurisdiction.

5.4 The table overleaf provides an analysis of the membership by age and gender as it stood at 31 March 2012.

## Membership Profile by Age and Gender



5.5 The age profile, as has been the case for many years, shows members predominantly in the 60 years+ age bracket and the diversity of members in other respects, such as ethnicity and disability, is below 5%. Attempts have been made to address this disparity in membership, so as to reflect the diversity of populations within the respective regions, at times of recruitment. However, the voluntary nature of membership results in interest frequently emanating from the retired or semi-retired sectors of society. This is an area which needs to be addressed by the VTW and ways of encouraging applications for membership from under-represented groups will continue to be investigated.

5.6 The importance of maintaining effective communication with its voluntary membership, so that members are kept up to date with the impact of the various changes and how they may be affected, must not be forgotten by the VTW. A bi-annual Members' Newsletter was introduced for the first time during 2010-11 and has continued to be used to apprise members of developments within the Tribunal. This initiative addresses one of the goals identified within the VTW's Forward Plan.

## 6. Workload

6.1 The Valuation Tribunal continued to actively process appeals brought about by the 2005 Revaluations in Wales for both Council Tax and Non Domestic Rates (NDR). As anticipated, several thousand NDR proposals were submitted in the final months of the life of the 2005 Rating List. The VTW did not receive details of these 'late' appeals until the first quarter of 2010/2011.

6.2 The 2005 Council Tax 'Banding' Revaluation continued to provide the VTW with a steady flow of appeals. Although the deadline for the submission of general appeals expired in September 2006, appeals may still be submitted on limited grounds. Any appeals received after this 'cut-off date' have been lodged as a result of alterations to the Valuation List or changes in ownership/occupation of properties.

6.3 In addition to the late influx of 2005 Rating List appeals, the VTW has received significant numbers of NDR appeals against the 'new' 2010 Rating List. Few 2010 Rating List appeals were cleared during 2010/11. However, the VTW concentrated its efforts on the clearance of appeals lodged against the current Rating List during last year.

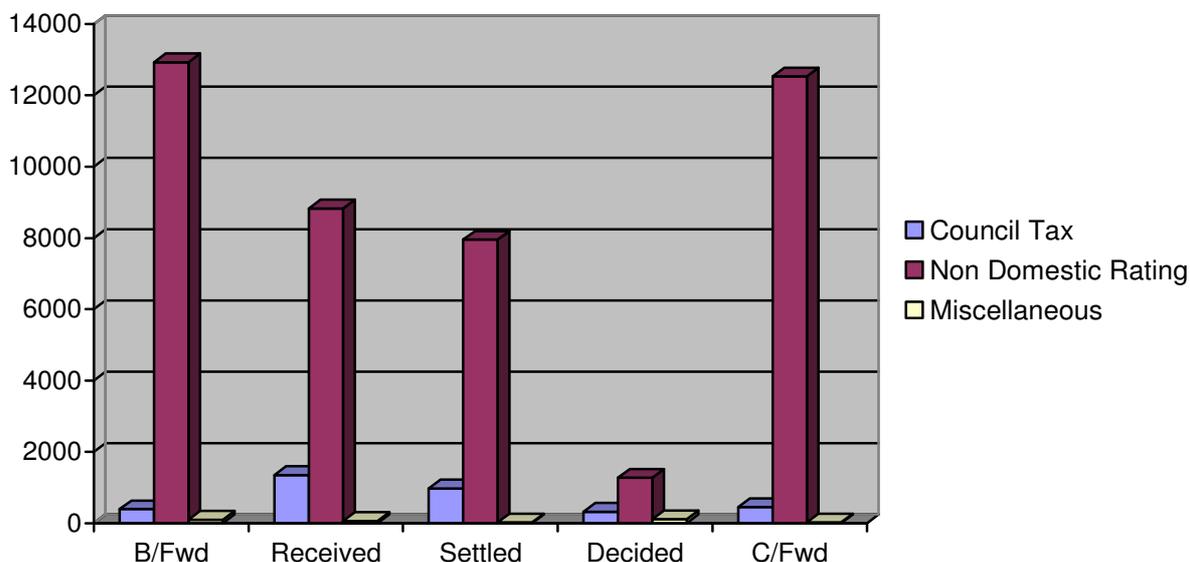
6.4 A total of 13,420 appeals were brought forward and during last year a further 10,241 appeals were received (the vast majority were in respect of the 2010 Non Domestic Rating List). In comparison with other Regions, West Wales received a proportionately higher number of Council Tax appeals and the South Wales Region received slightly higher numbers of Non Domestic Rating appeals. The majority of outstanding 2005 Rating List appeals were unable to be listed for hearing due to ongoing national negotiations in respect of the valuation of certain classes of property.

6.5 A higher proportion of tribunals arranged for the purpose of hearing Council Tax appeals resulted in substantive cases being heard when compared with those arranged for Non Domestic Rating appeals, where more appeals tend to be settled by withdrawal or agreement prior to commencement of the hearing. The Tribunal cleared 10,655 appeals over the period, of which 1,709 appeals were heard and determined. Of those appeals determined, nearly 12% (201) were successful.

6.6 At the close of the year, 24 miscellaneous appeals (mostly Council Tax Liability and Completion Notice appeals), 453 Council Tax valuation appeals and 12,529 Non-Domestic Rating appeals remained outstanding.

6.7 The chart below, based on the compilation of data from the four Regions shown at Appendix B, gives a visual depiction of the Tribunal's workload during the year. However, such statistics must be considered along with the caveat that numbers of appeals do not present the full picture, particularly insofar as rating appeals are concerned, where the hearing of an appeal can range from considering the assessment of a small workshop to that of a large integrated steelworks.

**Tribunal Workload by Appeal Type**



6.8 Five appeals against decisions of the VTW were lodged with the Upper Tribunal (Lands Chamber) during the year, three of which were settled by consent.

6.9 The Tribunal's listing policy ensures that Council Tax valuation appeals and miscellaneous appeals, those appeals made direct to the Tribunal (liability, completion notices and penalty appeals), are generally listed within six months of receipt.

6.10 Programming of Non-Domestic Rating appeals (non statutory) was introduced when the 2000 Rating List came into force and provides a defined period when appeals can be discussed between the parties with the aim of reaching settlement by a target date. Those appeals that remain unresolved at target date are listed to a valuation tribunal hearing, usually between 6-8 weeks after the target date, in accordance with the VTW's Best Practice Protocols.

6.11 Programming proved to be useful in the early years of the 2000 Rating List, where regulations encouraged early submission of proposals by restricting the back-dating of any alterations to the List. However, the 2005 Regulations, that govern the submission of proposals, removed these back-dating restrictions and effectively discouraged timely submission of appeals. The non-statutory nature of programming has resulted in a lack of co-operation of parties and coupled with the lifting of back-dating restrictions, the process is no longer perceived to achieve its intended aims.

6.12 Differences between the legislation in England and Wales prevents the operation of identical procedures by the VTE and the VTW. However, in response to the VTE's Practice Statements, the VTW developed a suite of Best Practice Protocols that advise parties of the VTW's expectations and apprise parties of the VTW's standard procedure in relation to the handling of appeals at every stage in their life cycle. These Best Practice Protocols are considered to be a positive step towards achieving uniformity of Tribunal procedure across Wales and received approval from the Governing Council prior to being published on the VTW's website last summer.

## **7. The VTW's Estate**

7.1 The administrative offices of the four regions of the VTW will, for the time being, continue to be situated at three strategic locations in Wales. The offices located in West and South East Wales were subject to a Welsh Government initiated Strategic Estate Review in late 2008.

**The East and South Wales Administrative Offices** are both located in a recently refurbished building situated at 22 Gold Tops, Newport. This building is leased until October 2014 and is generally considered to be fit for purpose.

**The North Wales Administrative Office** moved from Colwyn Bay to the new Welsh Government Building in Llandudno Junction in late 2010. Welsh Government's decision to re-locate the office was essentially based on the availability of space at the Llandudno Junction building, which entailed no additional cost to the exchequer.

**The West Wales Administrative Office** is situated in a town centre 1<sup>st</sup> and 2<sup>nd</sup> floor office building at 14 King Street, Carmarthen. The Court Service, which had occupied the ground floor, vacated the building in March 2012. The building is owned by Welsh Government but, in the absence of a lift, the accommodation falls short of Disability Discrimination Act (DDA) compliance. Welsh Government has decided to dispose of the building as part of its own review of its estate and preparatory investigation into sourcing suitable alternative accommodation for the West Wales Region was started during the latter part of the year.

7.2 The VTW engages a national company to perform its planned and preventative maintenance. This arrangement was reviewed by the VTW and a new, more flexible contract was renegotiated from April 2011.

7.3 The VTW hires accommodation at numerous venues to conduct its judicial functions. Hearings need to be held at convenient locations and in suitable premises. The key elements that are considered when sourcing suitable accommodation for hearing rooms are:

- ease of accessibility including the availability of car parking facilities;
- demonstration of appropriate independence from the bodies whose decision is being appealed;
- compliance with the Disability Discrimination Act (DDA) and Health and Safety (H&S) provisions;
- the meeting of user expectations; and
- the provision of value for money.

7.4 It is quite a balancing act to meet all these requirements, particularly mindful of costs and the part-time use of hearing rooms. Modern local authority premises provide ideal facilities but the Tribunal is mindful that their hire might be perceived to impinge upon the perception of the Tribunal's independence and neutral venues are secured wherever possible.

7.5 Each Region of the VTW continues to review and update its venue register to ensure Health and Safety and DDA compliance.

## **8. Information Technology**

8.1 Each office has sufficient personal computers (PCs) to enable staff to access the VTW's central database. These PCs run Windows XP software along with Office 2007 applications, including Outlook (e-mail facilities). Multi-function printers that allow document scanning, fax, photocopying and e-mail facilities directly from the printer are provided at each office location. The technological refresh of desktops, printers and servers has enabled the VTW (in conjunction with the English VTS) to continue to receive comprehensive support and maintenance for all its IT services.

8.2 The centralised database links all of the Welsh offices using a Wide Area Network (WAN). Network connections to all offices were upgraded during 2009, which has enabled staff to enjoy greater bandwidths and has also assisted in the GSI accreditation process, requiring greater levels of data security to be demonstrated.

8.3 The move from a GSX to a GSI accredited network will also result in the future possibility of remote access to the WAN and central database and could enable more flexible working practices, such as remote working, to be adopted by staff.

8.4 The VTW (as part of a larger English VTS contract) sub-contracts support and development services in respect of the Central Database from Capgemini via the VOA, who in turn sub-contract Capgemini services as part of the much larger overarching contract with Her Majesty's Revenue and Customs (HMRC).

8.5 The VTW's website [www.valuation-tribunals-wales.org.uk](http://www.valuation-tribunals-wales.org.uk) was re-branded and re-launched in late summer 2007. The website is bilingual, more customer focused and adheres to current accessibility guidelines. It now features all VTW literature in PDF format, together with contact details for all the Regional VTW offices and the Chief Executive. The site is used to promote the VTW, including the recruitment of potential new members, and to publicise new initiatives as and when appropriate.

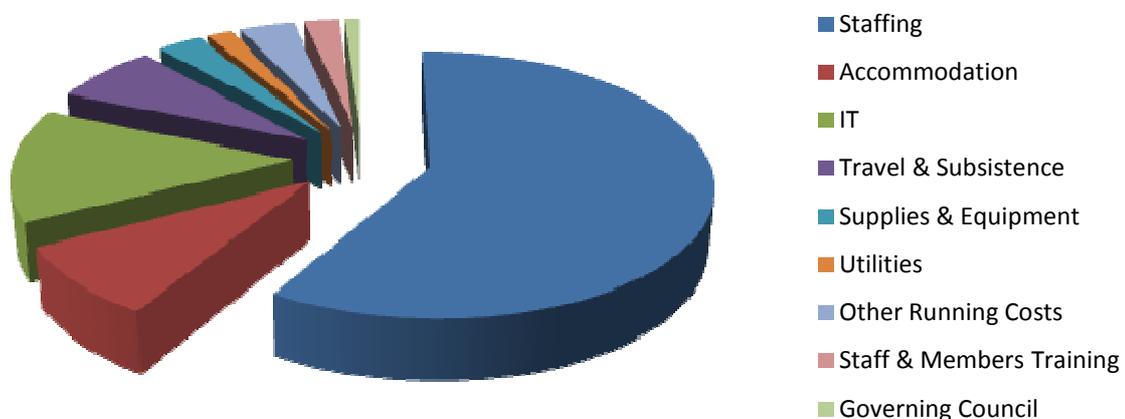
8.6 Future planned developments include the provision of dedicated members' pages, which will be used to inform members of new developments e.g. higher court decisions, changes to legislation, consultations and future events.

## 9. The VTW's Resources

9.1 The overall costs of running the Tribunal, averaging around £1.1 Million per annum in recent years, is funded by Welsh Government. The expenditure heads vary little from year to year. The VTW is treated as a Welsh Government Sponsored Body (WGSB).

9.2 Last year's budget allocation was £1.239 Million. The predominant headers, being relatively fixed, are staffing costs, IT and accommodation which represent circa 80% of expenditure. Appendix C provides a detailed breakdown of the VTW's expenditure for 2011/2012, which is illustrated in the chart below.

**Expenditure 2010/2011**



9.3 The VTW has operated with less than its full complement of staff during 2011-2012 and its Chief Executive also shares the role of Regional Clerk to East Wales, leading to considerable savings being made in respect of its staffing budget. The VTW, mindful of the imminent closure of the Carmarthen office and the need to source alternative office accommodation, also needed to ensure that sufficient contingency funds were retained to cover the costs of this move. These items contributed to the VTW's end of year budget surplus.

9.4 The Chief Executive on behalf of the Governing Council is the designated officer for safeguarding the VTW's public funds and has responsibility for ensuring the propriety of the use of these funds. Such requirements run hand in hand with the requirement to seek efficiencies. The establishment of a Finance and Audit Committee during the first quarter of 2011/12 has assisted the Governing Council with its compliance and monitoring responsibilities in this area.

9.5 However, saving money should not be the sole driving force in seeking efficiency. The VTW in seeking such efficiency and value for money must in parallel:

- seek greater customer focus;
- seek enhancement of its independence and the perception of such;
- seek to project a strong public image of fairness and effectiveness;
- seek to ensure training and dissemination of information translates into consistency of practice and procedure without impinging upon its judicial independence;
- seek to streamline the internal management process; and
- seek to utilise people and resources effectively.

## **10. Risk Management Overview**

10.1 Over the last year the VTW, as part of its modernisation programme, developed its rather piecemeal risk management strategy into a single policy. The VTW's Risk Management Policy received approval from the Governing Council in June 2011 and addressed one of the recommendations made in a recent Control Environment Review conducted by Welsh Government's Internal Audit. It also contributes towards Corporate Governance best practice advocated within the Management Statement and Financial Memorandum.

10.2 The principal objective of risk management is to provide the VTW and in turn Welsh Government with a means to protect itself from potential adverse affects of risk and to enhance its organisational aims.

10.3 The VTW aims to ensure that its exposure to adverse risk is kept within tolerable limits and systems are in place to monitor opportunities and threats.

10.4 Risk management will enable the VTW to:

- take a proactive approach, anticipating and influencing events before they happen;
- take a balanced view of opportunities and threats;
- facilitate more informed decision making and contingency planning;

- assist it in achieving performance targets; and
- increase efficiency/use of resources.

10.5 Members of the Governing Council and senior staff received Risk Management training at the beginning of the year and the initial focus was to develop registers that contained details of those areas of particular concern where risk awareness already existed:

- *Finance and Audit* – including the review and thorough documentation of the processes for payment and authorisation of travel and subsistence claims and invoices;
- *IT* - ranging from a review of data security to planning for the possibility that the VTW may be faced with having to maintain its IT platform alone;
- *Compliance* - with emphasis on monitoring the VTW's performance in relation to meeting its requirements in respect of Health and Safety, Welsh Language and Equality;
- *Personnel/HR* - ranging from addressing the absence of a dedicated HR resource to the threat of insufficiently motivated and trained staff to meet potential need;
- *Training of Staff* - multi skill expectations; and
- *VTW* - being able to stand alone as VTS England moves away from common systems and legislation in England and Wales diverges.

10.6 Following adoption of the Risk Management Policy, each Region has compiled a register of risks to its local operations and the greatest significant local risks have been recorded in the Corporate Risk Register. These Risk Registers record the actions that need to be taken to mitigate risks to the organisation as much as possible. The overriding purpose of the Policy is to reduce the Tribunal's exposure to those risks that could frustrate its operation or damage its reputation.

## **11. Training and Development**

11.1 The long established Staff and Members Training Committee put together an impressive and comprehensive training programme during the report year.

11.2 Training was arranged for all members via four seminars that took place in June, July and September 2011 and March 2012. All chairmen were invited to attend a two day training seminar that was arranged in October 2011. Supplementary training was also delivered to members at each of the Annual Regional Meetings of the Tribunal. A joint training event covering risk management was attended by Governing Council members and senior management staff and any new members are required to attend in-house induction training and to observe several tribunal hearings before they are able to sit as a member.

11.3 Professional staff (Regional Clerks and Professional Tribunal Officers) attended three practitioners' events arranged in April 2011 and January and March 2012. An all Wales staff day was arranged in November 2011 and professional staff attendance a number of conferences run by the Institute of Revenues Rating and Valuation (IRRV) and external professional bodies.

11.4 The Judicial College, previously the JSB, has for a decade or so been integral to our training programme for Chairs. Although its courses are not specifically tailored to Valuation Tribunal work, they provide training that ranges from chairing skills to competencies and appraisal. The VTW has sent a select number of delegates each year on a rota system.

11.5 Members of staff in the service have always been encouraged to engage in career development studies and are sponsored to attain relevant qualifications. The VTW's objective to ensure that all Professional Tribunal Officers are fully qualified IRRV members, or members of an equivalent recognised professional body, has progressed to the extent that practically all officers are either fully qualified or have achieved the IRRV Technician grade. Several members of staff have attended courses to enhance their Welsh Language proficiency and funding has been made available to encourage staff improvement in this area.

11.6 Training provided to staff and members has exceeded the VTW's performance indicator for this aspect of its work.

## **12. Customer Care**

12.1 The VTW has continued to develop its customer care initiatives. It is committed to continuing to seek improvement and refinement through its practices and procedures; integrating such qualities as those listed below into its policies.

- To arrange hearings at venues reasonably local to appellants.
- To respond positively to genuine requests for early hearings.
- To endeavour to ensure tribunal proceedings strike a balance between informality and procedural rectitude in order that appellants are not overawed by the proceedings.
- To provide sufficient guidance and supplementary notes to Tribunal users.
- To ensure correspondence receives a response within five working days.
- To offer a prompt and courteous telephone answering service.
- To attempt to provide appellants with an estimated time of hearing when there are several appearances at a single tribunal sitting.
- To assist non-English speaking persons to complete the administrative process and progress their appeal.
- To give at least six weeks' notice of hearing for appeals.
- To endeavour to accommodate special needs of customers.

12.2 Such practice provides a sound base from which to impart a good service to the public and avoids, in the main, ground for complaint. The above list is not exhaustive and should be read in conjunction with other policies, practice statements and protocols.

## **13. Complaints**

13.1 The VTW maintains a register of all complaints received in its offices. Our Complaints Policy is issued to anyone expressing dissatisfaction with the service they receive from the Tribunal's administration.

13.2 During the year, 1 complaint was referred to the Chief Executive for investigation. The complainant was advised to contact the Public Service Ombudsman for Wales in the event that they were not satisfied with the outcome of the investigation. The complaint proceeded no further.

13.3 The performance indicator that set a target for a reduction in the number of complaints received by the VTW was comfortably exceeded.

## **14. Equality and diversity**

14.1 The VTW is fully committed to equality of opportunity in the workplace and endeavours to ensure that all job applicants are treated fairly regardless of sex, sexual orientation, age, race, disability or religion. In parallel with its lay membership, the VTW aims to recruit and retain members of staff that reflect the diversity of society in general. The VTW values each individual member of its workforce and appreciates their contribution in helping to shape the organisation and its service delivery. The VTW's new Equality Policy received Governing Council approval in March 2012.

14.2 In support of its provision of services to the public, VTW guidance leaflets are available in a bilingual format and other documents are provided in the language of choice (English/Welsh). The VTW is able to conduct its tribunal hearings through the medium of English or Welsh and, if necessary, is able to provide interpreters for appellants attending a hearing where their language of choice is neither of the above.

## **15. Disability Discrimination**

15.1 The Disability Discrimination Act requires the VTW to review its operations in endeavouring to secure compliance. The Tribunal believes that reasonable measures are now in place to ensure that the facilities provided by external venues meet the requirements of the Act. Communication equipment is available to all tribunal taking staff to enable hearing impaired appellants to fully participate when attending a tribunal. The VTW aims to be 'user-friendly' in respect of appellants with disabilities.

15.2 Two of the three office locations are fully compliant with the provisions of the Disability Discrimination Act, in respect of both the general public and staff, and the third office is partially compliant. The VTW values the skills and experience of disabled persons, whether they are staff or members, and will endeavour to make good use of their abilities as and when the opportunity arises.

15.3 The VTW is acutely aware that it must not be complacent with regard to compliance in relation to the Disability Discrimination Act and this is the subject of ongoing review.

## **16. Health and Safety**

16.1 All members of staff have attended one-day seminars which outlined the obligations under current legislation. The appointment of specific Health and Safety officers at each office location has been addressed following their attendance at HSE approved training courses. All members of staff have received basic First Aid training, a member of staff from each office has received Appointed First Aider training and Fire Marshall courses have been attended by all officers who have assumed this role. All First Aiders and Fire Marshalls received refresher training during the year.

## **17. Data Protection and Freedom of Information**

17.1 During the year, the VTW received and responded to two requests made under the Freedom of Information Act 2000. Although the VTW is not specifically covered by the Act, it entertains any requests within the spirit of the legislation.

## **18. Administrative Justice and Tribunals Council**

18.1 In implementing changes and conducting business, the VTW will need to be mindful of its external and internal environment.

18.2 The Administrative Justice and Tribunals Council (AJTC) emerged in the autumn of 2007 as the successor to the Council on Tribunals and within a year, the Welsh Committee of the AJTC was established.

18.3 The AJTC is an advisory non-departmental public body which keeps the overall administrative justice system under review.

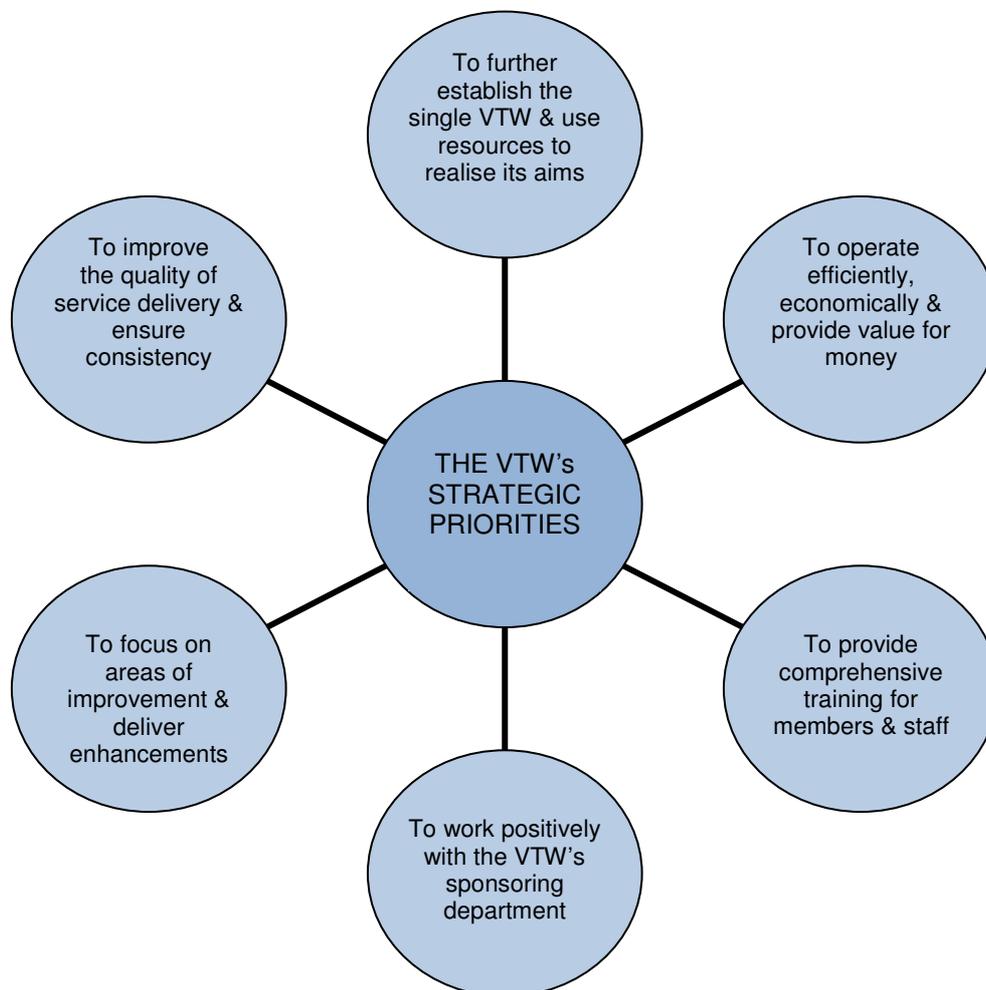
18.4 The Welsh Committee has declared that it considers there is a need for a coherent policy for Administrative Justice in Wales encompassing a separation of powers in relation to policy, funding and administration of Tribunals in Wales, which prompted its issue of a report Review of Tribunals Operating in Wales in January 2010. In response to this Review, Welsh Government commenced a feasibility study, in early 2012, to investigate whether the VTW's administrative functions could be transferred to its newly formed Administration of Justice Unit. To date, the VTW is not aware of any recommendations emanating from this Review.

## **19. The VTW's Strategic Objectives for 2012/13**

19.1 The VTW's strategic objectives for the year ahead are:

- to further establish the single VT and to utilise resources to realise its aims;
- to improve the way in which the VTW works to ensure consistency and achieve the provision of a higher quality service to our customers;
- to operate in ways which are efficient, economic and provide value for money;
- to continue to provide a comprehensive programme for member training and staff development;

- to recognise areas of focus for improvement and develop programmes to deliver these enhancements; and
- to work positively with its sponsor department to ensure that legislation and the VTW's internal procedures are 'fit for purpose'.



## ANALYSIS OF THE MEMBERSHIP OF THE VALUATION TRIBUNAL FOR WALES

(As at 31 March 2012)

Age	Under 30		30-39		40-49		50-59		60-69		Over 70		Total	Billing Authority Members (max 1/3)	Of which are Chairs	Total in Office	Full Complement
	M	F	M	F	M	F	M	F	M	F	M	F					
East Wales	0	0	0	0	1	1	2	2	5	5	14	7	30	15	10	45	48
North Wales	0	0	0	0	1	1	0	5	3	15	3	31	12	8	10	43	46
South Wales	0	1	0	1	0	0	1	3	8	11	4	26	17	6	10	43	48
West Wales	0	0	0	0	3	0	3	1	3	16	3	34	7	13	10	41	44
<b>Total</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>5</b>	<b>2</b>	<b>11</b>	<b>11</b>	<b>19</b>	<b>56</b>	<b>17</b>	<b>121</b>	<b>51</b>	<b>36</b>	<b>40</b>	<b>172</b>	<b>186</b>
% of Total	0.0%	2.8%	0.0%	0.6%	2.9%	1.2%	6.4%	32.0%	11.0%	32.6%	9.9%	70.3%	29.7%	20.9%			

## Appeal Clearance Data 1 April 2011 to 31 March 2012

Appeal Type	Council Tax Valuation Appeals		Non-Domestic Rating List 2000		Non-Domestic Rating List 2005		Non-Domestic Rating List 2010		Miscellaneous (e.g. Liability/Penalties)*		All Appeals	
	Region	Total	Region	Total	Region	Total	Region	Total	Region	Total	Region	Total
<b>Brought Forward</b>	East	71	2		773		1496		4		2346	
	North	75	2		1072		2065		8		3222	
	South	107	0		1668		2721		21		4517	
	West	141	0	4	1179	4692	1951	8233	64	97	3335	13420
<b>Received</b>	East	256	0		104		1638		6		2004	
	North	375	0		61		1890		18		2344	
	South	194	0		190		2663		21		3068	
	West	528	0	0	90	445	2190	8381	17	62	2825	10241
<b>Settled</b>	East	196	0		268		1215		3		1682	
	North	320	2		373		1488		3		2186	
	South	134	0		865		2098		15		3112	
	West	324	0	2	371	1877	1269	6070	2	23	1966	8946
<b>Decided</b>	East	68	0		37		242		6		353	
	North	67	0		34		219		18		338	
	South	82	0		53		387		15		537	
	West	103	0	0	18	142	287	1135	73	112	481	1709
<b>Allowed</b>	East	10	0		6		29		0		45	
	North	8	0		13		18		7		46	
	South	1	0		7		9		5		22	
	West	9	0	0	4	30	25	81	50	62	88	201
<b>Carried Forward</b>	East	63	2		572		1677		1		2315	
	North	63	0		726		2248		5		3042	
	South	85	0		940		2899		12		3936	
	West	242	0	2	880	3118	2585	9409	6	24	3713	13006

## Valuation Tribunal for Wales Expenditure 2011-2012

Area of Expenditure	Allocated Funds	Expenditure	Funds Remaining/Overspent	% Annual Spend
Salaries	608,000.00	593,616.48	14,383.52	98%
Superannuation	122,000.00	93,479.38	28,520.62	77%
Sub Total	730,000.00	687,095.86	42,904.14	94%
Accommodation Costs	90,000.00	102,280.53	-12,280.53	114%
Computers	177,000.00	162,082.35	14,917.65	92%
Travel & Subsistence	80,000.00	83,706.81	-3,706.81	105%
Supplies & Equipment	35,000.00	34,951.97	48.03	100%
Utilities	20,000.00	19,488.26	511.74	97%
Other Running Costs	50,000.00	42,394.55	7,605.45	85%
Training	35,000.00	26,430.66	8,569.34	76%
GCVTW	22,000.00	11,958.91	10,041.09	54%
Receipts		-112.24	112.24	
Sub Total	509,000.00	483,181.80	25,818.20	95%
Total Expenditure	1,239,000.00	1,170,277.66	68,722.34	94%