

# **VALUATION TRIBUNAL FOR WALES**

## **ANNUAL REPORT 2013-2014**

## Table of Contents

<b>Sections</b>	<b>Page</b>
Foreword by the President of the Tribunal – Carol Cobert	2
Introduction by the Chief Executive – Andrew Shipsides	3
1. The Valuation Tribunal for Wales and its main functions	4
2. The VTW’s Organisational Structure	6
3. The Governing Council and its committees	8
4. The VTW – Welsh Government management framework	11
5. The VTW’s Staff Structure	13
6. Membership of the VTW	16
7. Training and Development	18
8. Workload	19
9. Complaints	21
10. The VTW’s Estate	22
11. Information Technology	24
12. The VTW’s Financial Resources	26

### Appendices

<b>A-1</b>	Workload Statistics for 2012/2013
<b>A-2</b>	Workload Statistics for 2012/2013 – Analysis of Miscellaneous Types
<b>B</b>	Valuation Tribunal for Wales Expenditure 2012/2013

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

Welcome to the Valuation Tribunal for Wales' Annual Report for 2013-14.

It has been an unusual and demanding year with much attention given to the election process which was concluded satisfactorily with Chairs, Regional Representatives and Deputy Regional Representatives being elected as well as the re-election of myself as President and also the Governing Council members for a new biennial term.

It has been particularly pleasing to welcome new members of staff who have settled in well and who complement the existing staff.

I welcome new members who have been appointed to the service and thank all our chairs and members for the efficiency in which they conduct appeals. The core business of the Tribunal has been thoroughly attended to and again the number of complaints and referrals to higher courts has been extremely low.

Training is essential for members enabling them to be proficient in their service delivery and I congratulate the Training Committee for the content and amount of training that it has organised during the past year.

I am encouraged by the progress that is being made to develop further Welsh language skills and the awareness of responding in both written and spoken form to those who approach the Tribunal using the language.

In conclusion, I thank the Chief Executive, Regional Clerks and all the members and staff of the Tribunal who have collectively contributed towards the efficient and effective service delivered by the VTW during past year.

**Carol Cobert**

President - Valuation Tribunal for Wales

## **Introduction by the Chief Executive**

I joined the Valuation Tribunal for Wales in March 2013. This report covers my first full year as CEO.

The year has been characterised by a substantial amount of training for staff and members alike. This was driven by two main factors. One was the widening of the Tribunal's jurisdiction to include appeals emanating from people aggrieved by local billing authorities' handling of the new Council Tax Reduction Scheme (CTRS) – the replacement of the Council Tax Benefit scheme, as a result of substantial UK Government welfare reforms. The other was a significant intake (for the Tribunal at least) of new staff, to fill holes which had developed over a number of years and to be ready for (a) the new CTRS appeals and (b), looking further ahead, the usual uplift in appeals which occurs at the end of a rating list and the beginning of its successor. In addition to these significant drivers, we also introduced a long-debated and long-awaited members' appraisal scheme. This too saw us turning time and money to further training – both of the appraisers and the first set of appraisees (our chairpersons). In amongst all this additional training, we continued to run our annual cycle of training, including members' and staff days, practitioners' days and a chairpersons' conference. I have discovered that the Valuation Tribunal takes the development of its people very seriously indeed; and I am indebted to the Governing Council's Training Committee, and its secretary Mrs Wendy Beynon, for the vast amount of work they have powered through this year.

Likewise, I am also indebted to our Welsh Language Committee, and its hard-working secretary Dr Ann Smith, for their work in anticipation of the introduction of Welsh language standards by the Welsh Language Commissioner. In conjunction with the Training Committee a spin-off from this work was the staging of some mock tribunals, held completely in the medium of Welsh, to help Valuation Office Agency staff, who present before our tribunals, develop and perfect their language skills. The Tribunal has a strategic aim to be an improving organisation with regard to Welsh, in terms of its receptivity, accessibility, and responsiveness.

My first full year at the helm of this organisation has been busy, instructive, fun and challenging. I am grateful for the way I have been received by the Governing Council, chairpersons, ordinary members and staff. The VTW has a successful history through its predecessor organisations – with very few referrals to the superior courts, and very few complaints. It is proud of its public service ethos; and it is always seeking to improve. I hope I have helped it a little along its way this year – and I am looking forward to the next.

Andrew Shipsides  
Chief Executive – Valuation Tribunal for Wales

## 1. The Valuation Tribunal for Wales and its main functions

- 1.1 The Valuation Tribunal for Wales (VTW) was established by statutory regulation on 1 April 2010. It is a single all-Wales body, which combines and replaces a number of predecessor, locally based bodies spread throughout the principality, dating back, in various forms, to the creation of local valuation courts under the Local Government Act 1948. In this way, it has a long and successful history, having dealt with hundreds of thousands of appeals over the decades, with very few referrals to the superior courts. The VTW's current judicial and administrative functions are prescribed by:
- the Valuation Tribunal for Wales Regulations 2010 (as amended in 2013),
  - regulations 19 to 37 of the Non-domestic Rating (Alteration of Lists and Appeals) (Wales) Regulations 2005 (as amended),
  - regulations 16 to 32 of the Council Tax (Lists and Appeals) Regulations 1993 (as amended),
  - Schedule 4A of the Local Government Finance Act 1988, and
  - Sections 45 and 46 of the Land Drainage Act 1991 (as amended).
- 1.2 The VTW has a statutory judicial function to hear and determine appeals against the valuation of property for non-domestic 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 (the Welsh unitary authority 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 management of statutory compliance issues.
- 1.4 The Tribunal is a Welsh Government Sponsored Body (WGSB); and so funding is provided by Welsh Government (WG) on an annual budget basis, under a formal framework agreement. The agreement arrangements were reviewed and revised this year, in line with a regular review policy and triggered by a change in Chief Executive Officer in March 2013. (Further details are presented later in this report.)

- 1.5 Other than the *arm's length* co-operative management arrangements agreed with WG, the Valuation Tribunal is an entirely independent body. Importantly it is completely independent of the Valuation Office Agency (VOA) which sets the rateable values on non-domestic properties and council tax bands for homes and the billing authorities who send out the rates and council tax demands.

## 2. The VTW's Organisational Structure

- 2.1 The VTW comprises a membership that hears and determines appeals, and a staff that provides support services to the membership. Regulations currently prescribe that the Tribunal should consist of a minimum of 186, and a maximum of 236, members. There are 21 staff (all full time).
- 2.2 The members are local volunteers who are appointed to the Tribunal jointly by the President and the billing authorities (BAs) in Wales, for periods up to six years. Renewed periods of appointment are permissible, and so members can stay with the Tribunal for long, continuous periods of time. Members are unpaid, but they can claim travel and subsistence expenses.
- 2.3 The membership and staffing are grouped into regional teams (north, south, east and west). This geographical arrangement is set by regulation with regard to the membership, principally to provide a mechanism for populating the Tribunal's Governing Council and to provide a local service to tribunal users. Members may sit anywhere in the country, but for practical and economic-efficiency purposes they tend to serve within their appointed region. Each region has a staff team of five, comprising a mixture of tribunal officers who undertake the majority of case management activities and provide procedural and legal advice to members, and administrative support officers who provide clerical support services. Each team is headed by a senior case management/advice officer, who is known as the Regional Clerk.
- 2.4 There are ten chairpersons in each region. They are elected by the full membership and serve in this capacity until their ordinary term of membership expires. If they are reappointed as an ordinary member, they may stand for re-election as a chairperson.
- 2.5 The President of the Tribunal is elected by the full membership for a two year period of office. However this can be cut short if the elected person's period of ordinary appointed membership expires, notwithstanding a renewal of that ordinary membership. This occurred at the end of this reporting year and prompted an earlier than usual election process. The President leads the Governing Council.
- 2.6 The Governing Council is the Tribunal's leading and policy-making body. The council is statutorily required, and it is composed of the President, four Regional Representatives (who are elected from amongst the chairpersons of each region), and an independent person appointed by Welsh Government. The term of office for Regional Representatives is two years, unless this is cut short by the expiry of their ordinary membership (notwithstanding any immediate renewal). The term of office of the Welsh Government appointee is fixed by Welsh Government under their own rules. Governing Council members are unpaid, but they may claim travel and subsistence expenses.
- 2.7 The Chief Executive of the Tribunal is appointed by the Governing Council, but the appointment is subject to the approval of Welsh Ministers. The Chief Executive is also Clerk of the Tribunal. The Chief Executive leads the staff

management team (which comprises him or herself and the four Regional Clerks).

- 2.8 The Tribunal operates from three offices. The north region is based at Welsh Government buildings in Llandudno Junction. The west region is located at government buildings in Penllergaer (on the outskirts of Swansea). And the east and south regions are located in privately rented accommodation in Newport. Some tribunal hearings are convened at Penllergaer and Newport; but none are held at Llandudno Junction where access to suitable hearing rooms cannot be guaranteed. Most tribunal meetings take place within hired venues across the country, with a view to providing a reasonably geographically-friendly service to the Tribunal's users.

### 3 The Governing Council and its committees

- 3.1 At the opening of this reporting period the membership of the Governing Council was:

Miss CA Cobert JP, President of the VTW  
Mr CN Todd, East Wales Regional Representative  
Mr HM McEvoy MBE, North Wales Regional Representative  
Mr AHN Clatworthy, South Wales Regional Representative  
Mr JR Evans, West Wales Regional Representative  
Mr RG Parry OBE, Independent Welsh Government appointed member

- 3.2 During the year Mr HM McEvoy's term of appointment as an ordinary member expired (on 31 December 2013). Following reappointment as an ordinary member with effect from 1 January 2014 and subsequent elections for chairmanship and regional representative positions, Mr McEvoy was returned as a member of the Governing Council on 7 March 2014. Therefore at the close to the period (on 31 March 2014), the membership of the Council remained the same.

- 3.3 However, on the following day (1 April 2014) – technically just outside of the scope of this report – the ordinary memberships of the following Governing Council members expired:

Miss CA Cobert  
Mr CN Todd  
Mr AHN Clatworthy  
Mr JR Evans

All of these members were subsequently returned as members of the Governing Council following a series of different elections - resulting in differing future renewal dates. Full details will be contained in next year's annual report

- 3.4 The Deputy Regional Representatives, who are also appointed by election and who deputise when necessary at Governing Council meetings, at the opening of this reporting period were:

Mr KC Mock (East)  
Mr JB Jones (North)  
Mrs BC Martin (South)  
Mr NKL Thomas (West)

- 3.5 There was one change during the year when Mr JB Jones stood down as a chairperson of the Tribunal and as a deputy regional representative, at the time of the expiry of his term of appointment as an ordinary member on 31 December 2013. Although his ordinary membership was renewed, he chose not to stand as a chairperson or regional representative again. Consequently, following the required election process, Mr DR Prytherch was elected as Deputy Regional Representative for the North.

3.6 Attendances at the year's four Governing Council meetings are shown below:

*5 June 2013, 25 September 2013, 4 December 2013, 19 March 2014*

<b>Member</b>	<b>Position</b>	<b>Attended</b>	<b>Notes</b>
CA Cobert	President	4	
CN Todd	Regional Representative	2	Apology given - Jun Deputy attended
HM McEvoy	Regional Representative	3	Apology given - Mar Deputy attended
AHN Clatworthy	Regional Representative	4	
JR Evans	Regional Representative	3	
R G Parry	Independent Member	4	
KC Mock	Deputy Regional Representative	1	Deputising - Jun
DR Prytherch	Deputy Regional Representative	1	Deputising - Mar

3.7 All Governing Council meetings are supported by the attendance of the staff management team (ie the Chief Executive and Regional Clerks). Meetings taken place quarterly, and the meeting venues cycle through the regions: West (summer); North (autumn); East (winter); and South (spring)

3.8 At its autumn 2013 meeting the Council decided to broaden and improve the role of deputy regional representatives, from merely deputising at times of absence to also (a) receiving all Governing Council papers automatically when issued and (b) being invited to attend as a non-voting member whenever the meeting takes place in the deputy's region.

3.9 The Governing Council has created five advisory committees that report to it. These are:

- Compliance
- Finance and Audit
- HR Staff and Personnel
- Staff and Members' Training
- Welsh Language

These committees have met a varying number of times over varying time intervals during the course of the year, dependent upon the workload within each committee's area of responsibility and the availability of staff to service meetings. No formal timetable was laid out ahead of the year; and therefore the pattern of meetings has been *ad hoc* and not controlled centrally -- with secretaries (the Regional Clerks) and the chairpersons (members of the Governing Council) arranging their own meetings without knowledge of or reference to the broad spread of meetings. This issue has now been addressed with an annual committee cycle being introduced for 2014/15, with earmarked slots set for meetings spread across the year. Meetings can be cancelled if not required. The advance timetable provides a framework for the governance activities of the Tribunal and also allows Regional Clerks to plan their tribunal meeting timetables within this context.

- 3.10 The busiest committees during the year were the Training and Welsh Language committees. This reflects the facts that (1) there was a higher than normal training need during the year because of the inception of Council Tax Reduction Scheme appeals and a significant intake of new staff and (2) the preliminary stages of the Welsh Language Commissioner's development of language standards have demanded close attention to detail. The HR and Finance committees have been less busy; and the Compliance Committee did not meet at all. One of the reasons for the Compliance Committee not meeting was because it used to handle Welsh language work and this work has now been separated out and is being handled by a discrete language committee. Importantly and notably this year, the HR Committee finalised the contents of an appraisal system for members. This topic had been under discussion for a number of years. The suggested scheme was subsequently approved by the Governing Council and is currently being implemented (see the Members section later in this report).
- 3.11 Given this pattern of meetings over the reporting year and the subsequent the development of an annual committee cycle for the following year, the Governing Council has decided to look more closely at its committee structure for future years and has tasked the Chief Executive with reviewing the overall scope of the committees and whether any remodelling is required. If change is required this will be implemented during the course 2014/15, with a view to 2015/16 starting with a clear timetable and a clear structure.

## 4 The VTW – Welsh Government management framework

- 4.1 At the beginning of the reporting period the management framework agreed between VTW and Welsh Government (WG) was carried forward within two documents agreed in September 2010. These were a Management Statement and a Financial Memorandum. These set out the relationship between the VTW and WG and define the terms and conditions under which Welsh Ministers provide funding to the Tribunal. They specify the limits of spending delegation and other rules, regulations and guidelines relevant to the exercise of the VTW's functions, and they 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.
- 4.2 In January of this year WG proposed a revision of the current documents into one framework document. Much of the content would stay the same; but outdated financial delegation limits would be broadened. Following detailed discussions with the Chief Executive, a number of overly restrictive delegations were agreed to be moderated, releasing WG officials from having to make certain payments on behalf of the VTW (in particular with regard to accommodation matters) and improving the timely oversight of financial transactions for the Tribunal itself. An uplift in the Tribunal's available funds within its bank account (its imprest level) was linked to this agreement. This uplift would alleviate "pinch point" financial pressures felt at peak activity times, particularly when staging large, tribunal members' training events, when the call on funds grows significantly. Although not formally signed off until after the current reporting period, because of the absence of the WG's chief negotiating officer through illness, the changes carried in the new Framework document are significant and beneficial to both sides.
- 4.3 The successful discussions on the management framework, and the changes to the financial information exchange and monitoring arrangements that have flowed from these discussions, are testament to the good working relationship between the VTW and its WG sponsorship team. The Chief Executive and members of the team meet in person once a month, and are in regular email and telephone contact. The Tribunal's payroll function is undertaken by Welsh Government and so there is an obvious need for good liaison on at least a monthly basis. Financial monitoring arrangements have improved significantly on both sides during this year, with information being exchanged far more quickly at the end of the year than it was at the beginning. These new arrangements are now set to continue into future years.
- 4.4 There was a suggestion during the course of the year that the Tribunal's sponsoring team arrangements should shift from being conducted within the Local Government Finance and Performance division to Welsh Government's Administrative Justice Unit. This is entirely a matter for Welsh Government. However the Tribunal itself has been pleased this year with the way that the relationship between the Tribunal and the current sponsor team has developed and matured following a full refresh of the personnel in the team a

couple of years ago. The Tribunal values the way that the review of the management agreement was handled in a positive, pragmatic way; and it also values the policy insight that the current arrangement gives. Because there are already good working relationships at a person-to-person and administrative level, consultation on proposed changes to regulations (or other policy issues) which will or may impact of the work of the Tribunal is quick and easy. The monthly meeting of the Chief Executive with the team is enormously helpful in this regard. So far as the Tribunal is concerned one contact with Welsh government works well at both an administrative and policy level.

## 5. The VTW's Staff Structure

- 5.1 Each of the four regions has a Regional Clerk, responsible for planning and controlling the appeal work arising in their geographical area. The Clerks supervise their own small teams of dedicated staff, which include Professional Tribunal Officers (staff trained to advise members on law and procedure) and Administration Support Staff. This is a legacy of the regions being, in the past, discrete independent tribunals. The arrangement works well and individual members of staff at all levels have built up a high degree of specialist local knowledge. Some Professional Tribunal Officers (PTOs), prior to the advent of the VTW (ie a single national tribunal) were designated as peripatetic, which allowed management to call upon them to serve in areas outside their usual confines. This could occur because of long term staff sickness absence or an increase in workload in certain areas. Now that the organisation is a single tribunal, all PTOs may be asked to cover tribunals at any location within Wales.
- 5.2 Above the Regional Clerks is the role of Chief Executive, which also encompasses, under the VTW's governing regulations, the statutory position of Clerk of the Tribunal. The current Chief Executive Officer (CEO) is based with the North Wales regional team at the Government Buildings in Llandudno Junction. However location in the North is not an operational requirement. A future CEO may be based in any of the Tribunal's offices dependent upon proximity to their personal home. No matter where the CEO may be located, he or she is expected to visit the other offices with reasonable frequency – if possible, at least once per month. The current CEO is on a two-year fixed term contract (which began in March 2013). It is normal policy for the Tribunal to offer fixed term appointments, in the first instance, to employees entering the service, with a view to the term being extended or the post being made permanent on the basis of performance. [At the time of publishing this report (September 2014) the Governing Council has, with the approval of WG, offered this position on a permanent basis to the current incumbent, with effect from March 2015. This offer is conditional on successful completion of the remainder of the current time.]
- 5.3 The Chief Executive is supported by a Finance Officer/Personal Assistant (FO/PA), who also has responsibilities as an Administration Support Officer within the East Wales Region. This officer is therefore based in the Newport office. This is a legacy arrangement as a result of the current FO/PA being appointed by the previous CEO, who was based in Newport. Services provided by this officer to the CEO are facilitated by modern telecoms and the Tribunal's networked resources.
- 5.4 Staffing within the Tribunal tends to be very stable, with people joining and staying for some (often many) years. This year, however, has been an exceptional year for staff change. Two members of staff left during the year and five new personnel were engaged. The additional three personnel were taken on to balance out gaps in the *five persons per region* structure which had developed over time, and with a view to them being trained to deal with the new Council Tax Reduction Scheme appeals (which came on-stream this

year), as well as being fully prepared, through tribunal experience, to deal with the uplift in workload following the next non-domestic revaluation. Four of the new intake were taken on in June on fixed term contracts – in a similar arrangement to that described above with respect to the CEO. [Again similar to the CEO's position, the Governing Council has now offered, with WG approval, permanent contracts with effect from 1 April 2015. These offers are conditional upon continued satisfactory performance and have been accepted by the incumbents.]

- 5.5 All new staff were automatically enrolled in the Dyfed Fund of the Local Government Pension Scheme (LGPS), which is the Tribunal's current fund of choice. For historic reason, the tribunal has staff with membership in four different funds. The Tribunal may consider consolidating membership in a single fund in the future, if it is economically viable. Transfer costs may however be prohibitive.
- 5.6 At the end of the reporting period, the VTW employed a total of 21 people (all full-time). They fulfilled the following roles:
- Chief Executive Officer
  - 4 Regional Clerks
  - 10 Professional Tribunal Officers
  - 1 Finance Officer/ PA
  - 5 Administration Support Officers
- 5.7 In addition to the above salaried staff, the Tribunal engaged a freelance HR consultant-adviser to provide a 24-hour HR helpline facility throughout the year and four single-day office visits or training sessions. This consultant led the introductory training for the tribunal members' appraisal scheme that was introduced this year (see the Members section in this report).
- 5.8 As well as a formal appraisal system for members, this year saw the re-introduction of annual personal reviews for all staff. Full year reviews will now take place each January, with mid-year reviews taking place as mutually convenient in the summer months (June to August). Regional Clerks review the individual members of their team. The CEO reviews the Clerks. And the President reviews the CEO.
- 5.9 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. Sickness absence levels continued to be below the public sector average; but because of the small number of staff overall this could easily be affected by one person's genuine long-term absence. Accordingly there is great potential volatility in this measure; and review of past and future figures should always bear this in mind.
- 5.10 A third of the workforce (7 of 21) is bilingual in English and Welsh, with each regional team having at least one member of staff fully fluent in Welsh. Others have differing levels of proficiency. The CEO is a formal learner, attending regular classes in Llandudno Junction. The Tribunal promotes the

development of Welsh skills and readily funds appropriate training courses for those wishing to improve their language proficiency. Awareness of responding in Welsh to people who approach the Tribunal using the language is strong throughout the organisation; and great care and attention is given to providing our services to these users through the medium of Welsh, in both written and spoken form.

## 6. Membership of the VTW

6.1 The number of Tribunal members is determined by statutory regulation and is stated in terms of the number of members that can be appointed in relation to each local authority area throughout Wales. The appointments in relation to each area are made by joint appointment panels, comprising a representative, or representatives, of the council for the area concerned and the VTW President or, if authorised by the President, the relevant Regional Representative of the VTW Governing Council. The duration of appointments can be any period up to a maximum of six years. In practice, six years is commonly adopted and is the norm. Appointment panels generally convene once every two years and deal with the appointment of one third of the allotted complement for the region concerned. Ad hoc appointment panels may be convened at any time in order to deal with any significant mid-term fluctuation in membership, but this is unusual. Fluctuation in membership is usually as a result of deaths or resignations. Both are occasional events, and so membership levels tend to be stable over reasonably long periods of time. At the expiry of an appointment the member concerned may be reappointed. There is no upper age limit with regard to membership. Many of the current membership have been reappointed several times in their career with the Tribunal and its predecessor bodies, and so hold a great deal of experience in dealing with local taxation appeals.

6.2 The Regional complements throughout the reporting year were as follows:

<b>Region</b>	<b>Minimum</b>	<b>Maximum</b>
East Wales	48	60
North Wales	46	57
South Wales	48	62
West Wales	44	57

6.3 Currently the Tribunal is keeping its numbers at the minimum end of the range, as appeal numbers are showing a slight decline due to the current stage in the non-domestic rating revaluation cycle. Also Council Tax Reduction Scheme appeals are currently low in volume (this is Year 1). Although these are likely to increase in the coming years, the volumes are modest. The best correlation between required membership and workload volume is to be found by examining non-domestic rating figures; as rating operates (ordinarily) on a quinquennial revaluation cycle. Towards the end of the five-year life of a rating list we would expect appeal volumes to dwindle slightly; and we are at that point now as the current rating list was compiled in 2010. Then, in the last year of the list, we would expect to see an uplift in workload (ie "last gasp appeals"). Ordinarily we would be moving into that time in the coming year; however, we are in somewhat uncharted territory, as the compilation of the next list has been postponed until 2017. We are therefore in a longer subdued period than is usual before the "last gasp" uplift appears. Consequently it may become the case that the current minimum membership number will actually exceed our needs during much of the

coming two years. However as this number is fixed by statutory regulation there is no speedy mechanism to readjust this.

- 6.4 The end of this reporting year sees the expiry of the term of appointment of a significant number of members (ie a two-yearly tranche as indicated in paragraph 6.1 above). The Regional Clerks, together with their own Regional Representative, have accordingly worked hard to set up joint appointment panels with the local authorities in their area to make the required appointments and re-appointments in anticipation of the expiry dates, in order to provide for as little disruption as possible to the Tribunal's activities. Unfortunately not all joint appointment panels had met or had completed their work by the end of the period. These were few in number, but the fact that they exist at all is a consequence of the process being a joint responsibility. It is also a responsibility which local authorities have little incentive to prioritise, as the appointments themselves are personal appointments and not as representatives of the authorities in question. In practice, the Tribunal tends to find the candidates for appointment. Few (if any) are found by the local authorities themselves. The Tribunal however must agree all appointments with the relevant local authorities; it cannot make its own appointment solely in its own right. This can sometimes prove time-consuming and awkward to administer. The involvement of local authorities is an historic feature dating back to the Tribunal's original forebears in 1948. It is now proving something of an anachronism in the 21<sup>st</sup> century; but it is still enshrined in the Tribunal's governing statutory regulations. For the first time this year the tribunal used the public appointment pages on the Welsh Government website. This proved fruitful, garnering for the Tribunal a number of very high quality candidates.
- 6.5 This year the Tribunal introduced a member appraisal system for the first time, after several years of internal debate and discussion. Some preparations had been undertaken in previous years by sending members, who had been appointed assessors in anticipation of the introduction of a scheme, to relevant training provided by the (then) Judicial Studies Board. However, further training was given this year, following the Governing Council's formal adoption of a scheme developed and recommended by our HR Committee. Training was given by the Tribunal's retained HR consultant-specialist, first to the designated assessors and then subsequently – in a modified form – to the Tribunal's chairpersons at their annual conference in October. The chairpersons were to be subject to the first tranche of appraisals. After some slight tweaks to the initial recording documentation, the scheme is now well on the way to bedding down as a normal feature of the Tribunal's way of life. The North Region has been particularly successful in embedding it into its culture; where all chairmen have been assessed and significant inroads have been made with regard to the wider, ordinary membership.
- 6.6 English-Welsh bilingualism amongst the membership has declined by a small percentage following the recent round of appointments/ reappointments. However it still remains at approximately one quarter of the total membership.

## **7. Training and Development**

- 7.1 The Valuation Tribunal has a strong track record in delivering regular, purposed training to staff and members alike, as recorded in previous annual reports. This year was no different. The Staff and Members Training Committee arranged a full and varied programme for the year. Expenditure was substantially uplifted compared to previous years.
- 7.2 In particular, special training was laid on regarding the UK Government's welfare reforms and the Tribunal's new jurisdiction in Council Tax Reduction Scheme appeals. This covered the entire membership and the full staff. A member of the Welsh Committee of the Administrative Justice and Tribunal's Council (AJTC) (before its UK abolition in August) attended one of the member days as an observer and commended the content.
- 7.3 As recorded earlier, the Tribunal employed a number of new personnel this year. Accordingly there was an intensive, 2-day induction course for the new PTOs (Professional Tribunal Officers) together with an existing officer moving from trainee PTO to full PTO.
- 7.4 The tribunal recognises the IRRV (Institute of Revenues Rating and Valuation) qualification and encourages and financially supports staff undertaking formal study. A number of new staff joined existing staff in pursuing this qualification and have already (through December examinations) passed some parts.
- 7.5 Additional training this year for members included training on the newly introduced members' appraisal scheme.

## **8. Workload**

- 8.1 The Tribunal's jurisdiction covers a range of different appeal types. These are principally Non-domestic Rating List appeals, Council Tax Valuation List appeals, and Council Tax Liability appeals. Other appeals, which are occasionally received, are Penalty Notice appeals, Completion Notice appeals, and Drainage Rate appeals. Further to the appeal workload, the Tribunal also deals with applications for the review of decisions in a range of cases where a party is dissatisfied with the outcome.
- 8.2 In terms of volumes, the majority of appeals lie in the area of non-domestic rating followed by council tax valuation. During this year the Tribunal dealt with appeals made in relation to entries in the 2005 and 2010 rating lists and the 2005 valuation list. These lists are compiled and maintained by the Valuation Office Agency. Disposal of matters arising from the 2005 rating list is now in an end-phase, and outstanding cases dropped from a little over 400 at the beginning of the year to just 200 at the end of the year. With regard to the end-phase of rating appeal disposal it is often the case that some complex and difficult cases, that require significant discussion between the parties before the matters can be listed for hearing before a tribunal, remain outstanding. Some of the final 200 cases arising from the 2005 list may therefore linger for some considerable time to come, but the Tribunal aims to dispose of the majority during the next twelve month period. Most of the rating appeal work in the period related to the 2010 list – with approximately 7100 outstanding at the beginning of the period and a further 4800 added to this number during the year. Nearly 7600 were disposed of during the year, leaving a little under 4400 outstanding at the end of the period. In terms of a normal five-yearly rating list cycle the Tribunal should be entering a relatively quiet or stable phase before a final upturn in “end of list appeals” with regard to rating appeals emanating from the 2010 list; and this can be seen from the fact that the Tribunal has been able to clear significantly more appeals than it received during the year. This is likely to continue into next year, as the next revaluation has been postponed and will now take effect on 1 April 2017 (two years later than expected). (Detailed numbers for rating appeals are shown in the table in Appendix A-1.)
- 8.3 Volumes of Council Tax Valuation appeals are much lower than non-domestic rating matters. At the start of the period 530 were outstanding; and a little over 1800 appeals were received during the year. Clearances stood at nearly 1700 at the end of the period – leaving approaching 700 to carry forward. However appearance rates at tribunal are generally higher for Council Tax Valuation appeals, as a proportion of the number received, when compared to Non-domestic Rating appeals. Accordingly, despite the lower volumes, they constitute a significant proportion of the Tribunal's hearing and determination workload. This is because the majority of council tax cases are brought by unrepresented taxpayers, who are often less prepared to negotiate and settle their case with a representative of the Valuation Office Agency, than a qualified property professional is with regard to rating matters. As a broad indicator of this, 24% of council tax valuation cases are decided, compared with 15% of non-domestic rating appeals

- 8.4 The volume of Council Tax Liability cases (which includes Council Tax Reduction Scheme appeals – a new jurisdiction this year) is much lower than both types of valuation cases referred to in the above paragraphs, however these tend to be far more contentious matters, often registered by unrepresented appellants. The Tribunal decided 80% of the cases cleared during the year. 27% of these decided cases were successful claims. On top of these recorded *bona fide* cases, there are often follow-on applications for a review of decision from losing appellants, as they do not want to incur the cost of going to the next level in these matters (which is the High Court on a question of law only). Quite commonly these applications are made without good grounds (the required grounds are laid out in statutory regulations). Nevertheless, the applications have to be examined by members. Many are subsequently rejected as baseless. These baseless applications are not currently recorded by our IT case management system. In short, although small in number, Council Tax Liability matters can command significant amounts of tribunal time. (Detailed numbers on Council Tax Liability appeals, together with the minor appeal types mentioned in paragraph 6.1 can be found in Appendix A-2.)
- 8.5 As in previous years, very few cases were appealed to a higher level. A total of five non-domestic rating cases were lodged with the Lands Chamber on appeal (2 from East Wales and 1 from each of the other regions). There were no referrals to the High Court during the year, with respect to Council Tax Liability appeals.

## **9. Complaints**

- 9.1 VTW has a formal complaints procedure. Under this procedure, issues of dissatisfaction which are not resolved immediately, or shortly after they are brought to the administration's attention, are referred to the CEO. Three complaints were escalated to CEO level this year. Courtesy correspondence was exchanged with the complainants, and the CEO investigated the matters thoroughly. The CEO found no mal-administration, impropriety or inappropriate behaviour on part of the Tribunal and its staff in any of these cases. The complainants did not challenge the CEO's findings.
- 9.2 No complaints were made to the Public Services Ombudsman for Wales about the Tribunal during the year.

## 10. The VTW's Estate

- 10.1 The administrative offices of the four regions of the VTW are situated at three strategic locations in Wales.

**The East and South Wales Administrative Offices** are both located at 22 Gold Tops, Newport. This building is leased from a private landlord until October 2014 and is generally considered to be fit for purpose (Welsh Government Strategic Estate Review in 2008). The occupation is of many years' standing (over 16 years). A hearing room and member retirement facilities are incorporated with the premises and are regularly used – thus saving on staff travelling expenses and room hire charges.

**The North Wales Administrative Office** is located in part of an open-plan office within the Welsh Government Building at Llandudno Junction. Occupation is held under a MOTO agreement (Memorandum of Terms of Occupation). As a new public building, the premises comply with all current accessibility and safety standards. The Tribunal does not currently hold tribunal hearings within the building because of operational constraints (ie room booking cannot be guaranteed far enough in advance, as rooms may be retrieved for Ministerial use), but other meetings (staff, member and training) are occasionally accommodated.

**The West Wales Administrative Office** is housed within its own, discrete, self-contained area within the Government Building at Penllergaer, on the outskirts of Swansea. It comprises one open-plan room. Occupation is held under a MOTO agreement. The region has access to suitable rooms within the building for tribunal hearings, and accordingly it does hold meetings there.

- 10.2 Planned and preventative building maintenance at Llandudno Junction and Penllergaer is provided by Welsh Government as part of the MOTO agreements. With regard to Newport, VTW engages a national company to perform this function.

- 10.3 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.

10.4 The Tribunal, from time to time, still uses some modern local authority premises, as these provide good quality, safe, accessible and value-for-money venues. However, because the appeals being considered arise from local taxation issues, the use of these venues is not 100% ideal – as it might be perceived that the Tribunal’s independence is compromised. The Tribunal is aware of this and so, when these venues are used, the separation of the Tribunal and the local authority in question is explained in detail to hearing attendees. The Tribunal is committed to moving away from the use of local authority accommodation so far as possible, whilst still undertaking to provide good quality, safe and accessible venues.

## 11. Information Technology

- 11.1 The VTW purchased new desktop workstation equipment and office suite software during the year to replace kit dating from 2008. Because of partnership arrangements with the Valuation Tribunal Service in England – ie utilising the same IT support staff – the new workstations were not set up until May 2014 (ie a little outside the period of this report). Therefore throughout the reporting period the Tribunal continued to operate on 7 year old PCs with Windows XP software and Office 2007 applications, linked to a central database. Each office has a number of local printers, at least one of which is a multi-function device, allowing scanning, emailing, and copying, as well as direct printing.
- 11.2 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 Valuation Office Agency (VOA), who in turn sub-contract Capgemini services as part of the much larger overarching contract with Her Majesty's Revenue and Customs (HMRC). This is an historic complicated arrangement which is entering into the last few years of its natural life, as the shared datacentre applications and infrastructure are due to be mothballed at the end of the current rating list (which is scheduled for 31 March 2017). Consequently the VTW is now starting to look at alternative arrangements for the future. A staff IT team will be considering options, which will then be consulted upon with the Governing Council and Welsh Government.
- 11.3 The centralised database is linked to all of the Welsh offices using a Wide Area Network (WAN) provided by VirginMedia. During the year the central datacentre was relocated as a consequence of HMRC restructuring its IT estate. This was an unanticipated event and was disclosed to the VTW, through the VTS, only a few weeks before it was due to happen. This is an example of VTW's exposure, in its current complicated IT infrastructure arrangements, to the consequences of other organisations' decisions. Although HMRC paid some of the costs, the Tribunal still incurred some unanticipated additional expenditure. The Tribunal's target for the future is to have direct contractual arrangements with suppliers, rather than piggy-backing on partnership organisations' contracts.
- 11.4 During the year the CEO and two volunteer Regional Clerks trialled laptops which enabled remote connection to the central database, file and mail servers via the Internet, with secure data encryption. It had been hoped that it would be useful to the CEO when travelling between offices and staying away overnight. The technology works well on a physical connection to the Internet (via a cable), but it does not work well with wireless connections, as dropped signals can cause lockouts from the system. These lockouts cannot be resolved outside of normal system support working hours; and so ultimately wireless working is inadvisable. The practical consequence is that the technology is useful for occasion homeworking, where normally a cable datapoint is available; but it does not work well "on the road" where internet connectivity is nowadays almost exclusively wireless. The Tribunal does not have any need or plans for future full-time homeworking. The technology,

therefore, remains a useful tool in some circumstances – possibly with regard to flexible working requests, but there are no current plans to roll it out further across the staff.

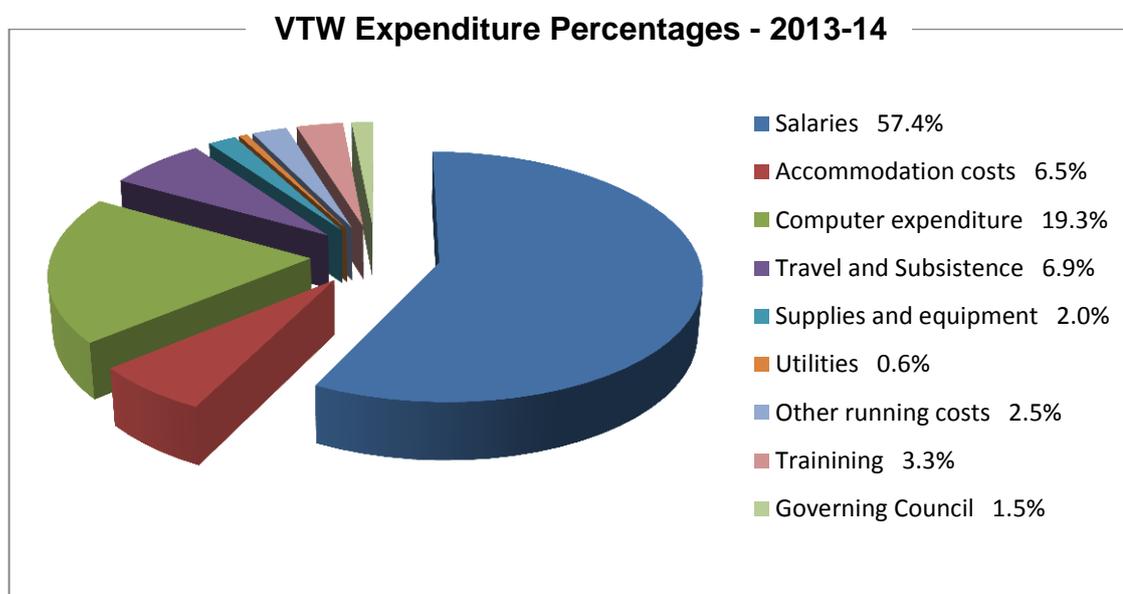
- 11.5 Totally apart from the shared, partnership IT arrangements with the English VTS and the VOA, the VTW operates its own website at [www.valuation-tribunals-wales.org.uk](http://www.valuation-tribunals-wales.org.uk). The website is maintained by a VTW-employed contractor and is fully bilingual. It 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. It underwent a complete refresh in terms of style during the year. The newly styled site went live shortly after the close of the current reporting year.
- 11.6 As part of the Tribunal's efforts to be a *Welsh language aware and promoting* organisation, the grammar checking and dictionary software produced by Bangor University and known as Cysgliad will be installed on all VTW desktop PCs in the future, and not just on Welsh speakers' machines. This allows these users to move from machine to machine without compromising the software available to them. Its presence also promotes curiosity and minor use amongst other users who have some Welsh skills; and it demonstrates to all staff the organisation's commitment to being a proactive, improving organisation with regard to the Welsh language.

## 12. The VTW's Financial Resources

12.1 The Tribunal's budget for the year was £1.43M. This represented a significant uplift on the previous year of £1.2M. Reasons for the uplift included:

- appointing a person to the standalone role of Chief Executive (as in earlier years it had been combined with a Regional Clerk's role),
- appointing persons to gaps which had developed in the regional team team structures which had slowly developed over time, in preparation for the new Council Tax Reduction Scheme (CTRS) stream of appeals and the new 2015 rating list (now delayed until 2017), and
- training all staff and members for CTRS appeals.

12.2 Expenditure outturn for the year was £1.41M (representing a 99% spend of budget). Detailed figures by WG-agreed budget heads are shown in Appendix B. Distribution of actual spend by percentage is shown in the chart below.



12.3 Because of working pressures within the WG sponsorship team dealing with CTRS issues and billing authorities at the beginning of the year, the VTW's budget was settled later than is normally required under the VTW-WG management agreement; and Welsh Government's letter confirming the budget was slightly late and the figures contained in it did not mirror the spread of the agreed uplift across budget headings as advised by the previous Chief Executive. Instead the uplift was applied to Salaries and Travel and Subsistence (T&S) payments only. Also no account was taken of previous patterns of spending, and therefore no adjustments were made across other budget headings. Consequently the allocated budget per heading did not truly represent the Tribunal's anticipated spending pattern. This is clearly shown by the eventual outturn, which overall was on target, but by heading was wayward in virtually every case. The Tribunal and sponsorship team have lived with this undesirable feature throughout this year; but have taken steps,

as a result of the close liaison which has developed through the CEO's regular visits to the WG team in Cardiff, to iron out these anomalies for the future.

- 12.4 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 all allocated funds.

## Appeal Clearance Data 1 April 2013 to 31 March 2014

Appeal Type		Council Tax Valuation Appeals		Non-Domestic Rating List 2005		Non-Domestic Rating List 2010		Miscellaneous (e.g. Liability/Penalties)*		All Appeals	
	Region		Total		Total		Total		Total		Total
<b>Brought Forward</b>	East	101	534	109	408	1573	7132	2	26	1785	8100
	North	107		47		1789		3		1946	
	South	150		68		2067		11		2296	
	West	176		184		1703		10		2073	
<b>Received</b>	East	342	1835	1	3	1279	4819	9	100	1631	6757
	North	540		0		1043		11		1594	
	South	384		1		1337		56		1778	
	West	569		1		1160		24		1754	
<b>Settled</b>	East	289	1284	29	193	1531	6406	1	15	1850	7898
	North	386		28		1422		3		1839	
	South	223		30		1763		5		2021	
	West	386		106		1690		6		2188	
<b>Decided</b>	East	73	403	1	18	227	1173	7	62	308	1656
	North	89		0		311		10		410	
	South	158		4		387		25		574	
	West	83		13		248		20		364	
<b>Allowed</b>	East	11	22	0	1	18	93	2	17	31	133
	North	7		0		14		4		25	
	South	1		0		24		6		31	
	West	3		1		37		5		46	
<b>Carried Forward</b>	East	81	682	80	200	1094	4372	3	49	1258	5303
	North	172		19		1099		1		1291	
	South	153		35		1254		37		1479	
	West	276		66		925		8		1275	

## Appeal Clearance Data 1 April 2013 to 31 March 2014 – Analysis of Miscellaneous Types

Appeal Type		Council Tax Liability		Completion Notice		Penalty Notice		Application for Review of Decision		Council Tax Reduction		All	
	Tribunal		Total		Total		Total		Total		Total		Total
<b>Brought Forward</b>	East	2	22	0	4	0	0	0	0	0	0	2	26
	North	2		1		0		0		0		3	
	South	10		1		0		0		0		11	
	West	8		2		0		0		0		10	
<b>Received</b>	East	3	62	0	3	0	0	3	23	3	12	9	100
	North	7		1		0		3		0		11	
	South	44		2		0		9		1		56	
	West	8		0		0		8		8		24	
<b>Settled</b>	East	1	9	0	4	0	0	0	0	0	2	1	15
	North	2		1		0		0		0		3	
	South	3		2		0		0		0		5	
	West	3		1		0		0		2		6	
<b>Decided*</b>	East	3	35	0	1	0	0	3	23	1	3	7	62
	North	7		0		0		3		0		10	
	South	15		0		0		9		1		25	
	West	10		1		0		8		1		20	
<b>*Allowed</b>	East	0	1	0	0	0	0	2	16	0	0	2	17
	North	1		0		0		3		0		4	
	South	0		0		0		6		0		6	
	West	0		0		0		5		0		5	
<b>Carried Forward</b>	East	1	40	0	2	0	0	0	0	2	7	3	49
	North	0		1		0		0		0		1	
	South	36		1		0		0		0		37	
	West	3		0		0		0		5		8	

## Valuation Tribunal for Wales Expenditure 2013-2014 (£s)

Area of expenditure	Allocated funds	Expenditure	Funds remaining/ overspent	Percentage annual spend
Salaries	767000	670661	96339	87%
Pensions	116000	141050	-25050	126%
<b>Subtotal</b>	<b>883000</b>	<b>811711</b>	<b>71289</b>	<b>92%</b>
Accommodation Costs	90000	92291	-2291	103%
Computer Expenditure	180000	272674	-92674	151%
Travel & Subsistence	117000	97337	19663	83%
Supplies and Equipment	35000	27658	7342	79%
Utilities	20000	8966	11034	45%
Other Running Costs	50000	35824	14176	72%
Training	35000	45909	-10909	131%
Governing Council	20000	21960	-1960	110%
<b>Subtotal</b>	<b>547000</b>	<b>602619</b>	<b>-55619</b>	<b>117%</b>
Receipts		-184	184	
<b>Total Expenditure</b>	<b>1430000</b>	<b>1414146</b>	<b>15854</b>	<b>99%</b>

## Note

As noted in paragraph 12.3 in the above report, the allocation of funds across budget heads was misapplied under the WG budget confirmation letter and subsequent accounting procedures. They did not accord with individual expenditure levels projected by the CEO at the time -- although the total overall budget was correct. This explains the purported wide range of over and underspends by individual heading. Discussions between the current sponsorship team and current CEO have corrected the situation for future years.