

VALUATION OFFICE

Progress Report for 2008

Annual Progress Report to the

Minister for Finance

(Public Service Management Act 1997)

on the implementation of the

Strategy Statement 2008 – 2010

INTRODUCTION

Mandate

The core business of the Valuation Office is the provision of accurate, up-to-date valuations of commercial and industrial properties to ratepayers and rating authorities as set down by statute. The Office also provides a non-statutory valuation consultancy service to other Government departments, local authorities, health boards and the Revenue Commissioners when the call on resources of statutory work permits.

Mission Statement

Our mission is to deliver a high-quality, impartial, valuation service to our customers, at a competitive cost, through skilled and motivated staff.

Progress Report for 2008

This report, prepared under the provisions of the Public Service Management Act, 1997, examines the progress made in 2008 in achieving the targets set in the Strategy Statement 2008-2010. The Strategy Statement and this Progress Report are structured on the basis of the Balanced Scorecard. The Balanced Scorecard is a performance planning and management tool that allows organisations to supplement traditional output/financial measures with criteria that monitor performance from the perspective of the customer, internal business processes and innovation and learning.

Background to performance in 2008

The principal challenges we faced in 2008 were:

- to maintain and where possible increase the momentum of the revaluation and global valuation programmes under the Valuation Act 2001;
- to secure and maintain an adequate level of staffing to enable the provision of revision and revaluation services in accordance with our Business Plan targets
- to meet our obligations in implementing the Government's decentralisation plan for the Valuation Office announced in Budget 2003.

A detailed report follows, under each of the perspectives in the Balanced Scorecard, of the progress made in 2008 in implementing our Strategy Statement 2008-2010.

FINANCIAL PERSPECTIVE

Objective

- Pursue organisational efficiencies so as to ensure appropriate controls, accountability and value for money.

Initiatives

- Continue to develop the MIF system to identify and control costs
- Monitor income and expenditure on a monthly basis
- Introduce effective fee collection system
- Incorporate as necessary risk management measures in our business/team plan cycle
- Complete internal audits.

Target

- Minimise unit costs in real terms from base date costs at 2007.

Progress made in 2008

Collection of Fees for Revision

The Office continued to issue invoices to each Local Authority on a monthly basis relating to the outcome of the Revision process for that month. Third-party applications from individuals and Organisations, other than Local Authorities, attracted a fee in advance. The invoicing system, initially introduced in 2006, ensures consistency in the receipt of income throughout the year and streamlines the fee-collection process. During 2008 the Office processed 13,304 Revision cases (including 5618 New Records added to the Valuation List) and received income of €2,008,000 in respect of Revision cases.

Development of MIF System

The MIF system was further bedded down in 2008 with greater use of electronic transactions for invoice payments. Reports to management have been improved and an upgrade to the system with increased functionality was agreed for roll out early in 2009. The allocation of all costs to the appropriate cost centres was in place for the 2008 financial year. Income and Expenditure is monitored on a monthly basis.

Cost Recovery

Cost recovery was 22% in 2008. This was against an envisaged cost recovery of 12% for the year. The most significant intake of income was in relation to fees for Revision services which, at €2,008,000 million, were 81% greater than the estimated total for the year. Fees for Valuation Certificates were €190,000 which was 26% greater than the projected income for this service.

Risk Assessment/Management

During 2008 the Management Committee continued to assess risks to the organisation and identified the relevant mitigation/management measures.

Value for Money Audit/Internal Audit

The Comptroller and Auditor General completed a Value for Money Audit of the Valuation Office and presented the final report (Special Report No. 60) to Dáil Éireann in February 2008. The Accounting Officer was examined on this in the course of his appearance before the Public Accounts Committee on 3 April 2008. The Internal Audit Committee is to be reconfigured to take account of retirements. An independent Chairperson is again to be appointed.

Archive / Public Office

Historical valuation records kept by the Office constitute a unique and irreplaceable national resource, which needs to be protected and preserved for posterity while being simultaneously accessible to those who need recourse to it.

A pilot project was completed in 2008, which involved scanning 358 Archive books in County Kerry and 424 Archive books in County Mayo. The scanning was outsourced and was completed to a high standard which was approved by the National Archives.

This Archive Preservation Project is designed to preserve the manuscript valuation record books and associated maps dating from the 1840s and to provide this information digitally to our customers. It is planned to progress to the next phase of the Project with the scanning of material in Dublin city over the next 18 months.

The Office has begun development of an IT system to utilise the digital data produced for scanning the valuation books and files. The system allows staff to access information

without reference to the physical records. It is being rolled out on a county-by-county basis to coincide with the availability of the digital records. The system will be expanded over time to allow customers also to access the information electronically. The use of the digital information is in line with the long-term objective of the Office to reduce the handling and use of the physical valuation archive in order to preserve the resource.of the physical valuation archive in order to preserve the resource.

CUSTOMER PERSPECTIVE

Objective

Establish and meet customer needs.

Initiatives

- Incorporate initiatives in business/team plans to deliver on undertakings in SLAs and Ratepayers' Charter.
- Review annual customer surveys by end of each year to ensure accurate customer feedback on delivery of services.
- Ensure regular contact with customers at point of service delivery.
- Provide service information – appeal rights etc- to customers at service delivery.

Targets

- Secure an overall customer satisfaction rating in the region of 80% in our annual customer surveys

Progress made in 2008

The Office conducted the annual survey of rating customers for 2008. The results of that survey showed that local authority satisfaction level over a range of service criteria averaged at 77%.

INTERNAL PERSPECTIVE

Objectives

- Maximise output of high quality valuations, on time, within budget
- Revaluation programme progressed.
- Maintain the level of statutory valuation service required by customers
- Implement the Government decision on decentralisation

Initiatives/Targets

- Continue business process re-engineering initiatives to enhance performance and productivity
- Refine output/outcome measurement system.
- Use of SLAs to manage workflow
- Enhance flexibility in use of resources.
- Networking with relevant external valuation authorities.
- Setup high-level group (including experts from UK who have experience of revaluation) to advise on most efficient operation of revaluation programme.
- Review and progress the revaluation programme in light of experience of full revaluation cycle in South Dublin.
- Implement decentralisation plan in line with central decisions and maintain the level of valuation service required by customers

Progress made in 2008

Revision

During 2008 a total of 7686 revision requests were completed. There were 5618 new records (new properties) created bringing the total number of valuations issued to 13,304. The revisions out-turn exceeded the Business Plan target of 10,000 set for 2008.

The valuation base increased by an aggregate €575,000 (2.8%) (excluding South Dublin County Council area, which was the subject of a revaluation), generating close to €8 million potential buoyancy in rates for the local authorities.

Appeals

In 2008 the Office issued 463 First Appeals from the ongoing revision programme. All appeals were issued within the statutory deadline of six months. It also issued 139 Valuation Tribunal appeals, 15% of which involved legal issues.

The Office also had a number of cases at appeal to the High Court, the most significant of which related to the Health Service Executive which was held to be 'the State' and thereby exempt from rates, and appeals by Westlink and Celtic Tolls. In the latter cases the High Court upheld the valuation methodology of the Valuation Office with significant financial benefit for a number of local authorities.

A total of 725 First Appeals were received from the revaluation of South County Dublin. A total of 227 of the Commissioner's decisions in these appeals were subsequently appealed to the Valuation Tribunal and 150 of these were issued by the end of 2008. Two additional Appeal Officers were appointed on a temporary basis to deal with these appeals.

The Office continued its efforts to improve product quality and increase the efficiency and effectiveness of the revision-appeal process. The overall objective is to get the valuation right at the initial revision stage, and thereby reduce the number of cases being appealed and reductions at appeal. In 2008, the Office continued its programme of expert witness training for younger valuers. The programme is designed to enhance case preparation, presentation and advocacy skills, for valuers appearing before the Valuation Tribunal.

Global Valuations

Section 53 of the Valuation Act makes provision for the valuation of the relevant property of certain public utility undertakings on a global basis.

During 2008 preparatory work started for the next round of 13 global valuations. Work on the global valuations of both ESB Networks and Eirgrid commenced and discussions are ongoing with both organisations. Towards the end of the year, work started on the global valuations of Eircom, Vodafone, O2 and Meteor.

The balance of areas in Phase 1 of the National Development Plan Broadband scheme were valued.

Revaluation

Fingal County Council.

The Valuation Order for the Fingal County Council area was signed on 15th March 2007. During 2008 a total of 4,441 revaluation items were completed in Fingal. Draft valuation certificates will issue in mid-June 2009 and the new valuation list for Fingal will be published on 31st December 2009.

Dún Laoghaire-Rathdown County Council.

After the necessary statutory consultation with the Minister for the Environment, Heritage and Local Government and with Dún Laoghaire-Rathdown County Council, a Valuation Order was signed on 27 June 2008, which provides for the revaluation of the rating area of Dún Laoghaire-Rathdown County Council. Inspections by valuers of properties in the area (the first step in the revaluation process) commenced thereafter. The Order provides for publication of the new valuation list for Dún Laoghaire-Rathdown on 31 December 2010. This will entail the issuing by June 2010 and by 31 December 2010 of draft and final valuation certificates respectively. The exercise will in this instance involve c. 5,500 properties in the Dún Laoghaire-Rathdown area. By the end of 2008, 830 such properties had already been inspected.

Recruitment and Training

During the year, a recruitment drive were undertaken to bring the resources of the Revaluation Unit insofar as contracted valuers are concerned towards the permitted maximum of 30. By 31 December 2008 there were 29 valuers serving in the Revaluation Unit, the highest complement since initiation of the revaluation programme.

An induction and training programme for contracted revaluation valuers was continued throughout the year. Formal assessments were carried out on a 6 monthly basis.

Decentralisation

The Valuation Office has complied with all requirements of the central Decentralisation Implementation Committee to date. The Office was scheduled to relocate to Youghal in mid-2009 and OPW had agreed to purchase a site in Youghal from Cork County Council. However, the Government decided on 8th July 2008 that further expenditure on the acquisition of accommodation for decentralisation would be paused, pending a review by Government of reports from the Decentralisation Implementation Group (DIG) and the Implementation Group of Secretaries General. Until the outcome of the review is available, no further expenditure on the acquisition of decentralisation sites, including the Youghal site, will be undertaken by the Commissioners of Public works.

INNOVATION AND LEARNING PERSPECTIVE

Objectives

- Continue the development of the Office into a progressive, responsive, learning organisation.
- Progress plan for digitisation of archive material.
- Increase level of service available via the web

Initiatives

- Introduce business coaching and leadership training for managers.
- Introduce management development programme and make available to potential candidates early in their careers.
- Introduce staff rotation policy
- Improve web service to allow lodging of representations and appeals via the web.
- Revision listing on-line.
- Enhance case monitoring service available to customers via web.

Targets

- Business coaching programme in place by January 2008
- Management development agreed with Unions by January 2008
- Staff rotation initiated June 2008
- Annual climate surveys completed
- Web services – representations – appeal and revision listing available on line by January 2009.

Progress made in 2008

Business Coaching Programme

The Office engaged the services of a business coach to work with the Management Team in a programme, which began in November 2007 and ran until October 2008.

Staff Rotation

The Office commenced a policy of staff rotation with Administration and Technical Staff in mid 2008. This was followed later in the year by the rotation of Valuer staff working on the Revision programme and Team Leaders in Revision and Revaluation programmes.

Digital Mapping facility

Searching the Valuation List has now been augmented by the addition of a Digital Mapping Module to the On-Line Search Facility. On querying a property the system now displays it on a digital map as well as displaying its overall location on Google Earth.

On-Line Case Tracking

The On-Line Case-Tracking module has been further developed to display cases where representations have been received. Work began on the development of a module to allow the Ratepayer to make representations online during the last quarter of 2008. This module is undergoing final testing and will be implemented in the first quarter of 2009.

Work also began on a module to allow the Local Authorities to make Revision Listings online during the last quarter of 2008. This module is currently being tested and has an implementation date early in 2009.

Climate Survey

A climate survey for 2008 was carried out early in 2009. The issues arising from this survey are currently under examination and will be addressed by the Management Committee.