

**REPORT OF THE  
COMMISSIONER OF VALUATION  
TO THE  
MINISTER FOR PUBLIC EXPENDITURE  
AND REFORM  
IN RESPECT OF 2013**

**(PURSUANT TO SECTION 41 OF THE VALUATION ACT, 2001)**

**February 2014**

## **Statutory Basis for Report**

1.1 Section 41 of the Valuation Act, 2001 (Number 13 of 2001) provides as follows:

(1) The Commissioner shall, as soon as may be, but not later than 2 months after the end of each year, make a report to the Minister in relation to the performance by the Commissioner of his or her functions under this Act in that year and the Minister shall cause copies of the report to be laid before each House of the Oireachtas.

(2) Each report under *subsection (1)* shall include information in such form and regarding such matters as the Commissioner thinks fit or the Minister may direct.

## **Structure of Report**

2.1 The report is formatted by reference to the following 11 headings, which essentially encompass the principal areas of activity of the Valuation Office during 2013:

- Valuation
- Revaluation
- Amending Legislation
- Appeals
- Global Valuations and Special Projects (including market value services)
- Enhancement of Service Provision
- HR
- Finance
- Archive

## **Valuation**

### **Revision**

3.1 During 2013, a total of 2484 revision applications were completed. There were 1209 new records (new properties) created as a result of this revision work, bringing the total number of valuations issued to 3693.

## **Revaluation Programme**

### **Dublin City Council**

- 4.1 Following consideration of 7627 representations 20,845 Final Valuation Certificates were issued on 16<sup>th</sup> December 2013 and the new valuation list for Dublin City Council rating authority area was published on 31<sup>st</sup> December 2013.

### **Revaluation of Waterford City and County**

- 4.2 The revaluation of the three rating authorities of Waterford City Council, Waterford County Council and Dungarvan Town Council continued during 2013 and c4,000 proposed valuation certificates were issued which gave rise to 1240 representations. Following consideration of the representations 3917 Final Valuation Certificates were issued on 16<sup>th</sup> December 2013 and the three new valuation lists for the three rating authorities of Waterford City Council, Waterford County Council and Dungarvan Town Council were published on 31<sup>st</sup> December 2013.

### **Revaluation of Limerick City and County**

- 4.3 The revaluation of the two Limerick rating authorities, Limerick County Council and Limerick City Council, continued during 2013 and c. 7,000 proposed valuation certificates are due to issue in 2014 and a single valuation list for the merged local authority for Limerick City and County Council will be published on 31<sup>st</sup> December 2014.

### **Revaluation: General**

- 4.4 The revaluation programme which has now been completed in all four Dublin local authorities and the three Waterford local authorities and Limerick will be completed in 2014. At that stage, approximately 33% of all rateable properties in the country, representing over 50% of the national valuation base in monetary terms, will have been revalued. It is intended to extend the revaluation programme to further local authority areas as soon as it is practicable to do so but it is not possible at present to say where these areas will be.

## New Legislation

- 5.1 The Government published the Valuation (Amendment) (No. 2) Bill, 2012 on 3rd August, 2012 as part of its legislative programme. The Bill proceeded through its second stage in Seanad Éireann on 11<sup>th</sup> October 2012. During 2013, officials continued to engage with a wide range of stakeholders and other interested parties and as a result a number of potential amendments were framed which may be introduced at Committee Stage as soon as practicable in 2014.
- 5.2 The Bill will not change the basis of valuation for rating purposes. This will continue to be “net annual value” which is the hypothetical rental value of a property as assessed by reference to a specified date. This is a long standing principle of the rateable valuation system in Ireland and ensures equity and fairness in relation to the values of commercial and industrial properties across a local authority area.
- 5.3 The primary purpose of the Bill is to accelerate the national programme of revaluing every commercial and industrial property in the country which is being undertaken by the Valuation Office. The Bill amends several provisions contained in the Valuation Act 2001. These amendments include a number of technical changes to Part 5 of the 2001 Act which deals with how valuations, including revaluation of entire rating authority areas, are carried out. The Bill also proposes to amend Part 6, which deals with the carrying out of revisions of the rateable valuation of individual properties within rating authority areas between revaluations. In both instances, it is envisaged that the Commissioner will appoint officers to carry out the tasks in question and the Bill makes specific provision for the appointment of “revision managers”. Section 6 of the Bill proposes to amend Section 19 of the Valuation Act 2001 by enabling the Commissioner to appoint persons to carry out the revaluation of entire rating authority areas. Such persons may be an officer of the Commissioner.
- 5.4 Provision is also being made for the Commissioner to enter into an arrangement with a person or persons (other than officers of the Commissioner) to assist in the performance of the revaluation function. The effect of this provision is to enable the Commissioner to contract out some of the revaluation work, in order to augment the in-house capacity of the Valuation Office. This is one of the express provisions intended to assist the acceleration of the national revaluation programme. Following enactment of the Bill, the Commissioner intends running a pilot revaluation project which will utilise such external resources.
- 5.5 Following enactment of the Bill, it is envisaged that revaluation projects can be conducted through the normal *direct assessment* methodology. However, the Bill (Section 11, inserting a new Part 5A into the 2001 Act) also provides for the Commissioner to conduct a revaluation using some degree of occupier-assisted valuations. This provision is also intended to assist the acceleration of the national revaluation programme and following enactment of the Bill, the Commissioner intends running a pilot project which will utilise occupier-assisted principles. It is also proposed to amend the 2001 Act to provide for the use of general market data or aggregated data (including *statistical and computer-aided techniques*) in determining valuations, where the Commissioner considers it appropriate to do so.

## **Appeals**

### **Revision Appeals**

- 6.1 In 2013 the Office received 118 First Appeals arising from the ongoing revision programme. This represented some 3.2% of revision cases. The Office issued 96 appeals during 2013 of these cases 38.54% had their valuation reduced, and the percentage reduction in the total valuation under appeal for local authority areas pre revaluation was 9.25% and post revaluation was 6.98%.
- 6.2 The Office received 11 Valuation Tribunal appeals, arising from the determinations of the Commissioner of Valuation at First Appeal. This represented some 11.46% of First Appeals to the Commissioner. The Office issued 70 Valuation Tribunal Appeals during 2013, in 65.29% of these cases the valuation was reduced and the average reduction in the valuation under appeal for local authority areas pre valuation was 19.32% and post revaluation was 15.14%. 38.6% of the Tribunal cases involved legal issues. This percentage of Tribunal cases involving legal issues compares to 22.9% in 2012, 17.1% in 2011 and 19.5% in 2010.

### **Revaluation Appeals**

- 6.3 All revaluation First Appeals were concluded in 2011.
- 6.4 13 Valuation Tribunal Appeals relating to revaluation were issued during 2013. In 38.46% of these cases the valuation was reduced and the average reduction in the valuation was 27.92%

## **Global Valuations & Special Projects**

- 7.1 Section 53 of the Valuation Act, 2001 makes provision for the valuation of the relevant property of certain public utility undertakings on a global basis, that is, relevant properties taken as a whole as respects the particular undertaking.
- 7.2 In 2013 contact was made with the ESB to initiate the Global Valuation of their assets in 2014.
- 7.3 The office has been collating information necessary for the valuation of the water and waste water networks of various local authorities which have been transferred to Irish Water. Following discussions with the Department of the Environment it is likely that this valuation will be dealt with under the Global Valuation provisions in the Valuation Act.
- 7.4 In October the Supreme Court delivered its judgement in the case of Celtic Roads v Commissioner of Valuation. The majority decision of the Supreme Court, in reversing the decision of the High Court, found against the Valuation Office's position. This led to a reassessment of the valuation of several toll roads.

- 7.5 The valuation of the property assets of the Commissioner of Irish Lights and of Our Lady's Hospital for Sick Children, Crumlin, Dublin were completed in 2013. The Commissioner of Irish Lights has sought an update of this valuation for 2014. The office also valued industrial land and buildings in Limerick and Kerry as part of the process of transferring these assets from the Industrial Development Authority to Shannon Development

## **Market Value Services**

- 8.1 During 2013, primacy in Market Value service was given to valuation requests received from Local Authorities in respect of Tenant Purchase scheme valuations. There were 23 local authority tenant purchase scheme valuations completed during the year.

## **Enhancement of Service Provision**

### **Central Market Analysis Unit**

- 9.1 The Central Market Analysis Unit continued to undertake analysis of macro data and produced two quarterly synopsis reports on trends in the property market, and also produced a number of reports for internal use to standardise the approach to market analysis of property transactions. Sample practice notes were drafted by the unit in respect of 10 classes of properties.

## **GIS/GPS**

- 9.2 During 2013 further development work was carried out on the VOS GIS to refine the benchmarking tool. Ability to plot locations of key properties within a defined area facilitated the benchmarking of properties in the Dublin City Revaluation. This helped to ensure consistency in the revaluation process. Further functionality development gave valuer staff total control of the mapping facility.

A beta version of an android mobile application is under development. It requires further development and testing before deployment to staff.

A new web map application was developed using OSi MapGenie. Users of the Valuation Office website can locate properties which were subject to revaluation using the most up to date OSi mapping. Google Street view and Bing maps are also utilised in the application. Additional functionality which enables the user to inspect valuation reports using the map as a locator will be rolled out in 2014. This application has the potential to significantly improve service delivery to ratepayers and Local Authorities.

## **Market Information**

- 9.3 In consultation with the Revenue Commissioners the Office was successful in seeking amending legislation whereby access to property transactional information contained in the Revenue Commissioners eStamping system will be made available to the Office. The necessary provision was enacted in Schedule 8 of the Property Services (Regulation) Act, 2011. A draft Interface Agreement outlining the transfer of residential and non residential eStamping data between the Revenue Commissioners and the Valuation Office was completed in September 2012 and the exchange of information was initiated in 2013.

## **On-Line Services**

- 9.4 The following additional electronic functions were made available to individual ratepayers in tandem with the publication of Final Valuation Certificates during the revaluation process of all commercial and industrial properties within a local authority area:
- (1) Ratepayers who made representations can view their representations outcome report on-line
  - (2) The public can view summary valuation reports of any commercial property within a recently revalued local authority area (Dublin City & All Waterford).
  - (3) Ratepayers can search for their newly re-valued property using a Map Viewer Search function.

Work commenced on the complete re-design of the Valuation Office website. The design phase was completed in 2013.

## **Human Resources/Personnel Issues**

### **Recruitment and Training**

- 10.1 Following on from the Government moratorium on promotion and recruitment, effective from 27 March 2009, no external recruitment campaigns were undertaken in 2013.

Work continued in 2013 on the development of the Learning and Development Strategy, the emphasis of which is to ensure that the skill requirements and the developmental needs of the office and staff are met so that the right people are receiving the right training, at the right time and that staff are in a position to apply what is being learnt. The Office, in collaboration with the Society of Chartered Surveyors of Ireland, developed an APC programme for valuer staff in the office. This programme will be rolled out early in 2014.

A series of educational programmes designed to skill staff at all levels and in all areas of the organisation is to commence in the first quarter of 2014. During 2013 the Office continued to support staff in undertaking third level courses and other relevant educational initiatives.

## **Performance Management**

- 10.2 The Office is continuing to fulfil its commitments under PMDS and the system worked well overall in 2013. Management is continuing to focus on performance and continued to roll out any changes agreed centrally under Phase 2 of the new Performance System in 2013. The Calibration process will be conducted for staff at Assistant Principal Level and above in accordance with central agreements.

## **HR Shared Services**

- 10.3 The HR unit continued to work with the Department of Public Expenditure and Reform to facilitate the Valuation Office move, in September 2014, to PeoplePoint, a centrally managed HR Shared service for Civil Service Departments and Offices. The ongoing efficiencies derived from the existing HRMS system in the management of staff records and the provision of reports continue to be a support to management and staff.

## **Extension of Flexible Working Hours**

- 10.4 Flexible working hours were extended to the majority of staff during 2013 and the system is working well.

## **Finance**

### **Vote**

- 11.1 At the end of 2013, total gross expenditure for the Office was €8.5 million, which represents 82% of the total vote provision for the year. The income received in Appropriations-in-Aid amounted to €1.1 million and this income represents 78% of the amount estimated in the vote for the year. This income, primarily from Valuation Revision Fees, was considerably lower in 2013 than in previous years reflecting the reduced Revision service to Local Authorities. This service was necessarily reduced by the concentration of resources on the Dublin City and Waterford Revaluation projects. As the Revision programme increases in future years, the deferred income will be recovered.
- There were general savings across the administration subheads of €0.9 million. An allocation of €1m which is ring fenced for Revaluation Projects, the expenditure on which is dependent on the enactment of enabling legislation, has been carried over into the estimate for 2014.

Overall, net expenditure at the end of the year was 81% of the total net vote of €9.1 million



## **Audit Issues**

- 11.2 In his audit of the 2012 Appropriation Account, the Comptroller and Auditor General, having signed the Account, did not find any significant weaknesses in any of the areas covered by the Audit.

The Internal audit Unit carried out three internal Audits during 2013, the first of which was an audit of IT systems in the Office. The review was finalised in June 2013 and was approved by the Audit Committee at its meeting in June 2013. The recommendations were being implemented on an incremental basis during 2013. The second audit dealt with expenditure compliance in the office of the Valuation Tribunal. That report was finalised in December 2013 and presented to the Audit Committee at its meeting in December 2013. The recommendations contained in the report were accepted by the Audit Committee. The third audit dealt with the compliance of the Office with the provisions of the Organisation of Working Time Acts. This audit was carried out in December 2013 and finalised early in 2014. It will be presented to the meeting of the Audit Committee in March 2014.

Management continued to update and monitor the Risk Register throughout 2013. The Office continued to implement measures to comply with best practice in accounting practices and requisitioned consequent and necessary alterations to the Financial Management System (FMS). A new sales module of the FMS was introduced in Public Office to facilitate integration of the Public Office recording system with the FMS system in Accounts Unit. A purchase order processing system is under development and will be implemented throughout the office and in the Valuation Tribunal early in 2014.

## **Financial Reports for Management**

- 11.3 Financial Reports showing detail of expenditure vis-a-vis budget were presented to the Management Committee on a monthly basis and considered by that committee.

## **Cost Recovery**

- 11.4 Cost recovery was 11% in 2013. This was against an envisaged cost recovery of 14% for the year. The most significant shortfall in receipts was in relation to fees from Local Authorities for revision services which netted €0.48 million as against an anticipated income of €0.65 million.

## **Archive/Public Office**

- 12.1 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.

This Archive Preservation Project is designed to preserve the manuscript valuation record books and associated maps dating from the 1850s and to provide this information digitally to our customers. Digitisation of the archive books for Dublin City and County and for Counties Kerry, Mayo and Tipperary are complete.

The programme for preservation of the manuscript valuation record books continued in 2013 with the start of the scanning of the records for Cork City & County and for Limerick City & County, which is due for completion in 2014.

A trial exercise to make the digital images available to customers in the Public Office was initiated in 2013 with the aim of making the digital images available to all customers in 2014 and subsequently restricting access to the relevant original documents.

In 2014 it is intended to continue with the digitisation of the remaining manuscript books, making the images available as soon as possible to customers.

### **Archive Conservation Project with National Archives**

- 12.2 During 2013 the National Archives undertook, on behalf of the Valuation Office, a project to restore 11,000 Valuation Maps dating from 1830 – 1870 to render them stable and usable. The work is expected to continue until 2017 and the National Archives has dedicated a full time Conservator and a Conservation Intern to the project. The salary costs are covered by the Valuation Office.

These maps have major potential as a source of information for research in genealogy, family history, local studies and a wide range of socio-economic studies. The National Archives are examining the feasibility of a pilot project which would relate individual occupiers, listed in the Valuation Office archive books, to the buildings and tenements shown on the maps.

***John O'Sullivan,  
Commissioner of Valuation.  
28<sup>th</sup> February, 2014***