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Independent Review of the Laois Reval Project within the Reval 2017 Programme

Status: Final Report

November 2021



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GLOSSARY OF TERMS

Abbreviations used within this document are listed below.

Term	Definition
OAV	Occupier Assisted Valuation
PID	Project Initiation Document
PSC	Project Steering Committee
QA	Quality Assurance
s45	Revaluation Information Form s45
s46	Revaluation Information Form s46
SLA	Service Level Agreement
SOP	Standard Operating Procedures
TOR	Terms of Reference
VAU	Valuation Administration Unit
VOS	Valuation Office System

1. EXECUTIVE SUMMARY

Background to the review

The Valuation Office is an independent office under the aegis of the Minister for Housing, Planning and Local Government. The core purpose of the Valuation Office is the provision and maintenance of accurate, up-to-date valuations of commercial and industrial properties to ratepayers and rating authorities. Conducting a revaluation is an extensive, evidence-based and statutory process principally governed by the procedures and timelines set out in the Valuation Acts 2001 to 2015 with a primary objective of achieving both “Correctness” and “Equity & Uniformity” for ratepayers.

On 8 June 2015, the Minister for Public Expenditure and Reform enacted the Valuation (Amendment) Act 2015 which amended a number of provisions of the 2001 Act with the overarching goal of accelerating the National Programme of Revaluation of commercial and industrial properties throughout the State. One of the key amendments provided for under the new legislation was the introduction of Occupier Assisted Valuations (OAV) which enabled an extent of self-valuation of property by the occupier. The revaluation project concerning the relevant properties in Laois was undertaken as a pilot of the OAV model.

In 2018, the Valuation Office sought an independent review of the Reval 2017 Programme including the revaluation undertaken in Laois. The review was to be approached in two distinct stages and RSM Ireland were appointed to undertake the necessary reviews. The first stage of the independent review assessed the projects carried out under the Reval 2017 Programme. The related report was concluded and published in May 2020. The second stage of the independent review commenced in May 2020 and focused on assessing the Laois Reval project which featured the first adoption of the OAV model of assessment

Terms of Reference

This Terms of Reference for this second stage of the independent review of Reval 2017, as confirmed during the mobilisation phase of the project, were as follows:

- to conduct a robust review of the cost and non-cost elements of the revaluation of commercial properties in the Laois rating authority area. The review of the costs incurred will be completed in accordance with the requirements of the Public Spending Code;
- to perform a comparative analysis of the revaluation of commercial properties in the Laois rating authority area, via the operation of the OAV model, versus selected other rating authority areas revalued as part of Reval 2017; and
- to bring forward a series of considered recommendations which will contribute to the planning and execution of the upcoming Reval 2023 programme.

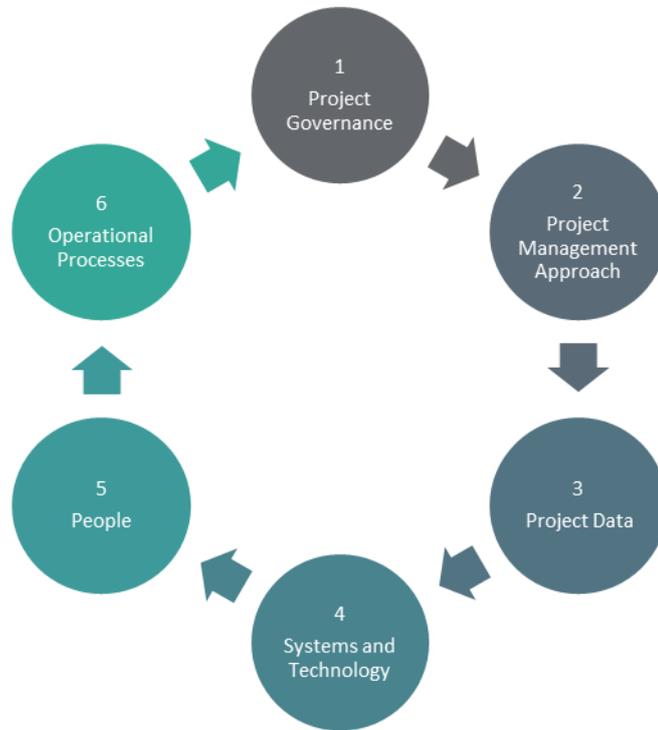
Key findings

The review highlighted a number of significant achievements delivered, by the Valuation Office, across the lifecycle of Laois Reval project, including:

- the OAV model, as developed by the Valuation Office, is regarded as an award winning and highly innovative approach to the valuation task and signals a significant departure from the prevailing and accepted models of valuation;

- the project has been the recipient of international interest and has afforded the Valuation Office opportunities to present the model at a global level, to include presenting a paper on “*Piloting Innovative Approaches to Valuing Commercial Property for Taxation Purposes*” at the World Bank Conference on Land and Poverty in 2018;
- it is widely accepted that the Valuation Office delivered a highly successful communications programme in respect of the Laois Reval project. A citizen-centric approach, based on transparency and high levels of engagement with the public, was clearly evident;
- extensive inputs were invested, by the Valuation Office, into the creation of various tools and supports designed to underpin the delivery of this occupier-focused approach;
- Reval 2017 marked the adoption of a more robust approach to project management which was sustained throughout the Laois Reval project. Project governance was further enhanced with the appointment of an external person as Chair to the Programme Board during the course of the Laois Reval project;
- the OAV model presented opportunities to enhance the data underpinning the valuation process and there is general consensus that the model helped to yield better results in terms of both the quality and quantity of data available;
- possibly as a consequence of the data improvement referenced above, fewer physical inspections were performed within the Laois Reval project as illustrated by an inspection rate of just over 6% versus 20% across the wider Reval 2017 programme;
- the percentage of ratepayers employing agents within the Laois Reval project (33.51%) compares favourably with the 40% of occupiers who retained agents across the wider Reval 2017 programme;
- crucially, the Laois Reval project was concluded on time with all necessary certificates being issued ahead of the deadline set;
- one of the key successes for the project was the limited number of appeals lodged. The appeal rate during the Laois Reval project was circa 1% versus some 4% across the wider Reval 2017 programme; and
- generally external stakeholders were very positively disposed to the project as a proof of concept and regard the OAV pilot as successful.

However, a core purpose of the review exercise was to identify areas of improvement for consideration by the Valuation Office when designing and conducting future programmes. The report contains thirteen key findings with 16 associated recommendations as detailed in Chapter 4 of this document. These findings and recommendations were categorised into six themes as set out in the diagram below.



A summary of the findings per theme and the related recommendations is included below:

Project Governance

The key governance issue which appears to have persisted through to the Laois Reval project pertains to lack of clarity regarding the allocation of project budget responsibility at Project Board level. This matter has been previously raised via Finding 1 and Recommendation iv) in the prior review report.

Project Management Approach

A project management matter which appears to have continued during the Laois Reval project pertains to the absence of a formal approach to information dissemination from the Project Board meetings to the Project Manager. This matter has been previously recorded as Finding 6 and Recommendation ix) in the Review of Reval 2017 programme report.

In addition, whilst project planning was generally found to have been delivered to a good standard, the project did encounter some planning issues at its outset. However, such challenges do not appear to have negatively impacted on the delivery of the project. One of the key issues highlighted centred around the lack of emphasis on ensuring rate-payer compliance as a key risk factor for the project. A further issue highlighted was that insufficient time was allocated to the task of video development which some stakeholders attributed to resulting in a delay to the signing of the valuation order. To mitigate against potential risks, including delays to project delivery, greater emphasis should be afforded to the identification of project risks and the development of mitigating strategies to address such risks. This process should occur during the project mobilisation phase and continue across the project lifecycle.

Programme Data

The key finding under this heading related to a relatively low return rate of information from rate payers. The Laois Reval project generated a return rate of 41.69% versus an average S46 return rate of 51.62% across Reval 2017. There was also some concern cited around the timeliness and relevance of the market data from 2015 which was used in a 2018

context. However, Senior Management within the Valuation Office advised that this data set had been intentionally chosen for comparative purposes. It was also understood that the timeline afforded to the relevant Local Authority to review the valuation list was short and that there may have been merit in exploring opportunities to improve the sharing of data between the Local Authority and the Valuation Office.

In view of the OAV model itself being underpinned by an ethos of enhanced engagement with ratepayers, it is recommended that the Valuation Office consider options which may help to stimulate a higher return rate of information. Ideally, from a market data perspective, it would be preferable to reduce the lapsed time between the year to which the data pertains and the year in which the valuation occurs to avoid any potential impact which price changes could have on the valuation. Finally, it is recommended that the Valuation Office engages with local authorities to develop and share project plans at the outset of the review process and jointly explore opportunities to increase data sharing in a GDPR compliant manner.

Systems and Technology

The VOS system has many shortcomings which have been previously detailed under Finding 11 and Recommendation xvii) in the prior report. The Laois Reval project experienced further challenges in that the OAV process yielded additional data fields, and significant customisation of the VOS system was necessary in order to capture and manage the additional data. Whilst it is understood that the procurement of a new system to replace the VOS system is underway, consideration will need to be given to the approach and costs associated with the testing of the new system to ensure it can accommodate data emanating from future OAV model valuations.

People

The single finding arising in relation to this heading centred around a view expressed by several stakeholders suggesting that the Laois Reval project was much more resource intensive than other Reval projects. In this regard, the review explored the cost across two key phases to the project - the Design Phase and the Implementation Phase. The time input associated with the Design Phase can largely be characterised as a one-time cost whereas the time input associated with the Implementation Phase may be regarded as a repeatable cost. In respect of the Implementation Phase, it was acknowledged that the project did feature an additional phase, known as the "OAV stage" and whilst this phase may be perceived as requiring additional time input, the objective of this phase was to reduce the time input required at the subsequent Representation and Appeal stages. A summary of the findings pertaining to the cost of the project can be found in the summary of the cost of service delivery below. The overarching recommendation, however, points to the need to further pilot the OAV model in a larger, more urban local authority so as to understand whether there are tangible economies of scale to be found in the deployment of the model.

Operational Process

Under this theme, findings with respect to operational matters were grouped into five subcategories being Quality Assurance, Communications & Engagement, Representation Process, Appeals, and the OAV model. Seven issues were identified with a similar number of recommendations arising.

The recommendations brought forward in this report centred on enhancing the current processes to better support the efficient and effective delivery of future revaluation programmes delivered via the OAV model. Where issues persisted which were uncovered in the prior report into the wider Reval 2017 programme, these have been referred to and readers signposted to the relevant content in the other report.

Cost of service delivery

A particular element of the Terms of Reference of the project was the requirement to review the costs associated with the project to revalue commercial properties in the rating authority area of Laois. This review of the costs incurred was to be completed in accordance with the requirements of the Public Spending Code.

In order to assess the costs of delivering the project via the OAV model, this review considered the costs incurred within the Laois Reval project versus those relating to similar sized projects undertaken in Reval 2017 by internal and outsourced resources.

The cost of the outsourced direct assessment delivery model, as adopted for the Carlow project, was found to exceed the cost of the Roscommon project delivered via an internal service delivery model. The Carlow project costs were less than those of the Laois OAV project by some €15k or 1.5%. It is also important to highlight that both the internal and outsourced delivery models each feature non-financial advantages and disadvantages which need to be considered in tandem with the cost analysis presented.

In comparing the costs of delivery of the Laois project, undertaken by Valuation Office via the OAV model, versus those of the Roscommon project, delivered internally by the traditional direct assessment model, the costs attaching to Laois exceed those relating to Roscommon by some €389k or 67%. This is a significant cost differential, but it should be noted that the labour costs associated with the Laois project were calculated using the 2018 civil service scales for all inputs post September 2017 and not their 2017 predecessors as per the Roscommon project.

Roadmap to implementation

As a decision is yet to be made by the Valuation Office as to whether they view there to be sufficient merit in adopting OAV as a model of assessment in the future, the review has stopped short of setting out a suggested implementation plan for the recommendations arising. Should the Valuation Office opt to further pilot OAV, it is recommended that it is done so on a larger scale and within a more urban setting and if, and when, doing so, the Valuation Office should carefully consider this report's recommendations in the design and conduct of that future project.

Barriers to implementation

The potential challenges and risks to the successful implementation of the recommendations were analysed together with some potential mitigation strategies which the Valuation Office could consider implementing.

Such potential challenges considered included the need to obtain buy-in to the model from staff outside of the core OAV project team deployed on this occasion and the availability of resources and the required skills to advance any future OAV project. The Valuation Office will also need to give consideration to the potential impact that the planned advent of Tailte Eireann will have on its current processes, technologies and indeed on the bandwidth of Senior Management within the Valuation Office to deliver of any OAV project of scale.

Conclusion

The Laois Reval project featured the first adoption of the OAV model. For the first time in Ireland, occupiers of commercial property were afforded the opportunity to submit information which would inform the valuation process. This approach marked a significant step change from that of previous Revaluations conducted via the more traditional, albeit evolving, method of direct assessment.

In planning and delivering the Laois Reval project the Valuation Office sought to embrace innovation and greater engagement with the public who represent its service users. This report acknowledges that the Laois Reval project saw the Valuation Office not only deliver the required outcomes within the prescribed timelines but also realise a highly innovative model of assessment which featured significantly enhanced engagement with occupiers.

This report has identified thirteen findings and brings forward sixteen related recommendations which impact all aspects of revaluation programme delivery. However, the review does consider the Laois Reval project to be a success but advocates for a further, more extensive pilot of the OAV model in order to assess its scalability.

2. BACKGROUND TO THE REVIEW

The Valuation Office is an independent office under the aegis of the Minister for Housing, Planning and Local Government. The core purpose of the Valuation Office is the provision and maintenance of accurate, up-to-date valuations of commercial and industrial properties to ratepayers and rating authorities, as provided for by the Valuations Acts 2001 to 2015. These valuations form the basis for levying commercial rates of approximately €1.4 billion annually by Local Authorities.

Having a modern valuation base is very important for the levying of commercial rates on a fair and equitable basis across all economic sectors and for ensuring that rates remain as a stable contributor to the funding of Local Government. This has been the policy of successive governments, across many years, and is the express purpose of the National Revaluation Programme being rolled out by the Valuation Office. Conducting a revaluation is an extensive, evidence-based statutory process principally governed by the procedures and timelines set out in the Valuation Acts 2001 to 2015 with the express objective of achieving both “Correctness” and “Equity & Uniformity” for ratepayers.

Notable in regard to the revaluation process were a series of amendments to the Valuation Act 2001. On 8 June 2015, the Minister enacted the Valuation (Amendment) Act 2015 which amended several provisions of the 2001 Act with the overarching goal of accelerating the National Programme of Revaluation of commercial and industrial properties throughout the State. The amendments ranged from empowering the Valuation Office to determine the annual value of a class or type of property based upon general market data or aggregated data (utilising statistical techniques), the addition of charitable organisations (as defined in the Charity Regulation Act 2009) as rate exempt and removal of the first appeal (directly to the Commissioner) in the revaluation appeals process. There were two further significant amendments in respect of the conduct of revaluations. Firstly, the introduction of Occupier Assisted Valuations (OAVs) which enables a more collaborative approach to valuations by requiring owners to conduct, and submit, a level of self-valuation of their properties. Secondly, the Act provided for an outsourcing model to be implemented with respect to revaluations, if appropriate. Overall, the Valuation Act 2015 provided for scope to significantly change the operational approach as to how valuations and revaluations are conducted into the future.

In September 2017, revaluation was completed in the County Council areas of Carlow, Kildare, Kilkenny, Leitrim, Longford, Offaly, Roscommon, Sligo, and Westmeath and a second revaluation of South Dublin was also concluded. This phase of the National Revaluation Programme was known as “Reval 2017”. Valuation Office personnel completed the reviews for Kildare, Leitrim, Longford, Offaly, Roscommon, Sligo and Westmeath and a private firm, CBRE, appointed post a public procurement process, completed the review for Carlow and Kilkenny. A map of Reval 2017 is included on the next page.

Additionally, following the making of regulations by the Minister for Justice and Equality, a valuation order was signed by the Commissioner for the revaluation of the County Council area of Laois on 22 December 2017. This project saw the piloting of the new OAV principles set out in Part 5A of the Valuation Act 2001 as inserted by Section 12 of the Valuation (Amendment) Act 2015.

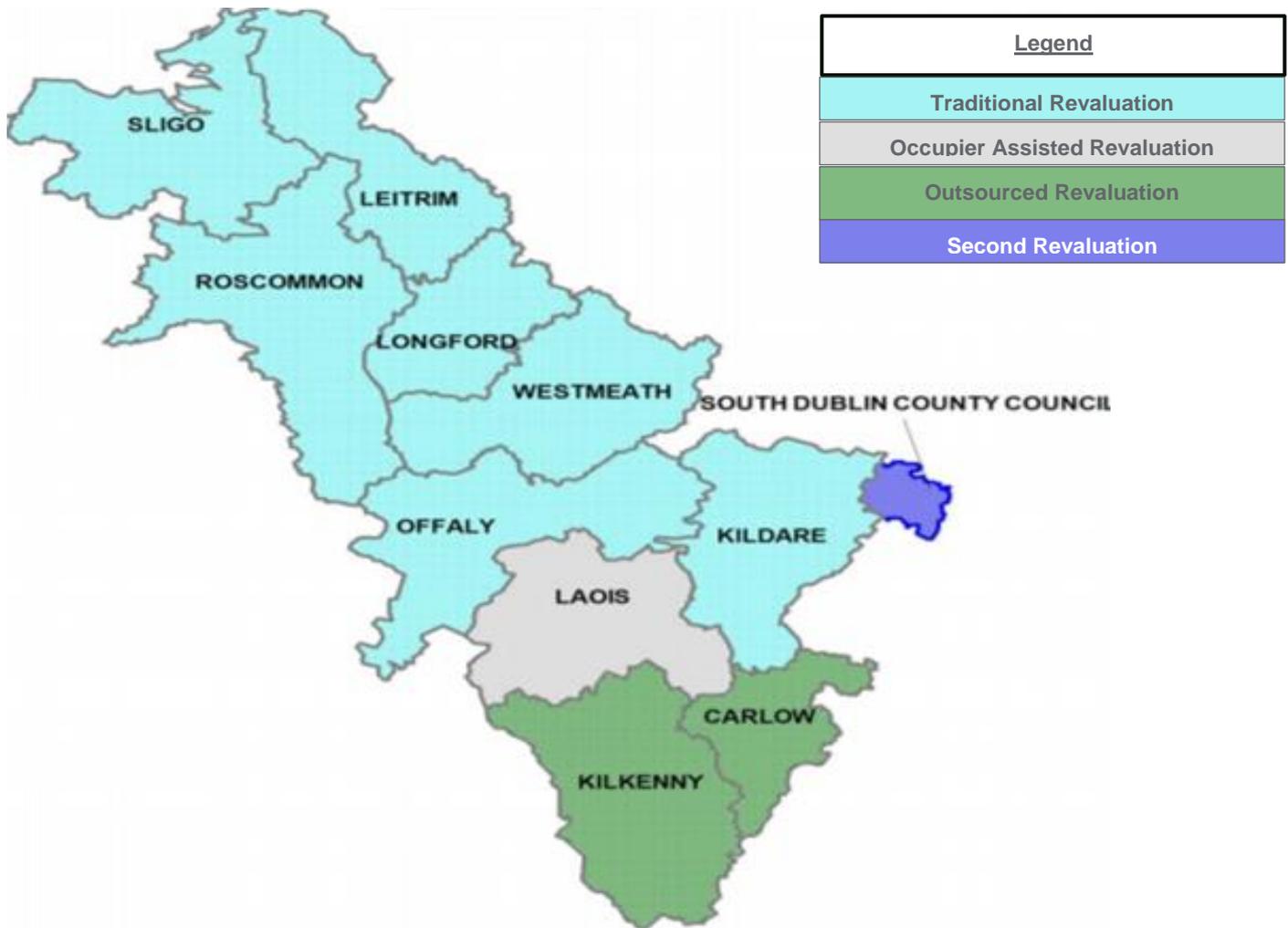


Illustration 1: Map of Reval 2017 Programme

The Valuation Office has sought to manage the various revaluation projects undertaken since 2012 via the adoption of an increasing range of project management principles. However, Reval 2017 was the first occasion where it was the aim to manage a series of revaluation projects as an integrated programme of work. As is the case with any pilot, there is normally extensive value to be unlocked in retrospectively assessing the conduct of same in order to capture valuable lessons learned which can be leveraged to underpin continuous improvement initiatives. Hence, in 2018, the Valuation Office sought an independent review of the Reval 2017 Programme and the Revaluation of Laois in two distinct phases. The Valuation Office issued a Supplementary Request for Tender under an Office of Government Procurement Framework in April 2018. RSM Ireland submitted a response to same and were successful in the bid. RSM Ireland were appointed by the Valuation Office in May 2018 to conduct the independent review.

The first stage of the independent review assessed the projects carried out under the Reval 2017 Programme, including a review of the costs attaching to its delivery, and provided recommendations for future phases of the wider National Revaluation Programme. The related report was concluded and published in May 2020.

The second stage of the independent review focused on assessing the Laois Reval project which featured the first adoption of the OAV model. This stage commenced in May 2020.

Under the OAV model, occupiers of commercial property have an opportunity to submit information which will inform the valuation process. In order to enable occupiers to avail of this option, the Valuation Office provided them with a variety of supports during the valuation submission period. It was hoped that the outcome of this enhanced interaction between the State and the taxpayer would result in a more transparent process and an improved understanding, on the part of occupiers, of what the Valuation Office is trying to achieve through the revaluation.

The Valuation Office also considered the OAV approach to align with a key objective in Ireland's Public Service Reform Plan 2014-16 being: "To deliver leaner, more cost effective and responsive public services, the Reform Plan is committed to enhancing the use of alternative models of service delivery across the Public Service".

The Valuation Office viewed the piloting of OAV an opportunity to test the impact of an approach based on the sharing of greater information and the more extensive explanation of the valuation process on the number of appeals arising, the quality of the data available to inform the valuation, and trust levels between the taxpayer and the organisation.

This report is the output of the second stage of the review commissioned and should be read in conjunction with the prior report referred to above.

3. TERMS OF REFERENCE AND METHODOLOGY

Terms of Reference

The Terms of Reference for this second stage of the independent review of Reval 2017, as confirmed during the mobilisation phase of the project, were as follows:

- To conduct a robust review of the cost and non-cost elements of the revaluation of commercial properties in the Laois rating authority area. The review of the costs incurred will be completed in accordance with the requirements of the Public Spending Code;
- To perform a comparative analysis of the revaluation of commercial properties in the Laois rating authority area, via the operation of the OAV model, versus selected other rating authority areas revalued as part of Reval 2017; and
- To bring forward a series of considered recommendations which will contribute to the planning and execution of the upcoming Reval 2023 programme.

Deliverables:

The following key deliverables were agreed with respect to Stage 2 of the review:

- a focussed independent report with clear and concise conclusions and recommendations;
- using a methodology, consistent with that adopted in the prior stage, and which can be deployed to review future revaluation projects; and
- at least one draft report is to be provided to support quality assurance purposes before the final report for each stage is delivered.

Review Methodology

To ensure the Terms of Reference were addressed in a complete fashion and the prescribed deliverables generated, the following four-phase methodology was designed and adopted to underpin the conduct of the review.

Mobilisation

This stage included the preparation of the Project Initiation Document (PID) and the associated project plan, risk log and reporting templates. A Project Steering Committee (PSC) was also formed to govern the project. The purpose of this stage was to establish the project scope and to ensure objectives were collectively agreed and the project was properly planned, resourced, and governed to maximise the likelihood of project success.

Discovery

The purpose of this stage was to properly understand the relative robustness of the:

- approach adopted;
- methodology used;
- processes operated;

- resources deployed;
- data management strategy; and
- governance mechanisms established by the Valuation Office, to underpin the delivery of the Laois Reval Project.

This phase included:

- a desk-based review of the extensive documentation as provided by the Valuation Office and other parties;
- the conduct of desk-top research into the project and its conduct; and
- the conduct of a comprehensive series of interviews with internal and external stakeholders.

In total, interviews were conducted with 16 internal stakeholders and 6 external stakeholders.

Analysis

The purpose of this stage was to develop an initial series of findings for discussion with the Valuation Office in respect of the Laois Reval project and to develop appropriate recommendations in respect of same. Findings in respect of project management were arrived at by benchmarking the approach adopted within the Laois Reval project against prevailing best practice in project management.

This phase included the following key activities:

- the collation and consideration of the key findings arising from the prior phase by the RSM team;
- the presentation of the draft findings to the Valuation Office PSC to allow an opportunity for the Valuation Office to
 - provide additional information for consideration prior to the issuing of the draft report; and
 - confirm the factual accuracy of the findings brought forward;
- the review of additional information received from the Valuation Office (and other parties) and the related updating of the draft findings, as appropriate; and
- the development of tailored recommendations in response to the key findings which, if adopted, would improve the delivery and impact of future Reval projects.

Continued close collaboration between RSM Ireland and Valuation Office ensured the findings were relevant, concise, and framed in an appropriate manner whilst not compromising the critical independence of the review.

Project reporting

During this final phase, RSM provided a detailed draft report outlining the key findings and recommendations in relation to the Laois Reval project. This draft report was circulated for review by the PSC to ensure the accuracy of its content and the practicality of its recommendations. Following a further submission of information by the Valuation Office, and related consideration by RSM Ireland, a final report was issued to the PSC.

4. KEY FINDINGS AND RELATED RECOMMENDATIONS

Overview

RSM engaged in an extensive stakeholder consultation process as part of this project. Our stakeholder consultation phase commenced in May 2020 and was concluded in October 2020.

RSM undertook an extensive review of project-related documentation (in excess of 260 documents) and interviewed 16 internal and 6 external stakeholders. Both of these activities generated key findings for consideration within the project.

One of the overarching objectives of this second element of the review process was to assess the effectiveness of the OAV model, within the pilot project in Laois, versus the more traditional, but evolving, revaluation method adopted across the remainder of the Reval 2017 programme. Hence, the successes and challenges of Reval 2017, as reported in the prior review report, provided a relevant and recent benchmark for the Laois Reval project. The latter project having concluded one year post the balance of the wider Reval 2017 programme.

It should be recognised, in advance of the detailed consideration of the findings and the related recommendations, that there were a range of positive and innovative elements present in how the Valuation Office progressed the Laois Reval project which was delivered in compliance with statutory timelines. It is particularly acknowledged that this was the first time the OAV model had been deployed to underpin such revaluation activity in Ireland, therefore, it was to be expected that a number of potential opportunities for improvement arise. Some of the significant achievements and successes within the project are summarised below:

- the OAV model, as developed by the Valuation Office, is regarded as a highly innovative approach to the valuation task and signals a significant departure from the prevailing and accepted models. The progressive nature of the model was recognised when it was awarded first prize for “*Innovation in Service Delivery*” in the Institute of Revenues, Rating and Valuation (IRRV) Performance Awards in 2019;
- the project has been the recipient of international interest and has afforded the Valuation Office opportunities to present the model at a global level. In this context, the Valuation Office presented a paper on “*Piloting Innovative Approaches to Valuing Commercial Property for Taxation Purposes*” at the World Bank Conference on Land and Poverty in 2018;
- it is widely accepted that the Valuation Office delivered a highly successful communications programme within the wider Laois Reval project. A citizen-centric approach, based on transparency and high levels of engagement with the public, was clearly evident. Such active communication aligned neatly with selected objectives within the broader Public Sector reform plan;
- extensive inputs were invested, by the Valuation Office, into the creation of various tools and supports designed to underpin the delivery of this occupier-focused approach. For example, the use of google analytics was adopted for the first time to record and analyse online traffic from interested parties. Further innovations included:
 - the commissioning of instructional videos;
 - the development of a rates calculator for use by occupiers;
 - the adoption of heatmaps;
 - the creation and publication of guidelines regarding measuring property, by type;
 - the development of a briefing document in respect of the project and the OAV approach;
 - a revamp of the organisation’s website to deliver a more user-friendly experience and interface; and

- the use of dashboards to monitor and report upon progress and Key Performance Indicators.
- Reval 2017 marked the adoption of a robust approach to project management which was sustained throughout the Laois Reval project. Project governance was further enhanced with the appointment of an external person as Chair to the Programme Board during the course of the Laois Reval project;
- the OAV model presented opportunities to enhance the data underpinning the valuation process and there is general consensus that the model helped to yield better results in terms of both the quality and quantity of data available. This outcome further strengthened the Valuation Office's continuing efforts to transition to a more data centric model of valuation in line with international developments and best practice;
- possibly as a consequence of the data improvement referenced above, fewer physical inspections were performed within the Laois Reval project as illustrated by an inspection rate of just over 6% versus 20% in the wider Reval 2017 programme;
- the percentage of ratepayers employing agents within the Laois Reval project (33.51%) compares favourably with the 40% of occupiers who retained agents across the wider Reval 2017 programme. This outcome again supports the view that the process was user-friendly;
- crucially, the Laois Reval project was concluded on time with all necessary certificates being issued ahead of the deadline set;
- one of the key successes for the project was the limited number of appeals lodged. The appeal rate during the Laois Reval project was circa 1% versus some 4% across the wider Reval 2017 programme; and
- generally external stakeholders were very positively disposed to the project as a proof of concept and regard the OAV pilot as successful.

However, while recognising the successes summarised above, a report of this nature must allocate the majority of its inputs to highlighting those areas where there are opportunities for improvement present. Casting a light on such opportunities, allied to the robust implementation of some or all of the recommendations arising, can enable the Valuation Office to build on the experiences gained within the OAV pilot to ensure that future Reval projects/programmes which adopt the OAV approach are planned and executed to deliver even better outcomes.

Across both reports within this review, the key findings have been categorised under a number of distinct themes to facilitate the easier identification of key issues and trends. The illustration overleaf sets out the six overarching themes chosen.

Readers of both reports will note that in this document, themes 1 to 3 refer to project-level issues arising in the context of the Laois Reval as opposed to the programme-level matters within the wider Reval 2017 programme, as reported in the prior report.

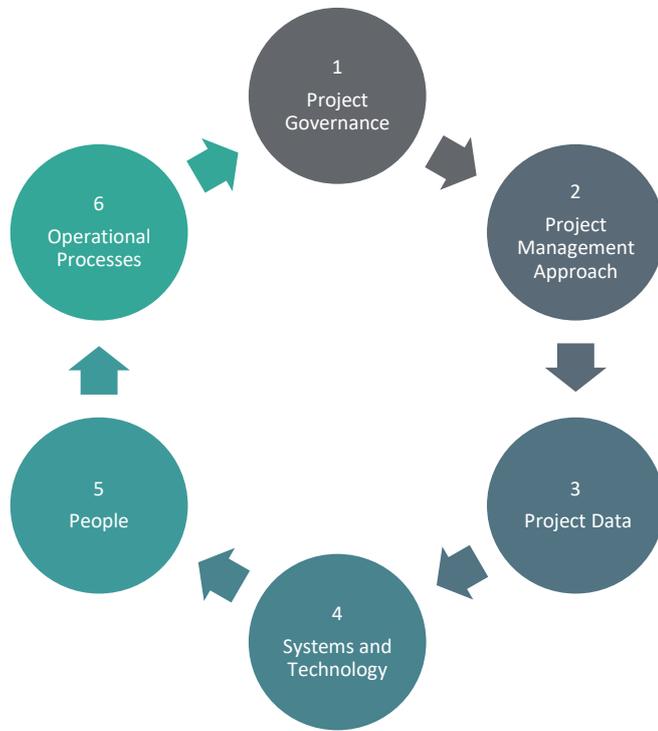


Illustration 2: Thematic grouping of findings

The source of each finding has also been summarised as follows:

- i. stakeholder *and* documentary evidence;
- ii. documentary evidence *only*; and
- iii. views expressed by stakeholders *only*.

Across the following pages the key findings arising from the review of the Laois Reval project are documented, by theme, together with the related relevant recommendations.

Theme 1: Project Governance

Finding No.	Source	Finding	Recommendation
N/A	N/A	<p>As the Laois Reval project was a stand-alone project and did not form part of a programme, the challenges reported at programme level in the Reval 2017 programme were not applicable to this project.</p> <p>At a project level, the only governance issue which appears to have persisted through to the Laois Reval project pertains to lack of clarity regarding project budget responsibility at Project Board level. This matter has been previously raised via Finding 1 and Recommendation iv) in the prior report.</p>	N/A. See prior report.

Theme 2: Project Management Approach

Finding No.	Source	Finding	Recommendation
N/A	N/A	<p>As the Laois Reval project was a stand-alone project and did not form part of a programme, the challenges reported at programme level in the Reval 2017 programme were not applicable to this project.</p> <p>At a project level, the only management matter which appears to have cascaded to the Laois Reval project pertains to the absence of formal information dissemination from the Project Board meetings to the Project Manager. This matter has been previously recorded as Finding 6 and Recommendation ix) in the Review of Reval 2017 programme report.</p>	N/A. See prior report.
1	Stakeholders & Documentation	<p>Some shortcomings with regard to project planning</p> <p>Whilst project planning was generally found to have been delivered to a good standard, the project did encounter some issues during the planning phases, albeit such challenges do not appear to have negatively impacted on the delivery of the project;</p> <p>For example,</p> <ul style="list-style-type: none"> during a review of the PID, it was noted that ratepayer compliance was not identified as a critical success factor nor as a risk in the PID. Given the fact that the model relies on occupier engagement, any failure to achieve an adequate rate of compliance may have served to undermine the usability and credibility of the OAV model. The actual results yielded are considered under Finding No.3 below. 	<p>i) The omission of ratepayer compliance as both a key success factor and a key risk indicates greater consideration needs to be afforded to the consideration of those risks which are inherent in a project based on the OAV model.</p> <p>Where future Reval projects are based on the OAV model, greater emphasis should be placed on identifying those risks inherent to the model and developing risk mitigation strategies to address such risks.</p>

Theme 2: Project Management Approach

Finding No.	Source	Finding	Recommendation
		<ul style="list-style-type: none"> An unexpected delay was referred to in the Project Board meeting minutes with regard to delays in video development which resulted in a three-week delay in the signing of the valuation order. Senior Management with the Valuation Office have advised that the actual delay related to the development of the OAV Form running behind schedule which led to a delay to the development of the OAV instructional video. Senior Management have confirmed that this delay did not in any way impact the delivery of the project. Whilst this is not contested, it is understood from stakeholders who were involved in the development phase of the project that the task of video development was underestimated in terms of time inputs and timelines. 	<p>ii) It is appreciated that video development was a new initiative within the Valuation Office.</p> <p>However, when encountering new tasks within a project, careful assessment of timelines is integral to successful project execution.</p> <p>The risk of timeline slippage may also be increased when relying upon external parties as was the case in this instance. Timeline contingencies should be factored into the project plan to allow for some unexpected delays which may come to pass.</p>

Theme 3: Programme Data

Finding No.	Source	Finding	Recommendation
2	Stakeholders only	<p>Concerns regarding the timeliness and relevance of the market data used</p> <p>Some stakeholders noted that the market data utilised in the Laois Reval project was from 2015 and may not have been reflective of the 2018 (the year of valuation activity) market due to the passage of time. For comparative purposes, the Reval 2017 programme was also based on data from 2015 with the final valuation list being published in September 2017. However, Senior Management within the Valuation Office confirmed that the additional year of delay in commencing the Laois Reval project was a deliberate decision as it facilitated a compare and contrast analysis between the Reval 2017 programme and the Laois Reval project. It was further noted that market data from the Offaly project, within the Reval 2017 programme would have been used to develop indicative values for non-bulk schemes in Laois.</p>	<p>iii) Whilst there was a specific background to the delay encountered in undertaking the valuation in the cited case, as a general approach it would be preferable to reduce the lapsed time between the year to which the data pertains and the year in which the valuation occurs. This issue may be more pronounced if the country was impacted by inflation leading to a potentially greater divergence in the current market value of the property and its value at the time to which the dataset utilised for valuation purposes relates.</p>
3	Stakeholders & Documentation	<p>Return rate of information from ratepayers</p> <p>Whilst ratepayer compliance has historically been difficult to achieve, the return rate of information from ratepayers during the Laois Reval project was undoubtedly lower than anticipated. The Laois Reval project generated a return rate of 41.69% versus an average S46 return rate of 51.62% across the Reval 2017 programme. Some stakeholders interpreted the lower return rate as indicating that the Valuation Office needed to utilise its enforcement powers with greater frequency.</p>	<p>iv) Given that one of the fundamental principles underpinning the OAV model is the enhanced engagement of ratepayers in the process, ratepayer participation is core to the success of this model. Whilst it is appreciated that exercising its statutory powers of prosecution may not be the Valuation Office's preferred, or the most efficient, approach, consideration should be given to both this and further options to stimulate a higher return rate with respect to such statutory enquiries.</p>

Theme 3: Programme Data

Finding No.	Source	Finding	Recommendation
		<p>It is also worthy of note that some 51% of representations in the Laois Reval project arose from occupiers who had not submitted any information during the valuation process.</p>	<p>Such initiatives were previously outlined under recommendation xiv) in the prior review of Reval 2017 programme report and it is recommended that the Valuation Office give this matter further consideration.</p>
4	Stakeholders only	<p>Data sharing limitations</p> <p>It was noted that there may be merit in affording local authorities greater time to review the valuation list given the extensive data contained within same. It is thought that in doing so, a local authority may be in a better position to provide the Valuation Office with more accurate and up-to-date data for valuation purposes.</p> <p>There may also be further opportunities to improve the sharing of data between the Local Authority and the Valuation Office given that the former fields a lot of queries from occupiers but is limited in terms of the information it can provide.</p> <p>It is, however, the view of Senior Management within the Valuation Office that the local authorities should be referring the bulk of such queries to the Valuation Office. However, it is agreed that there may be a significant opportunity to share a common dataset for rate invoicing and collection purposes.</p>	<p>v) As local authorities are likely to be dealing with business-as-usual matters during the conduct of Reval projects, it may be prudent to agree a project plan, at the outset of the project, with the local authorities so that tasks and timelines are clear and agreed.</p> <p>This may help to ensure sufficient time is available to local authorities to review the list and propose any necessary changes which may assist in improving the accuracy of the data provided.</p> <p>vi) Consideration should be given to mechanisms by which the Valuation Office can increase data sharing with local authorities for invoicing and collection purposes so that local authorities are better positioned to provide matter of fact information to ratepayers. Any such sharing of data should be governed by appropriate data sharing agreements, where applicable.</p>

Theme 4: Systems Technology

Finding No.	Source	Finding	Recommendation
5	Stakeholders only	<p>Concerns regarding the capabilities of a future Valuation Office systems to manage and house OAV generated data</p> <p>As reported during the prior review of the Reval 2017 programme, the key operational application used by the Valuation Office to underpin its core tasks and activities, including revaluations, is the Valuation Office System (VOS). The system has many shortcomings which have been detailed under Finding 11 and Recommendation xvii) in the prior Reval 2017 report.</p> <p>The Laois Reval project experienced further system challenges due to the nature of the OAV model. As the OAV process yields additional fields of data, it was noted that significant customisation of the Valuation Office System (VOS) was required to host such additional data.</p> <p>Whilst the procurement of a new system is progressing, OAV process requirements do not appear to have been included as part of the specification.</p> <p>Therefore, the future system may not necessarily have the data management capabilities required to facilitate future Reval projects based on an OAV model.</p> <p>However, Senior Management, within the Valuation Office, have advised that OAV workflows had been developed to inform the system project and that the new system is expected to be capable of managing the relevant data.</p>	<p>vii) The system currently being procured to replace the existing VOS application must be capable of hosting all the data an OAV based project will yield. Consideration will, therefore, need to be given to the approach and costs associated with the testing of the new system to ensure it robustly accommodates the data emanating from any future OAV model valuations.</p>

Theme 5: People

Finding No.	Source	Finding	Recommendation
6	Stakeholders & Documentation	<p>Concerns that the project was resource-intensive</p> <p>It was noted by several stakeholders that the Laois Reval project was more human resource intensive than other Reval projects undertaken.</p> <p>There were essentially two key phases to the project, the Design phase, and the Implementation phase. The Design phase centred around the development of the OAV model and the necessary tools to support the model. Whilst some fine-tuning of the model and the associated tools may be required for future OAV projects, the time-input required during this phase is generally regarded as a one-time, non-repeatable cost.</p> <p>With regard to the Implementation phase, the OAV valuation approach essentially features an additional phase, known as the “OAV “stage, which is the period when Category A ratepayers are asked to consider the indicative value proposed by the Valuation Office and Category B ratepayers are to submit their own valuation, prior to the issuing of PVC notices.</p> <p>Whilst such an additional stage will naturally be perceived as requiring additional time-input, the objective of this additional stage is to lessen the time-input required at subsequent stages of the process, namely the Representation and Appeals stage.</p> <p>The review found that the cost of the OAV-based project as delivered in Laois was some 1.5% more expensive than the Carlow project which was undertaken via the direct assessment model and by external personnel. The Laois project costs also exceeded those</p>	<p>viii) The importance of the capture of accurate and complete cost records was referenced in the prior report. This matter re-occurs in this review where the development costs associated with the OAV model prior to September 2017 have not been fully recorded.</p> <p>ix) The costs associated with the delivery of the OAV pilot project exceeded those of the comparable direct assessment project delivered by internal resources (albeit question marks remain regarding the accuracy of the labour costs in the latter). It would appear worthwhile to undertake a further pilot of the OAV model, in a larger local authority area, so as to understand whether there are economies of scale to be found in the approach. It may also uncover whether the lessons learned from the initial pilot will yield time/cost savings in a subsequent OAV project.</p>

Theme 5: People

Finding No.	Source	Finding	Recommendation
		<p>of the Roscommon Reval, which was staffed by the Valuation Office personnel and completed using the direct assessment model, by some 67%. This was despite the time inputs to both projects being similar at circa 6.5 man years. More detail re the comparative costs of the projects delivered in Laois, Carlow and Roscommon are included in the next chapter.</p>	

Theme 6a: Operational Process - Quality assurance

Finding No.	Source	Finding	Recommendation
7	Stakeholders only	<p>Risks of under assessment of value</p> <p>The quality assurance mechanisms reported during the prior review of the Reval 2017 programme remained consistent during the Laois Reval project. Whilst no substantiated quality assurance issues in respect of Laois Reval were reported, the QA system features a number of shortcomings which have been detailed under Finding 18 and Recommendation xxiv) in the prior Reval 2017 programme report.</p> <p>With regard to the OAV model, some stakeholders raised concerns regarding the risk of under-assessment on the part of the ratepayer, either through genuine miscalculation or misunderstanding. It was felt that additional quality checking mechanisms should be incorporated into future OAV projects.</p> <p>However, in the main, stakeholders were comfortable that such risks could be mitigated by incorporating additional checks against other data sources.</p>	<p>x) Whilst no specific quality assurance issues were reported during the course of Laois Reval, given that the premise of the OAV model relies on certain categories of ratepayer providing indicative valuations supported by validated trading data, one could reasonably assume that an increased risk of operator error may reside in this operational model of valuation. The OAV model is, therefore, deserving of a robust review to identify and formalise the additional QA mechanisms required to underpin the rigorous use of model.</p>

Theme 6b: Operational Process – Communications & Engagement

Finding No.	Source	Finding	Recommendation
8	Stakeholders only	<p>Some deficiencies reported in respect of internal communications regarding OAV project</p> <p>Whilst those involved in the project were enthusiastic about the OAV model, a degree of uncertainty regarding the efficiency and effectiveness of the model was evident amongst valuers who were not directly involved in the project.</p> <p>It was reported that internal communications regarding the project, outside of those within the project team, were somewhat limited.</p> <p>It is understood that a presentation of the OAV model was delivered but not all valuers could attend. Thereafter, it was felt that information disseminated to the wider team regarding the project became more limited.</p>	<p>xi) Internal stakeholders buy-in will be integral to the future successful execution and/or scaling up of the OAV model in future Reval projects.</p> <p>It is recommended that the Valuation Office meets with representative groups of valuers within the Valuation Office to help address any queries or concerns which may exist surrounding the future deployment of the model.</p> <p>Project Team members involved in the Laois Reval project could also share their practical experiences of the model with the broader team.</p>
9	Documentation Only	<p>Scope to leverage a broader range of online communication tools</p> <p>Both internal and external stakeholders universally held the view that the Valuation Office could not have done more to improve communications and engagement with the public population. Whilst the tools and supports created were indeed impressive, there remains potential that further benefits could be realised from increased promotional activities and the use of a broader range of communication channels.</p>	<p>xii) Increased activity to promote the tools and supports created for the OAV pilot may serve to yield more accurate submissions from ratepayers. Therefore, it is recommended that the Valuation Office explore the use of a broader range of online communication tools in positioning future OAV projects.</p>

Theme 6c: Operational Process - Representation Process

Finding No.	Source	Finding	Recommendation
10	Stakeholders & Documentation	<p>Concerns regarding the lower representation rate achieved</p> <p>Some stakeholders expressed concerns that the lower representation rate outcome may have been attributable to a reduction in valuations and, therefore, rate liabilities for occupiers.</p> <p>From a review of the representation report, it was noted that 59.1% of properties received a reduction in their valuations as an outcome of the wider Reval 2017 programme versus some 63.61% during the Laois Reval project. It is further noted that Reval programmes have traditionally resulted in an average of 60% of occupiers experiencing a reduction in the valuation attaching to their property.</p> <p>It appears premature to draw any robust conclusions with regard to the impact the adoption of an OAV model may have on valuations across a broader Reval programme. For comparative purposes, the reduction in valuations, in similar-sized counties, across the Reval 2017 programme were as follows:</p> <ul style="list-style-type: none"> ○ Carlow: 54.9% of properties received a reduction in valuation. The overall representation rate equated to 19%. ○ Leitrim: 70% of properties saw a reduction in their valuation. The overall representation rate equated to 16% ○ Sligo: 68.8% of properties received a reduction in valuation. The overall representation rate equated to 16%. ○ Roscommon: 62.8% of properties received a reduction in valuation and the overall representation rate equated to 21%. 	<p>xiii) The Valuation Office, if embarking on future deployments of the OAV model to support valuation activities, needs to continue to closely monitor the outcome in terms of representations, appeals and reduced valuations and compare same versus the more traditional valuation approaches</p>

Theme 6d: Operational Process – Appeals

Finding No.	Source	Finding	Recommendation
11	Stakeholders & Documentation	<p>Concerns expressed regarding the lower appeal rate occurring</p> <p>Some stakeholders expressed concern that the lower appeal rate achieved in the Laois Reval project may have been attributable to the increased incidence of reduced valuations. Whilst the downward adjustment rate was indeed higher in the Laois Reval project than across the remainder of the Reval 2017 programme, it should be noted that the overall increase in the aggregated valuations was approximately 3% higher than the average rate in previous Reval projects.</p> <p>Whilst it is premature to draw any significant conclusions with regard to the impact the adjustment rate will have on the overall representation rate in a Reval based on the OAV model, the following reductions in liability were noted in similar-sized counties during Reval 2017:</p> <ul style="list-style-type: none"> ○ Carlow: 54.9% of properties received a reduction in liability and the overall appeal rate equated to 6.1% ○ Leitrim: 70% of properties reduction in liability and the overall appeal rate equated to 3.05%. ○ Sligo: 68.8% of properties received a reduction in liability the overall appeal rate equated to 4.42%. ○ Roscommon: 62.8% of properties received a reduction in liability and the overall appeal rate equated to 4.45%. 	<p>xiv) The Valuation Office, if embarking on future deployments of the OAV model to support valuation activities, needs to continue to closely monitor the outcome in terms of representations, appeals and reduced valuations and compare same versus the more traditional valuation approaches.</p>

Theme 6e: Occupier Assisted Valuation (OAV) Model

Finding No.	Source	Finding	Recommendation
12	Stakeholders & Documentation	<p>OAV did not expedite the revaluation process</p> <p>A key objective of the adoption of the OAV model and its pilot was to consider whether it could accelerate Reval programmes. The valuation order in Laois was signed in December 2017 and the related valuation process concluded in October 2018. This timeline appears favourable when compared with similar projects delivered under the direct assessment model. For example, the valuation order for Reval 2017 was signed in November 2015 and the related valuation process concluded in September 2017. It is, however, understood that preparatory activities for the Laois Reval project were underway from the summer of 2016 to August 2017 and Board meetings were occurring as early as July 2015. Accurate timeline data has proved difficult to obtain in respect of the wider Reval 2017 programme and, therefore, the review is unable to draw robust comparisons between the two assessment approaches in this regard</p>	<p>xv) It is imperative that robust timeline data is captured across the life of all Reval programmes and projects as a KPI. This enables the robust comparison of programmes and projects post their delivery.</p>
13	Stakeholders	<p>Scalability of the model</p> <p>Some stakeholders expressed uncertainty regarding the true potential to scale the OAV model to deliver larger Reval projects or programmes, given the resources needed to deliver same. However, stakeholders involved in the project, were of the view that the model should be rolled out again, on a larger scale. There was also broad consensus that the OAV model would be best suited to a second or subsequent revaluation of a Local Authority area, whereby there would not be a</p>	<p>xvi) Having considered the feedback from both stakeholders involved in the project and external stakeholders, there is undoubtedly, a strong consensus that the model should be further piloted. In order to test the viability of the model as a potential primary method of revaluation, the model will need to be piloted on a much larger scale to that of within the Laois Reval project. It is further recommended that the model is piloted in an urban setting so</p>

Theme 6e: Occupier Assisted Valuation (OAV) Model

Finding No.	Source	Finding	Recommendation
		requirement to invest such significant efforts into data cleansing and data analysis activities as encountered in the Laois Reval project.	as to understand potential challenges that may arise in a setting which contrasts with Laois.

5. COST OF SERVICE DELIVERY

A key element of the terms of reference of the project, as set out in Section 3, centred on the requirement to review the costs associated with the revaluation of commercial properties in the rating authority area of County Laois. This review of the costs incurred was to be completed in accordance with the requirements of the Public Spending Code.

In order to assess the costs of delivering the project via the OAV model, this review considered the costs incurred within the Laois Reval project against those relating to similar sized projects undertaken in Reval 2017 by internal and outsourced resources.

As discussed, in the prior report into the Review of Reval 2017, internal labour inputs to the individual projects were not recorded on a real-time basis during that programme. Hence, no financial value was attributed to same, and recommendations were made in this regard. It was, however, subsequently agreed with the Project Steering Committee that in order to provide some insight into the cost of service delivery during Reval 2017, that the Valuation Office would provide retrospective estimates of the internal labour hours input into the individual revaluation projects. In contrast, we understand, from discussions with Valuation Office management, that internal labour inputs into the Laois Reval project post-September 2017 were recorded on a contemporaneous basis. However, only retrospective estimates were provided by the Valuation Office in respect of direct labour time-inputs to the project pre-September 2017. Furthermore, concept design costs pre-September 2017 were similarly not robustly captured.

In order to facilitate a valid comparison, it was necessary to identify those rating authorities included in Reval 2017 which were similar in scale (in terms of commercial property population) to the Laois Project.

It was decided, with Project Steering Committee approval, to select the rating authorities of County Roscommon (a project delivered under the traditional direct assessment method of revaluation) and County Carlow (a project delivered by an outsourced provider) as the comparator projects.

The population of commercial properties reviewed in each project is detailed in Table 1 below:

Project	Model	Commercial property population
Laois	OAV – internal resources	1,976
Carlow	Direct Assessment - Outsourced Provider	1,989
Roscommon	Direct Assessment – Internal resources	2,088

Table 1

Internal Service Delivery Model

As outlined above, both the Laois project and the Roscommon project were delivered via an internal service delivery model. The estimated cost of internal project delivery incorporates three components as set out overleaf:

- the cost of direct labour involved in operational project delivery;

- the allocated cost of external project management advisory services; and
- the cost of project governance.

For the purpose of this review, the time input data provided by the Valuation Office has been represented in years. The value attaching to the time input has been calculated in accordance with the requirements of the Public Spending Code as necessitated by the project's terms of reference. Thus, the calculation of total staff cost is deemed to encompass the following:

	Cost	Definition
A	Pay	Midpoint of grade pay range using formula per Code
B	Direct salary cost	A + Employers' PRSI
C	Total salary cost	B + Imputed pensions cost (typically 13% of A)
D	Total staff cost	C + 25% of A in respect of "overheads"

Table 2

To ensure the costs associated with the time input of different grades was as accurate as possible, given the time period within which the revaluations took place and prevailing salary scales at the time, the mid-points of the salary scales, by grade, as published in Circular 08/2017 which came into effect on the 1 April 2017, were used as the initial pay value in respect of the Roscommon Project. The calculation of the total staff cost by grade is set out in Table A at Appendix C.

The mid-points of the salary scales, by grade, as published in Circular 22/2017 which came into effect on the 1 January 2018 was used as the initial pay value in respect of the Laois Project. The calculation of the total staff cost by grade is set out in Table B at Appendix C. These values underpin the calculation of the monetary value of internal direct and indirect time across this report.

The second element of the internal cost of project delivery relates to the cost allocation arising from project management advisory inputs. To aid the smooth progression of the Reval programmes, from a project and programme management perspective, the Valuation Office procured support from Clarion Consulting. This service was procured to benefit of all internally delivered projects within Reval 2017, including the Laois Reval project. Based on the invoiced sums from Clarion, the cost of their service equates to €2.01 per revalued commercial property.

The final cost element associated with internal project delivery is the time devoted to project governance and review activities. With respect to such project tasks, the Valuation Office provided an estimate of the time input to each project, by grade. These time inputs are considered consistent whether the project was delivered internally or by an outsourced service provider.

We now proceed to consider the costs associated with each project delivered via the internal service delivery model.

Laois project

As previously outlined, the Laois project was delivered by the internal resources of the Valuation Office via the OAV model. It should be recalled that the Laois Project was a pilot project for OAV and that it was the first time the Valuation Office delivered a revaluation project using this model.

The OAV model is a unique method of revaluation developed by the Valuation Office. Whilst the concept of a self-assessment method of revaluation had been evolving within the Valuation Office for a number of years prior to the Laois Reval project, it is understood that it was not until September 2017 that the concept of the OAV model started to gain momentum. Undoubtedly there were some costs associated with concept development prior to 2017 but such expenditure was not fully captured by the Valuation Office. It is important in regard to future projects which involve direct expenditure on products or services that steps are taken to record such costs on a contemporaneous basis. This will aid the future review of such projects.

The costs associated with developing the concept of the OAV model pre-August 2017 equate to at least €104K.

Given the pilot nature of the project, coupled with the requirement to customise the existing the Valuation Office System (VOS) to cater for OAV specific requirements, additional external ICT labour inputs were required and amounted to €47K.

With respect to the direct labour involved in delivering the project, the Valuation Office provided an estimate of the time input, by grade, as set out in Table 3 below:

Direct Labour Inputs

Valuation Office Direct Labour Inputs to Laois Reval Projects (Full Time Equivalent Years)	
Project Role/Staff Grade	Laois
Managing Valuer/Sponsor (Principal Officer)	0.76
Team Leader/Project Manager (Team Lead)	0.61
Valuer Grade 3 (Professional Grade III)	2.35
Valuer Grade 2 (Professional Grade II)	1.33
Valuer Grade 1 (Professional Grade I)	0.35

Table 3

With respect to the indirect labour, the Valuation Office provided an estimate of the time input to the project, by grade, as set out in Table 4 overleaf.

Indirect Labour Inputs

Valuation Office Indirect Labour Inputs to Reval Projects (Full Time Equivalent Years)		
Project Role/Staff Grade	Governance and Auditing	Review and Quality Assurance
Managing Valuer/Sponsor (Principal Officer)		0.33
Team Leader/Project Manager (Team Lead)	0.35	0.25
Valuer Grade 2 (Professional Grade II)	0.20	

Table 4

Based on the above analysis, the total cost of delivery of the Laois Reval project, excluding pre-August 2017 concept expenditure, is as set out in Table 5 below:

Total Cost of Delivery

Total Cost of Internal Service Delivery	
Cost element	Laois €k
Direct labour	672
Procured project management advisory services	4
Indirect labour	141
Project expenditure	817
Products and services re model development	151
Total	968

Table 5

Roscommon project

Similarly, to the Laois project, the Roscommon project was delivered via an internal service delivery model. In contrast to the Laois project however, the Roscommon project was delivered via the traditional direct assessment model as part of the Reval 2017 programme.

With respect to the cost of direct labour, the Valuation Office provided an estimate of the time input to the project, by grade, as set out in Table 6 overleaf:

Direct Labour Inputs

Valuation Office Direct Labour Inputs to Reval Projects (Full Time Equivalent Years)
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Project Role/Staff Grade	Roscommon
Managing Valuer/Sponsor (Principal Officer Higher)	0.25
Team Leader/Project Manager (Team Lead)	0.30
Valuer Grade 3 (Professional Grade III)	5.0

Table 6

With respect to the cost of indirect labour, the Valuation Office provided an estimate of the time input to the project, by grade, as set out in Table 7 below:

Indirect Labour Inputs

Valuation Office Indirect Labour Inputs to Reval Projects (Full Time Equivalent Years)		
Project Role/Staff Grade	Governance and Auditing	Review and Quality Assurance
Managing Valuer/Sponsor (Principal Officer Higher)		0.33
Team Leader/Project Manager (Team Lead)	0.35	0.25
Valuer Grade 2 (Professional Grade III)	0.20	

Table 7

Based on the above data the total cost associated with the delivery of the Roscommon Reval project, is as set out in Table 8 below:

Total Cost of Delivery

Total Cost of Internal Service Delivery by Project	
Cost element	Roscommon €k
Direct labour	435
Procured project management advisory services	4
Indirect labour	140
Total	579

Table 8

Carlow project

In contrast to both the Roscommon project and the Laois project, the Carlow project was delivered by an outsourced provider. The estimated cost of the outsourced project delivery incorporates two elements as set out below:

- the cost of invoiced outsourced labour applied to operational project delivery; and
- the indirect labour inputs of Valuation Office personnel to support the delivery and governance of the project delivered by the outsourced service provider.

The total invoiced cost of relevant professional services, as provided by the outsourced service provider, with regard to the Reval project in Carlow equated to approximately €804k. This sum excludes any fees relating to cases progressing through the Valuation Tribunal so as to ensure the costs are comparable to those considered in the internal service delivery scenarios.

The second cost component with regard to outsourced project delivery is the internal Valuation Office time allocated to:

- vendor procurement and contract award;
- contract management;
- project support (IT, accommodation and training);
- project governance and auditing; and
- project review and quality assurance.

The Carlow project was one of two projects delivered by an outsourced provider as part of the Reval 2017 programme. Notwithstanding that the majority of the project was delivered by external resources, the Valuation Office had inputs across a range of activities as outlined above. With respect to such project tasks, the Valuation Office provided an estimate of their time input to the outsourced Carlow project, by grade. These time inputs are reflected in Table 9 below:

Indirect Labour Inputs

Valuation Office Indirect Labour Inputs to Outsourced Carlow Project (Full Time Equivalent Years)					
Project Role/Staff Grade	Vendor Procurement & Contract Award	Contract Management	Project Support	Governance & Auditing	Review & Quality Assurance
Commissioner (Assistant Secretary)	0.02				
Managing Valuer/Sponsor (Principal Officer Higher)	0.02				0.27
Principal Officer	0.02				
Team Leader/ Project Manager (Team Lead)		0.10		0.29	0.21
Assistant Principal	0.04		0.04		
Higher Executive Officer			0.02		
Valuer Grade 2 (Professional Grade II)				0.16	
Executive Officer			0.04		

Table 9

The monetary values attaching to these time inputs were calculated following the same approach as defined earlier in this section.

Based on the above analysis, the total cost of the delivery of the Carlow project, is as set out in Table 10 below.

Total Cost of Delivery

Total Cost of Outsourced Service Delivery in Carlow	
Cost element	Carlow €k
Invoiced fees – outsourced service provider	804
Indirect labour – Valuation Office	149
Total	953

Table 10

Analysis

In considering the comparable cost of the delivery of the Laois Reval project, and, more specifically, the deployment of the OAV model versus its selected peer projects within Reval 2017 it was necessary to exclude the costs associated with concept development for two key reasons. Firstly, such concept development costs are one-time in nature being principally associated with the development of the OAV concept and the delivery of the pilot project. They would not re-occur to any similar extent in any subsequent project. In addition, we are aware that the costs associated with the development of the OAV model are understated and incomplete as such costs incurred pre-September 2017 were not recorded at the time. Hence, the figures quoted below have excluded the costs associated with the development of the OAV model.

The cost of the outsourced direct assessment delivery model, as operated for the Carlow project, exceeded the cost of the Roscommon delivered via an internal service delivery models, However, the Carlow project costs were less than those of the Laois project by some €15k or 1.5%. It is, however, important to point out that each of the internal and the outsourced delivery models possess a range of non-financial advantages and disadvantages which need to be considered in conjunction with the cost analysis conducted in this section.

In comparing the costs of delivery of the Laois project, undertaken by Valuation Office via the OAV model, versus those of the Roscommon project, delivered internally by the traditional direct assessment model, the costs attached to Laois exceed Roscommon by some €389k or 67%. This is not an insignificant cost differential, but it should be noted that the labour costs associated with the Laois project were calculated using 2018 civil service scales for all inputs post September 2017 and not their 2017 predecessors as per the Roscommon project. It would also appear reasonable to anticipate that if further OAV-based projects were to be considered then they would most likely be delivered more efficiently and effectively than the premier pilot of the model. In particular, it is understood that the OAV phase of the project was essentially created as a fail-safe addition to the direct assessment model so that, in the instance that ratepayer compliance was significantly lower than anticipated, the Valuation Office could still proceed with the Reval project, albeit using the direct assessment model. As such, it is reasonable to anticipate that over time, OAV could replace some of the preparatory activities associated with the direct assessment model. A further pilot would be useful in testing this hypothesis.

As alluded to previously, the labour inputs referred to above, do not reflect the inputs required to engage with the associated Valuation Tribunals. It is understood that such tribunals require significant input in terms of manpower hours. Hence, the scenario where the appeal rate pertaining to the Laois project is 1% and 3% lower than the wider Reval 2017 programme is encouraging and offset some of the direct labour costs incurred under this model. Again, a further pilot would be useful in determining if this lower appeal rate is sustainable under OAV.

However, readers are reminded that it may not be prudent to read too much into the differential in the cost outcomes of the various projects, as the analysis in this section is predicated upon the accuracy of the time estimates provided by the Valuation Office and it is not possible to stress test these estimates, particularly with regard to the Roscommon and Carlow projects, at this juncture.

6.ROADMAP TO IMPLEMENTATION

A detailed examination of the thirteen review findings and the 16 related recommendations arising is set out in Chapter 4.

In this section, our attention would normally turn to how the proposed recommendations may be implemented so as to optimise their impact on future revaluation programmes. However, given a decision is yet to be made by the Valuation Office as to whether there is sufficient merit in adopting OAV as a model of assessment in the future, there is no value in detailing the review's recommendations and associated timelines for implementation at this juncture.

In view of the many successes of the Laois Reval project, not least the significant reduction in the number of Representations and Appeals arising, the review does consider there to be merit in further piloting OAV, but any such pilot should be conducted within a larger and more urban local authority in order to assess the scalability of the model. In the case that the Valuation Office does decide to further pilot the model, consideration should then be afforded to the report's recommendations in the context of both the design and conduct of the OAV project.

7. BARRIERS TO IMPLEMENTATION

In this section we consider a number of potential challenges to the implementation of our recommendations providing an overview of the barrier to be overcome, and some potential mitigation strategies which the Valuation Office could consider implementing.

Such potential challenges include:

Communication barriers

It became apparent during our consultation with internal stakeholders that some Valuers outside of the OAV project team were not familiar with the mechanics of OAV as a model of valuation and consequently harboured some concerns regarding the efficiency and effectiveness of the model. In order to allay such concerns, the Valuation Office will need to increase its communication efforts surrounding the implementation of the model in advance of any future pilot projects undertaken. Buy-in will only be achieved through meaningful dialogue and engagement with staff.

Talent attraction

As for many sectors, the job market is becoming increasingly competitive for employers such as the Valuation Office. Technically skilled workers are in demand putting pressure on employers to compete for talent. As the Valuation Office is a public sector body, it is limited in its ability to compete in terms of salaries and wider financial benefit packages. If the Valuation Office experiences a loss of resources, it may find it difficult to attract suitably skilled staff. Increased communication, engagement and empowerment should be deployed to mitigate against the risk of high staff turnover.

Resourcing

If the Valuation Office decides to pilot the OAV model on a larger scale, increased levels of resourcing may be required to deliver some of the earlier phases of the project vis-à-vis the resourcing levels typically required for similar phases in projects delivered via the direct assessment model. The Valuation Office may need to consider alternative resourcing models to enable it to upfront resources in these preliminary phases of the project.

Co-sourcing is an effective manner of upskilling employees through knowledge transfer from external specialists or experts. As both sets of personnel are working side by side, employees naturally gain additional knowledge and skills from working in close quarters. This arrangement is aligned to the Department of Public Expenditure and Reform's External Service Delivery plan. The effectiveness of this transfer ultimately depends on the supporting systems in place.

Táilte Éireann

Tailte Éireann is the name of the Government body to be formed from the planned merger of the Property Registration Authority, Ordnance Survey Ireland and the Valuation Office. The legislation establishing the new organisation is currently being drafted and when established, Tailte Éireann will be responsible for providing the authoritative property registration system, national mapping and surveying infrastructure and property valuation service for the State. The timing of this merger is dependent on primary legislation, which is currently at the pre-legislative scrutiny stage. However, there may be an impact on the new processes or technologies in which the Valuation Office would wish to invest to enhance the delivery of future Reval programmes. A merger process in itself is also likely to absorb significant Senior Management time which may impact on their availability to contribute to future Reval Programmes.

8. CONCLUSION

The Laois Reval project featured the first adoption of the OAV model. For the first time in Ireland, occupiers of commercial property were afforded the opportunity to submit information which would inform the valuation process. This approach marked a significant step-change from that of previous revaluations conducted via the more traditional, albeit evolving, method of direct assessment.

In planning and delivering the Laois Reval project the Valuation Office sought to embrace innovation and engagement with the public. As would be the case in any pilot, the Valuation Office determined there would be considerable value to be accessed from the conduct of an ex-post review of the programme in order to capture the key lessons learned which can be leveraged to underpin continuous improvement initiatives.

This report acknowledges that the Laois Reval project saw the Valuation Office not only deliver the required outcomes within the prescribed timelines but also deliver a highly innovative model of assessment which also witnessed significantly enhanced engagement with the public.

Whilst this report has identified thirteen findings and brings forward related recommendations which impact all aspects of revaluation programme delivery, the review does view the Laois project to be a success and sees merit in piloting the OAV model further. The overarching recommendation of this review is to pilot OAV on a larger scale within a more urban setting. It is hoped that the Valuation Office would find value in considering the report's recommendations in the design and conduct of such a future project.

In concluding, RSM Ireland would like to take the opportunity to thank the Management and Staff of the Valuation Office and the numerous other stakeholders who participated in the conduct of this review for their courtesy, co-operation and support during the conduct of the project.

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