THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

Independent Review of the Reval 2017 Programme

Status: Final Report

April 2020

TABLE OF CONTENTS

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 entity under the auspices of the Minister for Housing, Planning and Local Government since 2018. The central remit of the Valuation Office is the provision and maintenance of accurate, up-to-date valuations of commercial and industrial properties to both 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. The programme’s key goal being the delivery of a modern valuation base to underpin the levying of commercial rates in an equitable fashion. In many ways, the Valuation Act 2015, provided the opportunity to significantly revise the operational approach as to how valuations and revaluations are conducted. Examples of the amendments enabling such change included the:

i) empowering of the Valuation Office to determine the annual value of a class/type of property based on market or aggregated data;
ii) introduction of Occupier Assisted Valuations (OAV) enabling an extent of self-valuation of property by the occupier; and
iii) option to deploy outsourced resources to undertake revaluations.

In planning and executing the Reval 2017 programme (which featured revaluations in ten local authority areas and one second revaluation), the leadership of the Valuation Office took the opportunity to pilot a range of initiatives which responded to the new environment made possible by the Act. Hence, there was the introduction of a data-led approach to revaluations across the programme whilst pilots of OAV and outsourcing models were commissioned in Laois and Carlow/Kilkenny respectively.

Whilst revaluations had been previously managed in line with project management principles, Reval 2017 represented the first time it was sought to deliver a Reval Programme in line with best practice Programme Management approaches.

In light of the extent of the change described and given a clearly stated desire to implement and embed a culture of continuous improvement, the Valuation Office commissioned an independent review of the planning, conduct and outcomes of Reval 2017 to inform the approach to similar future programmes. RSM Ireland were appointed to undertake the review.

Terms of Reference

It was agreed that the review of the Reval 2017 Programme would be approached in two distinct phases. The first phase assessed those revaluation projects undertaken in the in-scope local authorities (with the exception of Laois). This report represents the output of the review to this point.

The agreed Terms of Reference for this initial phase were as follows:

- to conduct a robust review of the cost and non-cost elements of the revaluation of commercial properties in the rating authority areas of Kildare, Leitrim, Longford, Offaly, Roscommon, Sligo, South Dublin, and Westmeath. The review of the costs incurred will be completed in accordance with the requirements of the Public Spending Code;

- to undertake a similar review of the cost and non-cost elements of the revaluation of commercial properties in the rating authority areas of Carlow and Kilkenny;

- to perform a comparative analysis of the revaluation of commercial properties in each rating authority area 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 2021 and Reval 2023 programmes.

The second, and upcoming, stage of the project will focus on the review of the OAV model within Laois and will lead to a second report which is expected in mid-2020.

A robust four-phase methodology (spanning mobilisation, discovery, analysis and reporting) was designed and adopted to underpin the conduct of the review. This incorporated extensive stakeholder consultation (both internal and external) and a comprehensive review of programme materials.

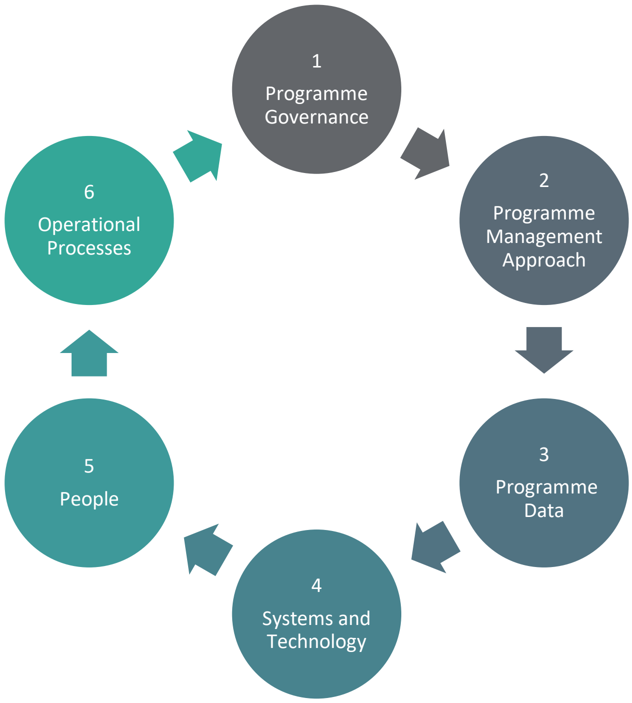
Key findings

The review highlighted a number of significant achievements delivered, by the Valuation Office across the lifecycle of Reval 2017 Programme, including:

- the adoption of a robust approach to programme management which, whilst still requiring refinement, provides a strong base for continued evolution during subsequent programmes;
- the appointment of an independent Subject Matter Expert to the Programme Board in order to enhance the quality of the governance regime;
- increased emphasis on programme communications and stakeholder engagement which is viewed as having boosted external understanding of both the objectives of Reval 2017 and the process by which such Reval Programmes are delivered;
- the approach to the conduct of the revaluations continued to be revised to an increasingly desk-top, data centric model in line with international best practice;
- the representation rate during Reval 2017 was circa 17.0%, a notable decrease on levels experienced in prior revaluations;
- the programme incorporated the second revaluation of a local authority (South Dublin County Council). The first time such a subsequent revaluation has occurred. The Valuation Office trialled numerous innovative approaches to this revaluation which resulted in a significant decrease in the representation and appeal rates which emerged;

- the programme represented the first occasion for revaluations to be undertaken by resources other than Valuation Office personnel. The operational feedback regarding the outsourced model was positive; and
- crucially, the Reval 2017 Programme was concluded on time with all necessary certificates being issued ahead of the relevant deadlines.

However, the core purpose of the review was to identify areas of improvement for consideration by the Valuation Office when designing and conducting future programmes. The report contains thirty key findings with thirty-six 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:

Programme Governance

Some important shortcomings in the operation, structure and remit of the Programme Board were identified. In addition, some departures from the planned Governance Framework occurred across the life of Reval 2017.

Recommendations in this area focused on matters around the appointment of the Chair of the Programme Board and the importance of the scheduling of its meetings early in the life of the programme so as to maximise its impact on the approach to the programme. The requirement to embed large scale programme delivery expertise within the Programme Board was also highlighted as was the need to appoint an experienced Programme Manager within the context of a two-tier (Programme Board and Programme Steering Committee) approach to programme governance.

Programme Management Approach

In practical terms, Reval 2017 was effectively managed as a series of individual projects (on a per local authority basis). It was reported that insufficient attention was given to the identification of programme and project metrics and milestones during the planning phase and this hampered the subsequent reporting of performance against transparent targets.

Moreover, the simultaneous nature of project delivery did not support the sharing of emerging learnings whilst inadequate feedback loops led to a lack of information being available to Project Managers and the wider staff.

The key recommendation in this section centred on the requirement to plan and deliver all future Reval Programmes as a consolidated body of work guided by a robust Programme Initiation Document and under the direction of a Programme Manager. The agreement of transparent and communicated target metrics which form the baseline for ongoing reporting is important as is the capture and sharing of the challenges and successes which arise across the programme. Such information is a valuable input to Project Managers in seeking to successfully deliver their projects.

Programme Data

The task of data loading, within Reval 2017, was both extensive and laborious. The allocation of this activity to Valuers was questioned by some stakeholders who queried whether this represented a valuable use of the time of such staff. A number of concerns were also raised as to the quantity and quality of the data available to support the valuation process albeit physical inspection always remains an option open to those charged with valuing any property.

The lack of digitised documents was a considerable challenge to Reval 2017's timely progress. The Valuation Office has subsequently commenced a significant digitisation project and it is noted that it has come to a successful conclusion ahead of Reval 2021. With regard to improving data quality, it is recommended that the Valuation Office considers extending the use of its statutory powers which allow it to obtain information from the ratepayer. The continued identification of further reliable and timely data sources is also encouraged so to assist the task of valuation.

Systems and Technology

The key finding under this heading related to the shortcomings of the incumbent operational system which was unable to provide some of the functionality or reporting required to deliver Reval 2017. Further issues identified included the lack of contemporaneous capture of the cost of internal labour inputs to the programme and the absence of any systematic analysis of the external contacts made to the Valuation Office's Administration Unit.

The Valuation Office is currently in the process of specifying, selecting and procuring a replacement operational system(s) which will better address the needs of the organisation and future Reval Programmes. This project requires significant investment and projects of this nature feature considerable risk as will the subsequent implementation. Hence, a robust approach to the project management of this initiative is necessary. It is recommended that the Programme Boards of future Reval Programmes ensure that ongoing monitoring of the internal cost of delivery is fully embedded in the approach taken and is supported via the systems and processes adopted by the organisation. The possibility of introducing an appropriate Customer Relationship Management system should be examined in order to support the accessing of the business intelligence within the contact from external sources.

People

The significant matter arising in relation to the people theme centred around the variation in the resources deployed to the revaluation projects which constituted the wider programme. The resources allocated did not, in the opinion of some stakeholders, align to the complexity or number of the properties involved. Challenges to timely project delivery also arose due to interruptions to resource availability as a result of the organisation's need to respond to other competing demands including appeals. Some external stakeholders queried the appropriateness of the experience of the Valuation Office's personnel given the task of valuation. However, Senior Management of the organisation contend that this view emanates from a fundamental misunderstanding of the legislative context within which Valuers are obliged to deliver their role.

It is recommended that in future Reval Programmes the rationale underpinning resource allocation to each project is communicated to the wider team involved in the programme so as to boost the understanding and acceptance of the resourcing decisions reached. To minimise the diversion of programme resources to other tasks, it would appear prudent to create a cohort of personnel who will be rostered to deliver only non-programme activity. To address the concerns raised by external stakeholders regarding the experience of Valuation Office resources, the organisation needs to engage on this topic and create a communication plan to convey their relevant messaging.

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 Outsourced Service Delivery. Some thirteen issues were identified with a similar number of recommendations arising.

The recommendations brought forward centred on enhancing the current processes to better support the efficient and effective delivery of future revaluation programmes, initiatives to bolster external stakeholder understanding of the revaluation process and suggestions as to how the outsourced model of valuation could be further optimised.

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 revaluation of commercial properties in the rating authority areas within the scope of the Reval 2017 Programme. This review was required to consider both those revaluation projects resourced by the staff of the Valuation Office and those projects delivered by the outsourced service provider. The review of the costs incurred was completed in accordance with the requirements of the Public Spending Code.

The cost of service delivery relating to the two-project set undertaken by the outsourced service provider exceeded the cost of the internally delivered comparative project sets by some €750k or 48 per cent. However, it is inadvisable to place too much emphasis on this cost variance as the analysis in this section is predicated upon the accuracy of the time estimates brought forward by the Valuation Office and it is impossible to test these estimates at this juncture. More details of the cost analysis undertaken can be found in Chapter 5 of the report.

It is also important to highlight that the internal and outsourced delivery models each feature non-financial advantages and disadvantages which need to be considered in tandem with this cost analysis.

Roadmap to implementation

Upon agreement of the findings arising from the review, and a consideration of the associated recommendations, the authors of the report and Senior Management of the Valuation Office turned their joint attention to the planned implementation of the recommendations. Hence, as set out in Chapter 6, a wide range of recommendations are set to be adopted during the Reval 2021 Programme. The remainder of the recommendations, which due to their complexity, or scale require more lead time to deliver, will be implemented during the subsequent Reval 2023 Programme.

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 possible shortcomings in the funding required to progress the planned investment in technology to underpin better processes and reporting and the need to improve communication between the Valuation Office and its external stakeholders. Obtaining and retaining staff engagement across the further period of planned operational change will also require astute leadership by Senior Management as will the need to change and develop the skill sets required by the Valuation Office team to align to the increasingly data-led approach to valuation.

Conclusion

Since 2012, the Valuation Office has aimed to deliver the various revaluation projects undertaken via the adoption of a range of project management principles. However, Reval 2017 was the initial time where it was the objective to manage a series of revaluation projects as a consolidated programme of work.

The Reval 2017 Programme was also the first revaluation programme to be undertaken post the enactment of the Valuation (Amendment) Act 2015 which significantly altered the legislative context within which valuation occurs. In planning and delivering the Reval 2017 Programme, the Valuation Office sought to embed the operational impacts of the changes brought about by the Act in their operational model.

This report acknowledges that the Reval 2017 Programme saw the Valuation Office deliver the required valuation outcomes within the prescribed timelines. In addition, there were considerable progress made in terms of the adoption of a robust programme approach to the conduct of the revaluation projects, the enhancement of the programme governance regime and substantial improvements in terms of proactive communication to external stakeholders around the programme.

Nonetheless, this report has identified some thirty findings and has outlined related recommendations which have relevance across all aspects of revaluation programme delivery. If these recommendations, are adopted, as per the agreed implementation roadmap, and the barriers outlined overcome, then the Valuation Office can continue to transform its approach to property revaluation and fully exploit the opportunities presented by the amended legislation.

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 re-valuations, 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.

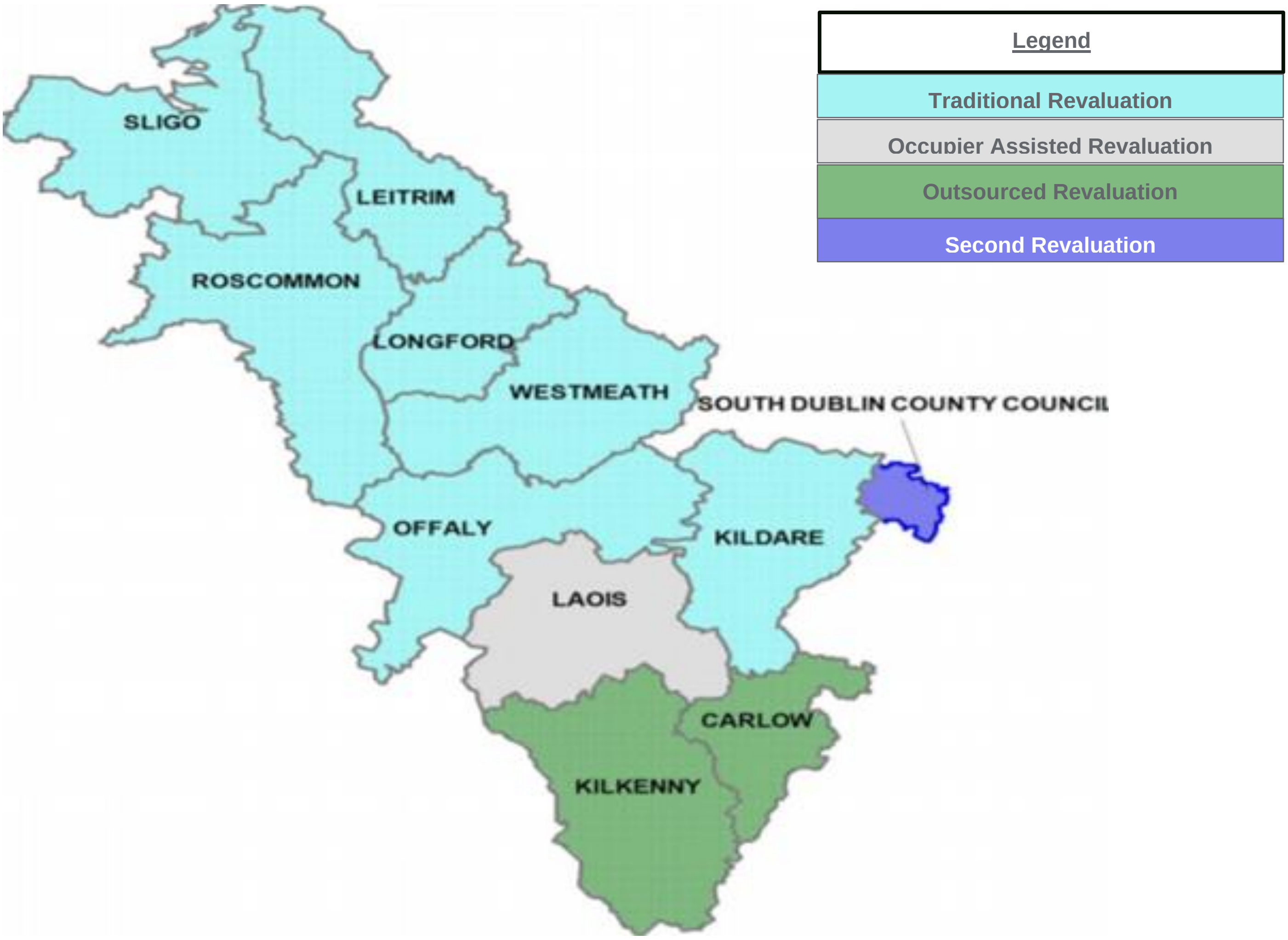


Illustration 1: Map of Reval 2017 Programme

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 is to assess the projects carried out under the Reval 2017 Programme, including a review of the costs attaching to its delivery, and provide recommendations for future phases of the wider National Revaluation Programme. This report represents the output of the first phase.

The second stage of the independent review will focus on assessing the Laois Reval project (Occupier Assisted Valuation model). This stage will commence in Quarter 2 of 2020 and will yield a second report to be read in conjunction with this document.

3. TERMS OF REFERENCE AND METHODOLOGY

Terms of Reference

The Terms of Reference for the first 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 rating authority areas of Kildare, Leitrim, Longford, Offaly, Roscommon, Sligo, South Dublin, and Westmeath. The review of the costs incurred will be completed in accordance with the requirements of the Public Spending Code;

- To undertake a similar review of the cost and non-cost elements of the revaluation of commercial properties in the rating authority areas of Carlow and Kilkenny;

- To perform a comparative analysis of the revaluation of commercial properties in each rating authority area 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 2021 and Reval 2023 programmes.

Deliverables:

The following key deliverables were agreed with respect to Stage 1 of the review:

- a focussed independent report with clear and concise conclusions and recommendations;
- a methodology which can be deployed to review future revaluation projects; and
- at least one draft report for each stage 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. The 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 Reval 2017.

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 programme and its conduct; and
- the conduct of a comprehensive series of interviews with internal and external stakeholders.

In total, interviews were conducted with 15 internal stakeholders and 10 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 Reval 2017 and to develop appropriate recommendations in respect of same. Findings in respect of project or programme management were arrived at by benchmarking approach adopted for Reval 2017 against prevailing best practice in Programme 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.

Close collaboration between RSM Ireland and Valuation Office ensured the findings were relevant, concise and framed in an appropriate manner whilst not compromising the overall 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 Reval 2017. 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 late July 2018 and was concluded in October 2018. It was subsequently agreed to extend the consultation window to facilitate an interview with an additional external stakeholder which resulted in the consultation phase continuing to late November 2018.

RSM undertook extensive project-related document review, in excess of 270 documents, and interviewed 15 internal and 10 external stakeholders. Both of the above activities yielded key findings for consideration within the project.

It should be acknowledged, as a precursor to the detailed consideration of the findings and the related recommendations, that there were many positive and progressive aspects as to how the Valuation Office advanced the Reval 2017 Programme whilst concurrently delivering the programme in line with statutory timelines. Additionally, this was the maiden attempt at progressing a multi-authority Revaluation via a structured programme management approach and, therefore, it was rightly anticipated that a number of areas of improvement would be identified between the approach followed and accepted programme management best practice. Some of the core achievements and successes within the programme are set out below:

- the adoption of a robust approach to programme management which, whilst sometimes imperfect in its delivery, provides a strong base for the continued evolution and development of the project and programme management capability within the organisation, as it seeks to underpin the enhanced delivery of future Reval programmes;
- the Valuation Office included a Subject Matter Expert, based outside the Republic of Ireland and possessing significant technical expertise, on the Programme Board in order to enhance the quality of the governance regime;
- a greater emphasis on programme communications and stakeholder engagement, particularly with respect to elected representatives, is viewed as having boosted the understanding of both the objectives of Reval 2017 in the community and the process by which such Reval Programmes are delivered;
- the approach to the conduct of the revaluations continued to be redirected to a more desk-top, data centric model in line with international developments and best practice;
- the representation rate during Reval 2017 was circa 17.0%, a notable decrease on levels experienced in prior revaluations. The appeal rate across the programme was 4.3%. Senior Valuation Office personnel expressed satisfaction with both metrics citing such outcomes were aligned to international comparators;
- the programme incorporated the second revaluation of a local authority, which was the first time such a subsequent revaluation occurred. The Valuation Office trialled numerous innovative approaches to this revaluation including issuing s45s in a targeted manner and the utilisation of administrative staff to undertake data loading tasks (resulting in more efficient and effective deployment of Valuer time);
- similarly, the second revaluation of South Dublin County Council undertaken, saw improvements in such key metrics with a notable decrease in both representation and appeal rates compared to those relating to the prior revaluation. The representation rate and appeal rate of the first revaluation were 21.8% and 11.6% respectively, whereas during Reval 2017 these rates reduced to 15.0% and 3.6% respectively.

- the programme represented the first occasion for revaluations to be undertaken by resources other than Valuation Office personnel. The operational feedback regarding the outsourced model was positive. The key strengths of the outsourcing model, as deployed, were:
  - the ability to increase the resources allocated to respond to the varying demands of the project as it progressed through its constituent phases; and
  - their more targeted use of the s45 powers to seek information from the ratepayer.

  The appointment of an external organisation to undertake the revaluation activity, in two local authority areas, potentially paves the way for a more flexible resourcing model to deliver such programmes which may prove important given the anticipated calendar for future Reval programmes; and
- crucially, the Reval 2017 Programme was concluded on time with all necessary certificates being issued ahead of the deadlines set for the respective projects within each local authority.

However, while acknowledging the successes outlined above, a report of this nature must devote the majority of its effort to identifying those areas where there are opportunities for improvement present within Reval 2017. Shining a light on such opportunities, allied to the subsequent implementation of some or all of the related recommendations set out, can assist the Valuation Office to build on the experiences gained within the rollout of Reval 2017 to ensure future Reval programmes are planned and executed to deliver even better outcomes for their stakeholders.

For the purposes of this review, the key findings have been categorised under a number of distinct themes to better facilitate the identification of key issues and trends. The illustration below sets out the six overarching themes chosen.

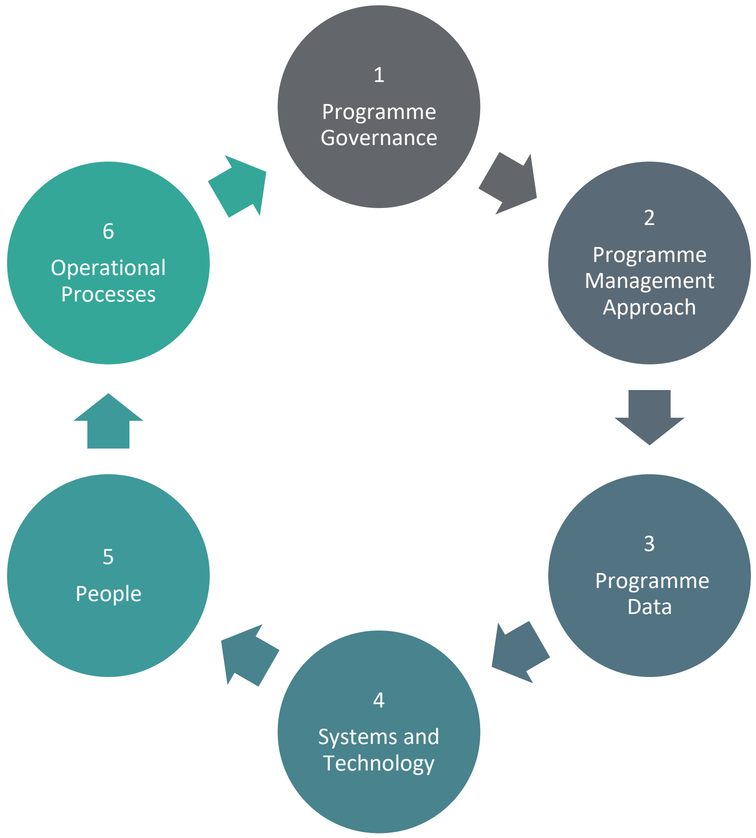


Illustration 2: Thematic grouping of findings

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 process are documented, by theme, together with the related relevant recommendations.

Theme 1: Programme Governance			
Finding No.	**Source**	**Finding**	**Recommendation**
1	Stakeholders and documentation	**Shortcomings in the operation, structure and remit of the Programme Board** The formal introduction of a Programme Board in Reval 2017 was a positive step in terms of overall programme governance. The Board comprised of senior representatives from the Valuation Office and one external member. This external Programme Board member had technical expertise, gained in another jurisdiction, and was a valuable addition to the overall governance regime. It was evident that regular meetings were held and documented accordingly. It was, however, noted that: ▪ the inaugural meeting of Programme Board did not take place until 1 June 2016. At this juncture, the programme was underway with three local authority projects already lagging their planned timeline for execution; ▪ The Head of Valuation Services acted as the Chair of the Programme Board. This scenario represented a potential conflict of interest; and ▪ The Programme Board were not tasked with managing the Programme budget. This led to some ambiguity as to who had explicit responsibility for such financial monitoring.	i) With regard to the operation of the Programme Board, it is clearly preferable that the Programme Board would be established and convene prior to the commencement of the individual revaluation projects. Thus, the Programme Board would have greater capacity to ensure that the appropriate project governance arrangements are in place from the outset of the programme and to impact the conduct of the programme ii) The inclusion of an external member of the Programme Board, with technical expertise, represents a valuable addition in terms of robust Programme Governance. For future programmes, this approach could be further enhanced by sourcing an additional external member with large-scale programme management experience. It is possible this skill set could be accessed by the appointment of a retired civil or public servant. iii) It is understood that the Valuation Office, on reflection, recognised that it

Theme 1: Programme Governance			
Finding No.	**Source**	**Finding**	**Recommendation**
			may not be appropriate that the Head of Valuation Services also serve as the Chair of the Programme Board given the Head of Valuation Services' overarching responsibilities regarding the operational delivery of the Reval programme. It is understood that this potential conflict of interest scenario has been addressed within the planning for Reval 2019. To ensure consistent application of this principle, it is similarly recommended that the Head of Valuation Services would not act as the Programme Sponsor in future programmes. iv) It is recommended that the Programme Board member with ultimate responsibility for budget management is documented within the Programme Initiation Document to remove any ambiguity. The responsibility for financial monitoring could be explicitly allocated to the Head of Finance.
2	Documentation only	**Departures from the planned Governance Framework** A comprehensive Governance Framework was developed to guide the governance pertaining to Reval 2017. Appropriate Project Governance structures were put in place within Reval 2017 via the establishment of the Programme Board and the appointment of a Programme Sponsor who maintained oversight of the programme in its entirety. In addition, Project Sponsors and Project Managers were allocated to each individual project within the programme. Programme Support Services were also made available to underpin delivery including the Technical Group, IT and the Programme Office.	A Programme Steering Committee (PSC) is typically established within a two-tier structure to govern programmes of scale (such as Reval 2017) and is recommended for all future programmes. The Steering Committee will typically be drawn from senior internal personnel and has the authority to govern the programme on a routine basis escalating those matters reserved for Programme Board consideration. The latter body is more likely to feature external stakeholder representation and to focus on high-level governance of the

Theme 1: Programme Governance			
Finding No.	**Source**	**Finding**	**Recommendation**
		Furthermore, the Valuation Office engaged the services of Clarion Consulting to provide specialist programme management expertise across the course of the programme. Clarion Consulting were available to support the Valuation Office, in an advisory capacity, through the provision of best practice advice and reporting tools. They were not involved in the operational delivery of the programme. The Governance Framework, however, also anticipated the appointment of a Programme Manager and the establishment of a Programme Steering Committee. Neither the Programme Manager role nor the committee appear to have been in situ during the lifecycle of Reval 2017. Upon reviewing the remit of the Programme Board, it would appear that the Board fulfilled the role of a Programme Steering Committee.	programme. The governance framework adopted in two-tier structures needs to clearly set out the complementary terms of reference of each body. However, it is not uncommon in smaller organisations to have some level of overlap of internal resources between the two groups. It does, nonetheless, remain important that the two groups adhere to their specific purposes. v) A Programme Manager post was markedly absent within the Reval 2017 structure and should be addressed in future Reval programmes. The appointment of an experienced Programme Manager would bolster both capacity and accountability with regard to consistent operational programme delivery across the individual revaluation projects. A Programme Manager would support a more holistic and robust programme management approach by identifying the risks, successes and or challenges being experienced in some projects and seeking to mitigate, replicate or address these on a programme-wide basis.

Theme 2: Programme Management Approach			
Finding No.	**Source**	**Finding**	**Recommendation**
3	Stakeholders & documentation	**Lack of programme approach to delivery of Reval 2017** The Reval 2017 Programme was managed as a series of individual projects (on a per local authority basis) rather than a programme featuring a portfolio of inter-related projects. This led to a degree of disconnect being reported with regard to how the projects were approached and progressed. A Project Initiation Document (PID) was created for each project but no Programme Initiation Document was in place to guide the overall programme. It is noted that Senior Management within the Valuation Office hold the view that each project was a stand-alone project within a local authority area with distinct timelines and thus limited interdependencies existed between the projects.	vi) It is understood that each project was officially independent and was undertaken within the confines of a local authority area with specific timelines being agreed. However, each of these projects was being planned and executed in the context of an overall time-window within which they were being delivered in parallel. The projects were also designed and delivered in a consistent fashion using the same operational processes, data sources, systems, resource pool (with the exception of those projects which featured outsourced resources) and were subject to the same reporting mechanisms and governance structures. Given this scenario, it would appear prudent to plan and execute the projects, within any Reval Programme, as a consolidated programme of work under the direction of a Programme Manager and guided by a Programme Initiation Document. This would allow programme efficiencies to be accessed in terms of transfer of knowledge from one project to another, portfolio-level risk identification and mitigation, enhanced resource management and, potentially, the eradication of duplicated project costs.

Theme 2: Programme Management Approach			
Finding No.	**Source**	**Finding**	**Recommendation**
4	Stakeholders & documentation	**Requirement for transparent and communicated metrics and milestones** It was advised by some stakeholders that project and programme outcome and progress metrics were not clearly defined at the outset of the Programme. This presented some difficulties in the measurement of progress within projects. During the review of sample PIDs, such metrics were not apparent. Project milestones were evidenced to exist within PIDs and WBS schedules, but the timing of such milestones appeared to vary significantly between projects. Senior management expressed the view that statutory timelines and milestones were immutable and reflected in project plans. It was further noted during the review of sample status reports that progress on the achievement of milestones was, on occasion, not reported or only partially so. A lack of clarity around such metrics and milestones, allied to deficient reporting, could present difficulties in holding Project Managers accountable.	vii) It is imperative that all agreed programme and project metrics and milestones are not only clearly defined at the outset of the programme but also clearly communicated to programme and project management and the wider project teams. The identification of transparent programme and project milestones will facilitate ongoing robust measurement of programme performance.
5	Stakeholders & documentation	**Concerns of personnel with reference to programme and project timelines** There was a clear perception from some Valuation Office personnel interviewed that the timelines allocated to the Reval 2017 programmes were very challenging and that reasonable time contingencies were not reflected in the project plans. Having reviewed sample PIDs, it would appear that preparatory work for Reval 2017 commenced in late 2015 and the bulk of revaluation work began in January 2016 with final certificates	viii) The project and programme timelines agreed within all future Reval Programmes need to be realistic given the nature and scale of the tasks involved in the project. Such timelines, and the related resourcing of tasks, need to be communicated to those involved in the delivery of the projects and consolidated programme so that all personnel are clear with regard to the

Theme 2: Programme Management Approach			
Finding No.	**Source**	**Finding**	**Recommendation**
		being issued by September 2017. Whilst ongoing progress versus the baseline timeline was due to be reported via project status reports, the milestones, as reported in the project status reports, were not always consistent with the milestones detailed in the PID. In the absence of an overarching Programme Initiation Document and a final Programme Status Report, it is difficult to draw firm conclusions with regard to actual adherence to the planned project timelines. Senior Management contend that time contingencies were considered and built into time estimations during project planning which is reflected in the project plan. However, such contingency planning is not readily visible from the PIDs reviewed.	project timelines. If the baseline plan, or revisions of same, features contingency timelines, the rationale for such contingency planning will also require explanation.
6	Stakeholders Only	**Absence of information dissemination to Project Managers** Minutes of the Programme Board meetings (or extracts of same) were not shared with Project Managers which is considered to have negatively impacted the project feedback loop. Hence, key successes, issues and learnings, identified across a series of projects were not officially communicated to the wider Project Manager group so as to aid their approach to managing their project. It is understood that the Project Sponsors were tasked with verbally relaying such feedback to the Project Manager cadre. It is unclear as to whether this approach sustained and/or was successful.	ix) To develop and sustain an effective feedback loop to project teams, the key successes achieved, issue or risk presenting and or lessons arising should be formally and regularly communicated to the wider Project Manager community. This will assist them to adequately respond to similar issues that may arise within their projects and to also share this information with their teams as appropriate. Prior to the issue of the final report, the review team were advised that the Valuation Office had adopted this recommendation.

Theme 2: Programme Management Approach			
Finding No.	**Source**	**Finding**	**Recommendation**
7	Stakeholders Only	**The sustaining of the programme management approach** Some internal stakeholders interviewed reported that the formalities of programme management were discontinued towards the end of programme due to timeline and capacity pressures. The backdrop to this scenario centred on the number of schemes (relating to non-bulk and specialist properties) being developed and submitted for approval to the Review Group which became challenging to manage. It is, however, noted that Senior Management within the Valuation Office have expressed a contrary view and maintain that the programme management approach was sustained and consistent throughout the lifecycle of the programme.	x) The value of a robust programme management is often more pronounced when workload within a project varies as per the scenarios referenced. Through engagement with the regular programme reports, the bodies charged with programme governance can give guidance to the programme and project managers as to how their priorities may need to be revisited or resources realigned to ensure project timelines and quality are not compromised. Thus, the Valuation Office are encouraged to ensure their chosen programme management approach is adhered to particularly when project throughput or risk is increasing.
8	Stakeholders Only	**Insufficient time to consider potential learnings emerging from the projects** Whilst mechanisms for capturing lessons learned were established, internal stakeholders report that there was very limited time allocated to adequately reflect on, or react to, those lessons emerging from the individual Reval projects. If such time had been available, this would have allowed such learnings to be leveraged to positively impact the outcomes of other projects within the wider Reval 2017 programme.	xi) Programme and Project Managers can reduce delivery costs by learning from past projects and implementing past successes while avoiding past failures (Parnell et al., 2005). The mechanism to achieve such learnings often stems from a formal approach to "lessons learned". It is, therefore, recommended that sufficient time be formally allocated during and post a programme or project to reflect on the key lessons learned and document accordingly. Such an exercise benefits enormously from inputs from a broad range of stakeholders including non-management grades and external stakeholders.

Theme 3: Programme Data			
Finding No.	**Source**	**Finding**	**Recommendation**
9	Stakeholders Only	**Labour-intensive approach to data loading** Data loading was considered by Valuation Office personnel to represent a very laborious and extensive task which became a key challenge to the timely progression of the Reval 2017 Programme. The data loading tasks were, in the main, conducted by Valuers. This approach was viewed, by some of those interviewed, as an inefficient use of a Valuer's time. Concerns were also raised around the efficiency of undertaking data loading as a constituent activity Reval 2017 rather than as a separate stand-alone project.	xii) It is accepted that the ongoing digitisation of data and documentation is integral to increasing the efficiency of future Reval programmes. A lack of digitised documents was a key challenge within Reval 2017 and required the upload of considerable tranches of data. It is understood that on foot of a recommendation made by the Institute of Revenue Rating & Valuation (IRRV) and the International Property Tax Institute (IPTI) in 2016, a digitalisation project is currently underway and will be completed ahead of the closure of Reval 2019. It is critical that this project is successfully completed to avoid Reval 2021 being beset by the same data loading challenges as impacted Reval 2017. xiii) Whilst is accepted that the ability to interpret data is a key skill of a Valuer, it is noted that the South Dublin project utilised valuation administration staff to assist with data loading which appears to have proved both effective and economical as it reduced the Valuer's time allocated to perform this task. It is, however, appreciated that the majority of documentation will be digitised in advance of Reval 2021 commencing.
10	Stakeholders Only	**Programme data quality concerns** The quality of data within the programme was also raised as a key concern by some internal stakeholders during interviews. A number of	xiv) The Valuation Office have statutory powers to solicit information from ratepayers via s45 and s46 requests. However, the return rate of s46s and

Theme 3: Programme Data			
Finding No.	**Source**	**Finding**	**Recommendation**
		examples were cited to underpin this quality issue including: ▪ where paper-based records were utilised, valuers indicated interpreting same was difficult. There was perception data was not up to date; ▪ limited data was available with respect to some properties. This required the data record to be supplemented by data sourced from other sources. This practice led to uncertainty regarding the reliability of such data sources and concern regarding the related impact on the potential accuracy of the valuations derived from its use. However, it is noted that where limited data is available, the process allows for physical inspections to take place to supplement the information accessible. ▪ Valuers experienced issues reconciling the data available from Local Authorities with that held by the Valuation Office; ▪ revision assignments continued to be completed in tandem with Reval 2017. As revisions are completed in bulk, there was concern that the data available may not have been up to date at the time of calculating the rateable value of certain properties. It is, however, noted that revision work is a normal feature of any revaluation project and where a revision is required,	s45s was reported as low (being circa 42% with respect to s45s issued during Reval 2017). No further action was taken by the Valuation Office to pursue non-respondents. Whilst it is appreciated that exercising its statutory powers of prosecution may not be the Valuation Office's desired, or the most efficient, approach, consideration should be given to further methods to stimulate a higher return rate with respect to such statutory enquiries. Such initiatives may include potential discount being applied to the rates sum payable by the ratepayer if they engage with the statutory request in a timely fashion. It is understood that this option is not currently open to the Valuation Office and would represent a fundamental change to the valuation system, but the concept appears worthy of exploration with the Department. In addition, the Valuation Office may wish to consider revisions to how information is presented within a s46 or s45 request to give more prominence to the sanctions which the ratepayer may face if they do not furnish a reply. xv) With regard to the consistency of the relevant data held by Local Authorities and the Valuation Office, we recommend that the latter engage with the Department of Housing, Planning and Local Government to explore whether a working group could be established, under the auspices of the Department, to examine the issue with a view to boosting the consistency and quality of the data concerned. Such a

Theme 3: Programme Data			
Finding No.	**Source**	**Finding**	**Recommendation**
		the existing valuation is revised in advance of the property being revalued. This process is managed by the relevant Project Manager; and ▪ concerns have been expressed by some external stakeholders that the increasing reliance on data-based valuation rather than conducting physical inspections of properties is contributing to inaccurate valuations. It is, however, noted that a mass appraisal approach, based on available data is consistent with accepted international best practice. It is understood that data sharing agreements are in place with the Revenue Commissioners, the Property Services Regulatory Authority (PRSA) and the Office of Public Works (OPW) to supplement the Valuation Office's primary data sources. Supplementary information is also sought from national and local property supplements which contain details of commercial property transactions between landlords and tenants. Furthermore, Valuers operating in the field relay data to the Valuation Office.	working group may include other stakeholders who hold relevant data. xvi) Over recent years, the Valuation Office have made considerable progress to migrate from what was essentially a single property valuation approach to a mass appraisal approach and, in doing so, have significantly reduced the need to physically inspect properties. In order to continue to develop and deploy this valuation model, in the most effective manner, the Valuation Office must continuously seek to acquire new and reliable data sources and greater means to robustly manage such data effectively. As an example of such initiatives, the Valuation Office should explore the feasibility of monitoring relevant rental transactions as a potential source of relevant and timely data.

Theme 4: Systems and Technology			
Finding No.	**Source**	**Finding**	**Recommendation**
11	Stakeholders Only	**Limitations of the core operational system** The key operational application utilised by the Valuation Office to underpin its core tasks and activities, including revaluations, is the Valuation Office System (VOS). This system has many critical shortcomings which impacted on its suitability to underpin the functional and reporting requirements of the Reval 2017 Programme. The key system deficiencies identified as impacting on the conduct of Reval 2017 included the following: ▪ the application features limited ad hoc and periodic reporting capabilities which restricted the Valuation Office's ability to track project and programme progress in operational and financial terms; ▪ the system also possesses little functionality in areas critical to effective project and programme management such as workflow and case management; ▪ due to an unforeseen technical issue the external service provider was delayed by two weeks in progressing their tasks. However, this scenario resulted in planned projects being expedited which not only resolved the matter but also delivered other benefits.	xvii) The Valuation Office plan to procure a replacement operational system(s) to replace the VOS application. This will require the detailed specification of the functional, operational, reporting and technical requirements which any future application(s) must address to support the flexible, effective and efficient delivery of future Reval programmes and ongoing revisions by the Valuation Office and its outsourced partners. This will necessitate the selection and implementation of an appropriate application supported by an experienced vendor in parallel with this project, it is planned to commission a redesign of the underlying database to enable more effective data management and analysis. These technology projects appear to represent critical investments, of a significant scale, to create an ICT environment which will support the enhanced delivery of future Reval programmes and should be progressed. Such projects will require rigorous project management to ensure their successful delivery and should be approached in the context of a wider ICT strategy for the organisation. The Valuation Office should consider the retention of the services of appropriate professional advisors to augment their internal capacity and expertise to design and deliver such technology strategy, procurement and implementation projects on time and within budget. It is understood from Senior Management that an upgrade through a specification,

Theme 4: Systems and Technology			
Finding No.	**Source**	**Finding**	**Recommendation**
			selection and procurement project is in train.
12	Stakeholders & Documentation	**No real-time capture of labour inputs and related cost within the programme** There is evidence of some real-time labour input capture in respect of project teams, specifically in relation to data loading and inspection activity on a weekly basis. However, this data does not appear to be translated or converted into costs associated with the delivery of the Reval 2017 Programme and the projects therein. Additionally, whilst the time input data collated captures activities during a project, it does not appear to capture the time inputs required to establish the programme itself. This was a significant oversight on the part of the Programme Board and led to a scenario where project and programme reporting did not include commentary on the cost of programme delivery. The absence of such financial data at project and programme level has also impacted the capability of this review to retrospectively determine, with confidence, the costs associated with internal project delivery versus those related to the outsourced resource model. This matter is revisited in the next chapter. It should be noted that non-labour, invoiced costs associated with programme delivery were robustly reviewed throughout the life of the programme as they arose. The failure to establish robust systems to support the routine capture, analysis and reporting of internal labour inputs and the related costs across the life of the Reval 2017 Programme represents a critical shortcoming on behalf of the Programme Board which was	xviii) Labour inputs were a key element of the overall cost of programme delivery and should have been subject to monitoring, on an ongoing basis, from the outset of the programme versus an approved budget. Programme Boards and Sponsors charged with governing future Reval programmes should give clear priority to establishing appropriate and robust systems to control and report upon such internal labour costs. This requirement should feature prominently in the specification of any replacement operational system.

Theme 4: Systems and Technology			
Finding No.	**Source**	**Finding**	**Recommendation**
		charged with governing the programme. The importance and benefits of establishing such a system is fully acknowledged by Senior Management and it is noted that the planned upgrade of the Valuation Office System and related processes, Project AXIA, will greatly assist with such activity-based costing.	
13	Stakeholders Only	**Absence of systematic external contact analysis** The Valuation Administration Unit (VAU) is effectively the Valuation Office's contact centre for external stakeholders including ratepayers. The Unit receives many contacts each day with increased activity levels around key programme milestones which impact the ratepayer. Given this context, there is tremendous opportunity to capture and analyse data around the source and content of the calls received to inform the design and execution of projects aimed at enhancing the delivery of the Reval programmes and the related ratepayer experience. However, the current telephone system, as operated by the Unit, does not support sophisticated automated call reporting or analysis. Whilst some data is captured, via MS Excel, in respect of the calls received, the system does not analyse or categorise the nature of phone-calls received in any meaningful way.	xix) The ability to analyse and categorise the nature and source of calls received by the Valuation Administration Unit is likely to provide valuable insights to the Valuation Office which may impact how future Reval programmes, and other operational activities, are delivered. This being the case those charged with advancing the ICT strategy for the Valuation Office should examine whether a business case exists for investment in a replacement telephone/Customer Relationship Management system which features enhanced call analysis functionality.

Theme 5: People			
Finding No.	**Source**	**Finding**	**Recommendation**
14	Stakeholders & documentation	**Variations in resource allocations to projects** During the analysis of the resource allocation plan per project, it was noted that the number of resources assigned to each project did not correlate to the number of properties to be revalued. For example, the project in County Sligo featured 2,217 properties requiring revaluation and a team of three valuers was assigned. In contrast, the Leitrim project had a population of 1,081 properties requiring revaluation and a team of four valuers were assigned. On a related note, some internal stakeholders expressed the view that there were imbalances in the number of cases assigned to individual valuers which resulted in teams, and team members progressing through a project at differing paces. Some external stakeholders expressed a view that the Valuation Office is not resourced adequately to deliver Reval projects. No documentation was available to support or discount this view. Senior Management within the Valuation Office have indicated that the individual projects, within Reval 2017, were of different sizes and were resourced accordingly whilst also taking account of the other responsibilities allocated to staff.	xx) The rationale for assigning a certain number of cases to a project team or an individual valuer may not be explicitly apparent based upon our review of the project documentation. However, it is accepted that there may exist valid reasons to support the allocation of cases assigned to teams and/or individuals. In cases where queries re the resource allocation may arise from staff, it would be prudent for project managers and others involved in resourcing decisions to explain the resourcing rationale to the team members so that any concerns arising may be voiced and addressed.
15	Stakeholders Only	**Resource availability** It was consistently reported by Valuation Office personnel that resource availability was a key challenge across the life of Reval 2017. Valuers were regularly stood down from the Reval projects to attend to appeal and revision tasks external to the programme. These interruptions negatively impacted the	xxi) Given that internal resources may be asked to divert from Reval programme activity across its life, the Valuation Office may wish to consider factoring a contingency into future Reval programme timelines to reflect the consumption of project resources by

Theme 5: People			
Finding No.	**Source**	**Finding**	**Recommendation**
		progress of the Reval Programme. Senior management expressed the view that resource allocation is adapted as priorities change.	other operational tasks. An alternative preferable approach would see separate ring-fenced resources being allocated to conduct revision work who are not rostered inside the Reval programmes. This latter approach appears favoured by the Institute of Revenue Rating & Valuation (IRRV) and the International Property Tax Institute (IPTI) in their 2016 report. The Valuation Office could also consider extending this approach to appeal work by deploying a specialist team to address appeals which emerge.
16	Stakeholders Only	**Resourcing of the South Dublin Reval project** The South Dublin project entailed a second revaluation as the County had been revalued in 2007 and was approaching the statutory deadline of ten years within which another revaluation must occur. Senior Management noted that this was the first occasion that such a follow up revaluation occurred. The project successfully trialled innovative ways of working including the issuing of S45's in a targeted fashion, the utilisation of administrative staff to load data and the utilisation of additional data sources such as planning permissions to identify properties requiring revision. It is also appreciated that a Grade 3 valuer resigned shortly after the commencement of the project causing inevitable disruption to the initial resourcing plan. However, some internal stakeholders hold the view that the South Dublin project was not adequately resourced, and that the workload involved in this second Reval project was underestimated by the Valuation Office. Hence, it is reported that the project	xxii) It would appear useful, even at this juncture, to convene a meeting between relevant Valuation Office management and the South Dublin Reval project team to examine the issues which arose inside this project and capture the key learning points. This will aid the planning and execution of second revaluation projects which will become increasingly commonplace in the coming years.

Theme 5: People			
Finding No.	**Source**	**Finding**	**Recommendation**
		team experienced considerable pressure to meet the deadlines concerned with Senior Management deploying additional resources to expedite the project late in its lifecycle.	
17	Stakeholders Only	**Professional experience of valuer cohort** Whilst the valuers employed by the Valuation Office are experienced rating professionals, many valuers lack direct marketplace experience which is perceived, by some external stakeholders, as impeding on the Valuation Office's ability to detect relevant market nuances when determining appropriate valuations. However, senior Valuation Office personnel hold the view that the Valuers are well versed in the legislative framework, under which they operate, and which serves as the backdrop to statutory valuation and that Valuation Office staff are trained and experienced in the statutory work they undertake, which is specific. This training and experience would be required irrespective of any non-Valuation Office experience team members may have.	xxiii) In order to address the view held by external stakeholders regarding the experience of the valuers employed by the Valuation Office, the latter needs to engage on the topic and develop a communication plan to convey its contrary view to relevant stakeholders whilst also considering the feedback and views which will emerge. Senior Management noted that Department of Housing, Planning and Local Government have embarked on a communications and engagement plan to reconcile and align divergent views amongst key stakeholders.

<table>
<tr><th colspan="4">Theme 6a: Operational Process - Quality assurance</th></tr>
<tr><th>Finding No.</th><th>Source</th><th>Finding</th><th>Recommendation</th></tr>
<tr><td>18</td><td>Stakeholders & documentation</td><td>The Quality Assurance system operated is inadequate

There is evidence to confirm that some components of a functioning quality assurance system exist within the Valuation Office. These include:
▪ data loading standards;
▪ a benchmarking system;
▪ the provision of audits; and
▪ an approval system to govern the creation of valuation levels/schemes.

However, there is no overarching, formal and documented quality management system in place linking the aforementioned components to other core elements of quality management systems which include:
▪ customer focus;
▪ employee engagement;
▪ process improvement; and
▪ risk management.</td><td>xxiv) Some key elements of a Quality Management System (QMS) are in place within the Reval Programme, a more comprehensive end to end and integrated QMS should be developed to govern future Reval programmes. An owner of the QMS should be appointed to ensure the principles of the system are lived throughout the lifecycle of the programmes.</td></tr>
<tr><td>19</td><td>Stakeholders & documentation</td><td>Inadequate time allocated to creating valuation schemes for specialist properties

It was reported that insufficient time was allocated to create valuation schemes for non-bulk/specialist properties, and it is perceived that operational standards may have been compromised as a result. It is understood that a specialist/ non-bulk team were in situ from late 2015. The reasons as to why the development of non-bulk/specialist schemes appear to have occurred later in the project are not clear.
It was noted that the appeal rates attaching to certain categories of non-bulk/specialist properties such as quarries was considerably</td><td>xxv) It would appear worthwhile, even at this remove, to organise a meeting between relevant Valuation Office management and those charged with creating the valuation schemes for non-bulk properties to examine the issues which arose inside this project to cause the delay in the creation of same and capture the key learning points arising. This will aid the planning and execution of this element of future revaluation projects.</td></tr>
</table>

Theme 6a: Operational Process - Quality assurance			
Finding No.	**Source**	**Finding**	**Recommendation**
		higher than for bulk properties. However, the rate of appeal aligned to international benchmarks for non-bulk and specialist properties and it is understood that appeal rates for non-bulk items have traditionally been higher than those pertaining to bulk items. Whilst it is not possible to draw definitive conclusions between the lateness of some non-bulk/specialist properties schemes being approved and the higher appeal rate within these categories of properties, it does raise the question as to whether sufficient market analysis was conducted in light of the apparent time constraints. Senior Management remain confident that sufficient time was allocated to complete the tasks concerned, and there were no significant impacts to operational activity.	
20	Stakeholder Only	**External stakeholders perceive a lack of consistency in valuations across local authority boundaries** A Technical Group were tasked with reviewing and assessing the appropriateness of the valuation levels/schemes created by each project team. The Group were, however, limited in their capacity to approve schemes for adoption across multiple projects as individual projects were progressing at different paces. These circumstances contributed to a perceived lack of consistency in the valuations being applied to similar properties across county boundaries. However, Senior Management of the Valuation Office stressed that each local authority area is a legal entity in its own right for the purposes of carrying out a revaluation (section 19 of the Valuation Act). This requires the application of a distinct valuation	xxvi) In light of the prohibition on using evidence from one local authority area to influence or inform valuation levels for another, it is important that the Valuation Office communicates clearly to its external stakeholders the possibility that there may be divergence in the values allocated to similar properties located in adjoining local authority areas.

Theme 6a: Operational Process - Quality assurance			
Finding No.	**Source**	**Finding**	**Recommendation**
		order and the publication of a new valuation list for each local authority area. The levels of valuation are determined by the local evidence, principally rental evidence, available in that local authority area during a revaluation. It is not legally permissible to use evidence from one local authority area to influence valuation levels for another. This would be expressly contrary to section 19(5) which requires that "*The valuation list […] shall be drawn up and compiled by reference to relevant market data and other relevant data available on or before the date of issue of the valuation certificates concerned […] so that […] the value of each property on that valuation list is relative to the value of other properties comparable to that property* ***on that valuation list in the rating authority area concerned or****, if no such comparable properties exist, is relative to the value of other properties on that valuation list in that rating authority area".* (Emphasis added)	

Theme 6b: Operational Process - Communications & Engagement			
Finding No.	**Source**	**Finding**	**Recommendation**
21	Stakeholders Only	**Ratepayer confusion regarding Reval Programme collateral** The Valuation Administration Unit (VAU) noted a significant spike in the number of calls from ratepayers post the issue of the s46 forms. The calls predominantly stemmed from ratepayers misunderstanding the information which they were required to submit. It was noted that the s46 forms have not been updated since 2007. In a similar vein, it was noted that there was a degree of confusion amongst the recipient ratepayers when proposed certificates were issued. The Valuation Administration Unit (VAU) noted a significant number of ratepayers were misinterpreting the rental value of the property as the proposed commercial rates. It is the view of a number of stakeholders that the Valuation Office could provide improved explanatory collateral around the proposed certificates regarding the multiplier and how rates are calculated.	xxvii) A project to review and enhance the content, layout and presentation of core Valuation Office collateral including the s46 form and certificates should be considered as it appears necessary based on the feedback emanating from the Valuation Administration Unit concerning ratepayer interaction with key Valuation Office collateral. If funds were available, consideration could also be afforded to the creation of a short media advert, for example in the form of a short cartoon, to deliver key messages (such as the calculation of the rates payable) to ratepayers in a very consumable manner. Given the VAU are at the coalface of stakeholder feedback, feedback from the Unit should also be accessed within the project.

Theme 6c: Operational Process - Representation Process			
Finding No.	**Source**	**Finding**	**Recommendation**
22	Documentation Only	**Basis of valuation adjustments arising from representations** From a review of the representation report, it was noted that of the 5,075 representations made during Reval 2017, some 3,530 (circa 70%) led to adjustments of the valuation. The review was provided sample Word documents which outlined inter alia the proposal to change, the number of representations made vis-à-vis the total property type in the area, supporting images (location photographs, map images) and an approval note from the valuer. The documents reviewed were not signed but the date and name of the approver was noted. There does not appear to be a consolidated location where aggregate data is stored which would make it difficult to pinpoint related issues/trends emerging. However, it was noted by Senior Management that all proposals are centrally stored and accessible which allow others to understand the rationale for each case. Facilitating analysis of representation outcomes would be expected to improve the awareness of issues and trends, and thereby provide learnings which may contribute to investments in future revaluation processes.	xxviii) It is recommended that the data emanating from the representation phase should be collated in a logical consolidated manner capable of identifying those representations which led to adjustments in valuation and those which did not. Where valuations were amended a reason code should be recorded for analysis purposes. Such reporting and analysis requirements should be called out in the specification of any replacement system. The availability of such data will enable the analysis of key issues and trends emerging. Such analysis will likely lead to learnings which can be reflected in the design and conduct of future Reval programmes. Such evolution of the programme may further reduce the level of representations and appeals.

Theme 6d: Operational Process – Appeals			
Finding No.	**Source**	**Finding**	**Recommendation**
23	Stakeholders & Documentation	**Capacity of the Valuation Tribunal to process increased volumes of appeals** Due to the accelerated pace of progress within Reval 2017, the Valuation Tribunal has experienced a significant increase in the volume of appeals being lodged. In addition, due to the scheduling of projects within the Reval programmes and the recurring nature of the programmes, the extra volume of appeals come in periodic waves. The Valuation Tribunal does not appear to have adequate resources available to manage the increased demand for its services. It is estimated that the current lead time for an appeal to be addressed may extend to circa 2.5 years. The impact of this delay is significant as whilst ratepayers are waiting for their appeal to be heard they will typically continue to pay rates based on the existing prior valuation. This impacts not only on the revenue collected by the Local Authorities from business rates but also their ability to collect debt and budget effectively. Local authorities are required under legislation to collect rates at the new valuation rate. However, such statutory powers do not appear palatable to Local Authorities when circa 80 per cent of appeals are settled prior to the tribunal and most of these settlements lead to a reduction in the rates payable. In this regard, Senior Management have drawn our attention to the Local Government Reform Act 2019 which provides for reductions in valuations at Tribunal stage as part of a Rates Limitation order, which in all revaluations to date has applied to ensure that the rates income of a rating authority does not increase due to a revaluation.	xxix) Whilst it is clearly outside of the scope of this report to form a view as to the functioning of the Valuation Tribunal, the delays the Tribunal are currently experiencing with regard to the scheduling of hearings has a direct impact on both local authorities and ratepayers. In addition, this also has an impact on Valuation Offices operations where valuers are required to attend tribunals without significant prior notice. These are important stakeholder groups when considering the outcomes of the Reval programmes. Circa 80 per cent of all appeals are settled prior to reaching the tribunal. However, it appears that many of these are settled in close proximity to the appeal hearing date when the appeal has already been open for a protracted period of time. If the Valuation Office, the Appellant and offices of the Appellant, were to resource appeal resolution tasks immediately post the lodging of the appeal there is a likelihood that many of the appeals would be resolved at this earlier juncture. This would improve the outcome of the Reval programmes markedly for two key stakeholder groups – the local authorities and the ratepayer.

Theme 6d: Operational Process – Appeals			
Finding No.	**Source**	**Finding**	**Recommendation**
24	Documentation Only	**Representations which progress to become an appeal** There is currently very limited data available outlining the number of unchanged representations which progress to become appeals and the outcome of such appeals. For example, it is understood that, in respect of the Kildare Reval project, 69 appeals (circa 20%) were lodged from within a population of 350 cases where no change was made at representation stage. At the time of writing, the outcome of these appeals remains to be determined so we are unable to draw conclusions as to whether such appeals have been successful and any trends arising from same.	xxx) It appears important, in terms of the effective management of representation and appeal cases, that the Valuation Office tracks the outcome of representation case and appeals cases. Understanding the outcome of cases which progress, unchanged, from representation to appeal may enable the Valuation Office to assess the effectiveness of their current approach. This monitoring capability must be in the specification of the requirements for the replacement application. Analysing the outcome of both representations and appeals should yield learnings which could lead to modification of the approach to future Reval programmes to improve the valuation process and reduce the instances of representation and appeal.
25	Stakeholders Only	**Stakeholder concerns regarding valuation revisions arising from appeals** As of 31 December 2019, approximately 620 appeals, representing 49% of the approximately 1,200 lodged as a result of Reval 2017 have been heard by the Valuation Tribunal. Some 60% were concluded by way of agreement. The remainder were either heard or withdrawn. External stakeholders have raised concerns regarding the scale and level of reductions in valuation which have been determined in some of the hearings brought before the Tribunal. However, Senior Management have highlighted that the total amount of reductions at appeal account for 1.4% of the total net annual value.	xxxi) As per the prior point regarding the tracking of appeal outcomes, as the number of appeals heard increases a review of the lessons emerging for the Valuation Office should be undertaken. This may lead to changes in the approach to, or the systems and processes underpinning future Reval programmes.

Theme 6e: Outsourced Service Delivery			
Finding No.	**Source**	**Finding**	**Recommendation**
26	Stakeholders Only	**Valuation Office support to outsourced service provider** Internal stakeholders were of the view that the level of support an outsourced provider would require from the Valuation Office, in order to effectively deliver their role, had been underestimated. The following key points were noted in this regard: ▪ A Contract Manager was assigned to manage the contract with the outsourced service provider. This was viewed as a very positive support mechanism by the latter. It is, however, understood that outsourced contract management was a new concept within the Valuation Office and that there were no structured or documented processes or procedures in place to smoothly onboard such a vendor; ▪ Training on the core operational system (VOS) and the Valuation Office's benchmarking process was provided by the Contract Manager. The outsourced service provider was of the view that further training should have been provided by the Valuation Office. Senior Management of Valuation Office contend that the agreed approach to training was "Train the Trainer" which was successfully delivered; ▪ Insufficient time was allocated to the planning/mobilisation phase of the project. Neither Standard Operating Procedures (SOPs) nor a Service Level Agreement (SLA) were agreed between the Valuation Office and the	xxxii) It is appreciated that the outsourced model operated as part of the Reval 2017 Programme was the Valuation Office's first time to outsource an element of the Reval programme and as such it is to be expected that learnings would arise from the experience. Should the Valuation Office procure the services of an outsourced provider to participate in future Reval programmes, it is recommended that the time inputs devoted to the planning and mobilisation stage of the programme are expanded to ensure the rigorous onboarding of the vendor. This will enable the outsourced provider to make a greater contribution to the programme from its launch. In order to ensure the outsourced provider's teamwork in a consistent fashion with the Valuation Office's resources, across common tasks, Standard Operating Procedures should be put in place (and training provided re the operation of same for the designated resources of the outsourced service provider).

Theme 6e: Outsourced Service Delivery			
Finding No.	**Source**	**Finding**	**Recommendation**
		outsourced service provider during the planning phase. Senior Management within the Valuation Office hold the view that the core elements of SOPs or a SLA were detailed within the services contract; ▪ It was been initially planned that the outsourced service provider's IT department would be responsible for providing IT support to their operational team. However, this approach did not transpire. The outsourced service provider's team experienced significant IT issues at the outset of the project which absorbed significant time from the Valuation Office's IT Department. The department were also required to provide out-of-hours support to enable data loading by the outsourced service provider's team.	
27	Stakeholders Only	**Fostering vendor-initiated innovation** The outsourced provider adopted the Valuation Office's methodology which was not part of the original brief. It is perceived that the outsourced provider's ability to innovate was reduced due to the requirement to deliver the work in line with statutory deadlines and the requirement to follow the Valuation Office's processes. A common viewpoint of stakeholders is that the outsourced model was more akin to an augmented resourcing model in that the external party provided resources to help complete and advance the project tasks rather than bringing new processes to enhance project delivery.	xxxiii) In future Reval programmes, where an appointed outsourcing service provider has suggested, within the procurement process, some potential innovations, it may be appropriate, during the mobilisation phase, for the Valuation Office to hold a workshop with the service provider to discuss same. Where the planned innovations are deemed worthwhile, they could be rolled out to the wider Reval programme via the updating of the Standard Operating Procedures.

Theme 6e: Outsourced Service Delivery			
Finding No.	**Source**	**Finding**	**Recommendation**
28	Stakeholders Only	**Achievement of the project timeline** It was noted that the service provider was lagging the agreed project timelines for the first 25 per cent of their property population. This was due to issues in satisfying project audits and underestimating the time required to create non-bulk and specialist property valuation schemes. Valuation Office Senior Management contend that a project plan was in place with clear milestone payments associated with same. Thereafter, due to flexible project resourcing they recovered to successfully meet the overall project deadlines.	xxxiv) As referred to above, an enhanced onboarding process and project mobilisation phase would be beneficial in assisting the outsourced service provider to fully understand their brief and obligations and would allow them to resource appropriately to deliver their project in line with the expected timelines. There is also value in considering whether outsourcing is the optimal way to deliver a flexible approach to resourcing Reval programme delivery. Other options such as co-sourcing should be explored where the Valuation Office would lead all the projects so as to avail of the internal experience and expertise. However, internal resources would be augmented with external procured resources to provide flexible resourcing options to deliver the programmes.
29	Stakeholders Only	**Internal buy-in to outsourced service delivery** There was a definite degree of scepticism, amongst some Valuation Office personnel, towards the outsourced service delivery model. In addition, related communication channels may not have been as effective as desired. This issue was perceived to be prevalent at non-management levels.	xxxv) Improved internal communications allied to proven change management initiatives are required to allow the introduction of outsourced service delivery models, such as that which occurred in Reval 2017, without those from either or both parties becoming uneasy. There needs to be clear communication, from Senior Management, as to why the outsourced service delivery model is required and what its benefits are to the Valuation Office, its stakeholders and the staff. In addition, an outsourcing model where the service provider delivers certain

Theme 6e: Outsourced Service Delivery			
Finding No.	**Source**	**Finding**	**Recommendation**
			projects and interacts with one manager, as per the Reval 2017 Programme, is much more susceptible to distrust issues than the co-sourcing alternative where barriers between people are eroded by working side by side on the same projects.
30	Stakeholders Only	**Quality of interaction with ratepayers** Concern was raised regarding the experience and empathy of those outsourced service provider staff assigned to walk-in clinics with ratepayers. Feedback to the Local Authority by ratepayers (in Kilkenny) supported this view.	xxxvi) The team allocated to attend walk-in clinics with ratepayers needs to feature a mix of personnel in terms of experience and skills due to the diverse nature of the potential queries and the service users presenting. This equally applies to teams fielded by either the Valuation Office or the service provider. It may be worthwhile to consider developing a specialist subset of employees within the Valuation Office to undertake this important customer-facing role. Resources from the group could, having been provided with suitable customer service training, attend all such clinics within a Reval programme as part of a wider role.

5. COST OF SERVICE DELIVERY

A core element of the terms of reference of the project, as set out in Chapter 3, centred on the requirement to review the cost elements of the revaluation of commercial properties in the rating authority areas within the scope of the Reval 2017 Programme. This review was required to address both those revaluation projects resourced by the internal personnel of the Valuation Office and those projects delivered by the outsourced service provider. The review of the costs incurred was to be completed in accordance with the requirements of the Public Spending Code.

However, as referred to in the proceeding section, it became apparent during the course of the analysis phase, within this review project, that internal labour inputs to the individual Reval 2017 projects had not been recorded on a real-time basis. Hence, no financial value was attributed to this key activity. Whilst it has been recommended that extensive internal project cost information should be recorded, on a contemporaneous basis, within all future Reval programmes, such cost data is not available with respect to the Reval 2017 Programme.

This scenario was brought to the attention of the Project Steering Committee when it arose. The Project Steering Committee considered the matter and it was agreed that, in order to provide some insight into the cost of service delivery during Reval 2017, that the Valuation Office would provide estimates of the internal labour hours input to a number of the individual revaluation projects within the programme. This would allow the indicative total cost of the internal service delivery approach pertaining to those projects to be calculated and compared to the total cost of the outsourced service delivery model applied with respect to the local authority areas of Carlow and Kilkenny.

Internal service delivery model

In order to facilitate a valid comparison, it was necessary to identify sets of projects which were similar in scale (in terms of the commercial property population) to the combined projects in Carlow and Kilkenny which were undertaken by the outsourced service provider and to whom its costs related. It was decided, with Project Steering Committee approval, to choose the projects delivered in Roscommon and Westmeath (Set 1) and Offaly and Sligo (Set 2). The population of commercial properties reviewed in each project set is detailed in Table 1 below:

Project Set	Resource	Combined commercial property population
Set 1 – Roscommon & Westmeath	Valuation Office	5,066
Set 2 – Offaly & Sligo	Valuation Office	4,707
Set 3 – Carlow & Kilkenny	Outsourced Service Provider	4,851

Table 1

The estimated cost of internal project delivery incorporates three components as set out below:

- 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.

With respect to the cost of direct labour, the Valuation Office provided a retrospective estimate of the time input to each selected project, by grade, as set out in Table 2 below:

Valuation Office Direct Labour Inputs to Reval Projects (Full Time Equivalent Years)				
Project Role/Staff Grade	**Roscommon**	**Westmeath**	**Offaly**	**Sligo**
Managing Valuer/Sponsor	0.25	0.25	0.25	0.33
Team Leader/Project Manager	0.33	1.00	1.00	1.00
Valuer Grade 2		1.00		
Valuer Grade 3	5.00	5.00	5.00	5.00

Table 2

The value attaching to this estimated time input, by the relevant grade, was 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 was deemed to encompass the following:

	Cost	Definition
A	Pay	Midpoint of grade pay range using formula per Code
B	Direct salary cost	Pay + 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 3

For the purpose of this review, the mid-point 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. This was 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. 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 2017 programme, from a project and programme management perspective, the Valuation Office procured support from Clarion Consulting. This service was procured to benefit all internally delivered projects within Reval 2017. Based on the invoiced sums from Clarion, the cost of their service equates to €2.01 per revalued commercial property.

The final cost component with regard to 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 set, by grade. These time inputs are considered consistent whether the project set was delivered internally or by the outsourced service provider. These time inputs are set out in Table 4 overleaf:

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		0.65
Team Leader/Project Manager	0.70	0.50
Valuer Grade 2	0.40	

Table 4

The euro values attaching to these time inputs were calculated following the same approach as described re internal direct costs earlier in this section.

Based on the above analysis, the total cost of internal project delivery, per each project set, is as set out in Table 5 below:

Total Cost of Internal Service Delivery by Project Set		
Cost element	Roscommon & Westmeath €k	Offaly & Sligo €k
Direct labour	1,276	1,296
Procured project management advisory services	10	9
Indirect labour	268	268
Total	**1,554**	**1,573**

Table 5

The cost of delivery relating to each project set is consistent at €1.55mn and €1.57mn. The variance in the respective costs being just in excess of 1 per cent.

Outsourced service delivery model

The estimated cost of 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 set 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 projects in Carlow and Kilkenny equalled some €1.96mn. This sum excludes fees relating to cases progressing through the Valuation Tribunal so as to make the costs comparable to those set out in the internal service delivery model.

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.

With respect to such project tasks, the Valuation Office provided an estimate of the time input to the outsourced project set, by grade. These time inputs are reflected in Table 6 below:

Valuation Office Indirect Labour Inputs to Outsourced Reval Projects (Full Time Equivalent Years)					
Project Role/Staff Grade	**Vendor Procurement & Contract Award**	**Contract Management**	**Project Support**	**Governance & Auditing**	**Review & Quality Assurance**
Commissioner	0.05				
Managing Valuer/Sponsor	0.05				0.65
Principal Officer	0.05				
Team Leader/ Project Manager		0.25		0.70	0.50
Assistant Principal	0.10		0.10		
Higher Executive Officer			0.05		
Valuer Grade 2				0.40	
Executive Officer			0.10		

Table 6

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 outsourced project delivery, of the Carlow and Kilkenny project set, is as set out in Table 7 below:

Total Cost of Outsourced Service Delivery by Project Set	
Cost element	**Carlow & Kilkenny €k**
Invoiced fees – outsourced service provider	1,959
Indirect labour – Valuation Office	354
Total	**2,313**

Table 7

Analysis

The cost of the outsourced service delivery model for the two-project set (Carlow and Kilkenny) exceeded the cost of the internally delivered comparative project sets by some €750k or 48 per cent. However, it would not be prudent to read too much into this differential as the analysis is 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 at this juncture.

It is also important to re-iterate that the internal and outsourced delivery models each possess non-financial advantages and disadvantages which need to be considered in conjunction with the cost analysis conducted in this review.

6. ROADMAP TO IMPLEMENTATION

A detailed examination of the thirty review findings and the thirty-six related recommendations arising is set out in Chapter 4.

In this section, attention now turns to how the proposed recommendations may be implemented so as to optimise their impact on future revaluation programmes. Given the cycle of revaluation programmes, it appears prudent to consider the proposed recommendations in two categories in light of key future milestones:

- recommendations which have been, or can be successfully actioned, ahead of the commencement of the Reval 2021 programme; and
- recommendations which will be successfully implemented ahead of the launch of the Reval 2023 programme.

Across the following pages, the recommendations emerging from the review are summarised and grouped by both the potential timeline for their delivery and their domain. Senior Management of the Valuation Office are encouraged to consider the implementation of the recommendations presented.

RECOMMENDATIONS FOR ADOPTION DURING REVAL 2021 PROGRAMME

Programme Management Approach

- the revaluation projects within the wider programme should be delivered under the auspices of a single, integrated programme of work;
- at the outset of the programme, operational and financial Key Performance Indicators (KPIs) and metrics - at both programme and project level - should be agreed and approved by the Programme Board. They should then be communicated to all relevant parties. Thereafter, actual reporting versus these targets should occur on a regular basis and in a consistent format;
- a detailed and realistic programme plan should be agreed and approved by the Programme Board prior to the programme commencing. This should reflect the tasks to be undertaken and the resources available (both time and money). The plan should feature contingency, if required, and be communicated to all relevant parties;
- a comprehensive communication strategy should be created to ensure all programme stakeholders (internal and external) remain regularly informed of the successes achieved, the challenges faced, upcoming milestones and the emerging lessons learned; and
- the entire programme management approach should be captured in a comprehensive PID which is presented to the Programme Board for consideration and approval. This document should include the agreed communication protocols, objectives, timeline, resources, governance model, reporting formats and frequency, standards and budget.

Systems and Technology

- a current project is ongoing to specify, select and procure a replacement operational system, known as Project Axia, which better meet the needs of the organisation given its evolving remit. This project will require considerable investment in due course and is critical to the Valuation Office modernising its approach to service delivery. Senior Management should consider whether there is a requirement to retain external resources to progress or advise around this project and the wider ICT strategy being developed or pursued;

People

- management need to allocate more time to advising the wider team as to the resourcing decisions reached regarding revaluation projects as, in the absence of information, some decisions are not understood by staff leading to unhelpful speculation; and
- consideration should be given to not rostering some valuation staff to revaluation programmes so that they can focus on other duties and thus reduce the need to divert programme personnel to such tasks. This may lead to the more effective and timely delivery of revaluation programmes.

Operational Process

Quality Assurance

- it is imperative that the organisation develops a further appropriate, end to end and comprehensive Quality Management System to underpin the delivery of future revaluation programmes.
- organise a review meeting between management and those charged with creating the schemes relating to non-bulk properties to understand the delays which arose in 2017 programme and to identify mitigation measures to avoid a repetition in future revaluation programmes; and

Appeals

- develop an interim system to efficiently capture appeal outcomes so as to aid analysis if trends arising and to inform continuous improvement initiatives;
- as appeal outcomes accumulate, organise an event for relevant staff to consider the emergent issues and appropriate responses in terms of changes to internal processes or practices; and
- Assess the potential to, and possibly pilot, a new approach to appeals with an emphasis on quicker turnaround between the appeal being lodged, heard and resolved.

Outsourced Service Delivery

- Develop and agree a specific standard operating procedure in conjunction with any future outsourced service provider.
- Engage with the any future service provider to complete the following:
    - discuss any potential innovations or improvements arising to assess suitability for piloting in the future;
    - co-develop an onboarding strategy for future revaluations with any future service provider; and
    - explore the possibility of augmenting service delivery scope to include “co-sourced” models to address various concerns (e.g. knowledge gaps for walk-in clinics, distrust of outsourced service providers etc.)

RECOMMENDATIONS FOR ADOPTION PRIOR TO COMMENCEMENT OF REVAL 2023 PROGRAMME

Programme Governance

- the Valuation Office will establish an enhanced programme governance model in advance of commencement of the programme launch;
- the model will be led by a Programme Sponsor (perhaps the Commissioner) who will be responsible for the delivery of the programme to the correct standard, on-time and within allocated budget. A full specification for this role will accompany the Programme Initiation Document (PID);
- a Programme Manager will be appointed to progress the programme and ensure adherence to the adopted programme management approach. A full specification for this role will accompany the Programme Initiation Document;
- the PID should clearly identify the individual with overall responsibility for the financial monitoring of the Programme's budget;
- a two-tier committee structure will enable the efficient governance of the programme – Programme Board and Programme Steering Committee. Terms of Reference for each body will accompany the PID; and
- the addition of another external subject matter expert on the Programme Board, ideally with large scale programme delivery within the public sector

Programme Data

- an ongoing project to digitise Valuation Office data and documentation is progressing to a likely successful conclusion. It is important this project is given priority and resources to ensure it delivers its final outcome prior to Reval 2023 commencing;
- further thought should be given to how the Valuation Office can introduce changes to its statutory enquiries process (s45 and s46) to boost engagement by ratepayers;
- the Valuation Office should explore with its Parent Department, the latter's appetite to undertake a project which would see the Valuation Office engage with local authorities to examine initiatives to validate the consistency of the relevant data sets held by the Valuation Office and the local authorities; and
- the Valuation Office should continue to invest in activities aimed at identifying new and reliable sources of data which are relevant to its remit.

Systems and Technology

- in order to support the advent of robust call analysis metrics in the contact centre, Senior Management should consider investing in a replacement telephone system with the required functionality.

Operational Process

Quality Assurance

- The development of a targeted communications plan to clearly communicate and explain the prohibition on using evidence from one local authority area to influence the valuations in another would provide clarity on the potential for divergence in values of similar properties in adjoining local authority areas

People

- a communications plan should be developed to support further engagement with external stakeholders to address perceived views that Valuation Office employees lack real marketplace experience which diminishes their effectiveness when confronted by market nuances.

Representation Process

- establish a system to allow the efficient tracking of both those representations which lead to adjustments to the valuation (with associated reason analysis) and those valuations which progress straight to the appeals process with no engagement at the representation point. This data will aid the understanding of these scenarios and allow trend analysis to be undertaken. These requirements should form part of the specification of the AXIA System.

Communications & Engagement

- conduct an assessment, in conjunction with the VAU, on the impact of communications plans implemented during Reval 2021 to gauge their effectiveness (e.g. comparative analysis on number/types of queries received); and
- a project should be established to review the current methods of stakeholder engagement to assess its impact/effectiveness in reducing recurring queries to the Valuation Administration Unit (e.g. video, animation) and boosting ratepayer understanding.

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 challenge concerned, and some potential mitigation strategies which the Valuation Office could consider implementing.

These potential challenges include:

Lack of funding for investment in capital IT projects

Significant capital investment relating to technology, in particular, is required to enable the Valuation Office to improve its processes with regard to data gathering, analysis and management and operational and financial reporting. The Valuation Office will require approval for funding from the Department of Public Expenditure and Reform on a multi-annual basis. The inability to secure the required funding, or as delay in doing so, will severely impact on the Valuation Office's ability to enhance its operating model, as required.

Communication Barriers

It became evident during our consultation with stakeholders that there can be a disconnect between the vision of the Valuation Office and the experience and concerns of key stakeholder groups. Internal stakeholders did not appear to be always well-informed regarding decisions made which impact them and the basis for such decisions. Whilst it is appreciated that it is not always feasible, or indeed appropriate, to share information with stakeholder groups, any decisions taken which affect the Reval process should be clearly communicated and documented accordingly. It is equally apparent that there is some distance in perception between the views of the Valuation Office and the Local Authorities in respect of certain processes, activities and outcomes with regard to Reval 2017.

Positive and specific actions are required to improve both internal and external communication channels as these issues could hamper the Valuation Office's efforts to increase stakeholder engagement and buy-in to the delivery of the ongoing Reval programme.

Staff Engagement

It is fair to conclude that the Valuation Office have undergone a period of considerable change in recent years on foot of legislative and recommended process changes. It is likely that further changes to process will be required to deliver future-proof and scalable processes which further align to international best practice. It is vital that the Valuation Office has the full support of its staff to adopt such changes. 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.

Skillsets

It is also understood that as the Valuation Office continues to increasingly embrace a data analysis model, as its core approach to valuation, a change in the skillsets sought may be required. It is vital that it is recognised that quite a specialised skill set is required to deliver a valuation model that is reliant on data analysis. A barrier to implementation could arise if there is a failure to recognise that a generic approach to recruitment may not result in the required outcomes. If the requisite skill set and post-holder are misaligned, it is likely additional and unnecessary strain will impact the organisation. Empowering Senior Management to manage the recruitment process and assess candidate expertise and fit will best ensure that skill sets are aligned to future requirements.

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.

Tribunal hearings

The current waiting time for a hearing to take place in the tribunal, from the point when it is lodged is circa 2.5 years. This scenario presents challenges regarding planning the allocation of resources as preparation time for hearings can significantly impact a Valuer's available time. Furthermore, if the number of appeals were to increase, the resourcing issue is exacerbated.

Táilte Eireann

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, the timeline for which is currently uncertain, as are the direct implications on Reval programmes. 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

Since 2012, the Valuation Office has sought to manage the various revaluation projects undertaken via the adoption of a range of project management principles. However, Reval 2017 was the first time where it was the objective to manage a series of revaluation projects as a fully integrated programme of work.

The Reval 2017 Programme was also the first such programme of work to be undertaken post the enactment of the Valuation (Amendment) Act 2015 which amended the existing legislation with the primary goal of advancing the National Programme of Revaluation. The Act significantly altered the legal backdrop to the activity of valuation as it brought about a number of key changes including the:

- enablement of a data-led approach to property valuation;
- introduction of Occupier Assisted Valuation (OAV); and
- option to outsource valuation activity.

In planning and delivering the Reval 2017 Programme, the Valuation Office sought to embrace all of these changes within their operational model. As would be the case in any programme of work featuring such an extensive change of approach to process and resourcing, the Valuation Office determined there would be considerable value to be accessed form 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 Reval 2017 Programme saw the Valuation Office not only deliver the required outcomes within the prescribed timelines but also make considerable progress in terms of the application of a robust programme approach to the conduct of the revaluation projects concerned, enhance its programme governance regime and significantly improve its communication activity around the programme.

However, this report has identified some thirty findings and brings forward related recommendations which impact all aspects of revaluation programme delivery. If these recommendations, are adopted, as per the agreed implementation roadmap, and the barriers outlined overcome, then the Valuation Office will continue to transform the approach to commercial and industry property revaluation and maximise the opportunities presented by the amended legislation.

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.

FOR FURTHER INFORMATION CONTACT

Terry McAdam
tmcadam@rsmireland.ie

RSM Ireland
Trinity House
Charleston Road
Ranelagh
Dublin 6

+ 353 (0)1 4965388