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**Jane Hutt**  
Aelod Cynulliad dros  
Fro Morgannwg  
Assembly Member for  
Vale of Glamorgan



Gareth Williams  
Clerk to Constitutional and Legislative Affairs Committee  
National Assembly for Wales  
Cardiff Bay  
Cardiff  
CF99 1NA

Ref.: JH 2856

3<sup>rd</sup> January 2019

Dear Gareth,

**Re:** [REDACTED].

I am writing to the Constitutional and Legislative Affairs Committee regarding my constituent [REDACTED], who has contacted me about her dealings with the Valuation Tribunal for Wales.

[REDACTED] has been through several tribunals over a Council Tax issue since 2005, in the process of which she states that she found the logo of a now-defunct tribunal service is being used by the current organisation.

She has expressed concerns that the organisation issuing tribunal notices is being supported or working in support of an equivalent statutory body in England and has continued to use the logos of the older defunct organisation unlawfully.

I attach a copy of [REDACTED] complaint regarding the Valuation Tribunal for Wales. I also attach a letter to [REDACTED] from Mr Andrew Shippides, the Chief Executive of Valuation Tribunal Wales, concerning the matter.

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I would be most grateful if the Constitutional and Legislative Affairs Committee could look into the issues raised by [REDACTED], and pass any information gleaned to my office.

I look forward to hearing from you.

Yours sincerely



**Jane Hutt AM**  
**Vale of Glamorgan**

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7<sup>th</sup> December 2018

To: Jane Hutt AM

From: [REDACTED]

### **Complaint regarding the Valuation Tribunal for Wales ('VTW')**

1. Part 6 of the VTW *'Complaints Policy and Procedures'* provides for appellants and respondents to approach their local AM if they believe the VTW has failed administratively in any way:

#### *'6. ASSEMBLY MEMBERS AND MEMBERS OF PARLIAMENT*

*6.1 If you believe we have failed administratively in any way, you can ask your local AM or MP to look into the matter. You can do this before or after we have begun, or concluded, the above internal complaints procedure.'*

2. I instigated a complaint with the VTW in July 2018. During this process I discovered that the VTW is issuing statutory notices under the auspices of the Valuation Tribunal Service for Wales ('VTSW'). The VTSW was created under the Valuation Tribunal (Wales) Regulations 2005 – SI 2005 No. 3364 (W.261). However following the 'Rolph Report' published in 2007 a single Valuation Tribunal, the VTW, was established. The 2005 Regulations were revoked and the business of the former VTSW was to be wound up with effect from the 1<sup>st</sup> July 2010 under the Valuation Tribunal (Wales) Regulations 2010 - SI 2010 No.713.
3. Under the 2010 Regulations (as amended) the functions of the VTW are performed on its behalf by the Governing Council so my concern is that the Governing Council has not been undertaking its administrative functions in accordance with its duties under the 2010 Regulations. As well as permitting legal notices to be issued under the auspices of the VTSW – defunct since 1<sup>st</sup> July 2010 - I have evidence that the VTSW bank account was never closed down as part of the winding up process under the 2010 Regulations but is instead being utilised by the VTW.
4. The VTW is a devolved INDEPENDENT tribunal sponsored by the WG to the tune of £1.1 million per annum. The sponsoring department is the Local Taxation Policy Division with whom the VTW has a 'Framework Agreement'.
5. During correspondences with the CEO for the VTW – Mr Andrew Shippides – over the use of the VTSW logo the CEO recently admitted that the Valuation Tribunal Service ('VTS') manages appeal management software on behalf of the VTW. As to the bank account the CEO's stance is that it is simply the name of account and is of no consequence.

6. The CEO's response instead of resolving my concerns actually amplifies them. The 'VTS' is itself a statutory body and is sponsored by the Ministry of Housing, Communities and Local Government (MHCLG). It was established under section 105 of the Local Government Act 2003 and created on 1 April 2004 to provide a range of specialist services to assist the discharge of the valuation tribunals' functions. These tribunals later became the Valuation Tribunal for England (VTE). The Act, as amended, specifically requires the VTS to do anything which it considers is "calculated to facilitate the carrying out of its functions" and that it shall carry out its functions "in the manner it considers is best calculated to secure the VTE's efficient and independent operation". The explanatory memorandum to the 2003 Act makes clear that the VTS is a non-departmental public body that has the power to carry out administrative functions **for Valuation Tribunals in England only** including accommodation, staffing, **information technology**, equipment and training needs. I have checked for amendments to section 205 of the 2003 Act but can find nothing enabling the VTS to act on behalf of the VTW – not least that the VTS can generate statutory notices in relation to Wales appeals that carry the logo of the VTSW – defunct now for over 8 years.
7. The CEO acknowledged that to continue to issue statutory notices using the VTSW logo from a 'shared system' with the VTS was the result of the corporate decision made in 2010 – see email dated 22<sup>nd</sup> November 2018 from the CEO attached – to save £10,000. He further added that the situation will come to an end in March 2019. The VTW's Annual Report for 2017 - 18 makes reference to the current IT situation in Appendix 1:

*'Leave shared IT system arrangements with VOA and VTS/ establish full VTW independence for all IT arrangements'*

The above quote is a clear acceptance by the VTW that insofar as the issuing of statutory appeal notices are concerned it has not been acting 'independently' but is reliant on a body sponsored by the MHCLG i.e. the VTS that was only created to serve the VTE.

8. I have gathered further information regarding the VTS's IT system and apparently the VTW is part of VTS contract that sub-contracts support and development services in respect of a Central Database from Capgemini via the Valuation Office Agency ('VOA') who in turn sub-contracts services from the main contractor HMRC.
9. What I have not been able to find out is if the VTW pays the VTS or pays Capgemini – but there is every indication that the VTW pays the VTS - such as the reference to a 'shared service'. Whatever the details of the arrangement the VTW has with the VTS I am of the opinion that it is unlawful. The enabling 2003 Act that created the VTS takes precedence over any corporate decision by the VTW's Governing Council – in simple terms the VTS

as a matter of law can only serve the VTE. That on its own renders the issuing of Wales statutory notices by VTS software as a clear breach of the VTS's functions. This combined by the fact that the notices also carry the logo of a defunct Wales body must render all notices invalid so must call into question the validity of proceedings heard by the VTW since 2010 because the issuing of the notices under the auspices of the VTSW is an abuse of due legal process.

10. As to cost savings of allegedly £10,000 again this does not justify unlawful practises. Indeed the late Carl Sargeant who laid the 2010 Regulations before the NAW stated in his explanatory memorandum dated 9<sup>th</sup> March 2010 in respect of the 2010 Regulations that the costs of revised stationery, letterheads etc can be met from within the existing Valuation Tribunal running costs budget. By implication the costs of generating statutory appeal notices showing the logo of the VTW should also have been covered.
11. I am aware that the soon to be First Minister Mark Drakeford has announced that the Law Commission will review the laws which govern tribunals in Wales next year - it being widely accepted that rules and procedures for the devolved Welsh Tribunals are complicated and inconsistent and in some instances unfit for practise. From my vast and often distressing ongoing experiences with the VTW since late 2015 I can categorically state I have found the VTW not fit for purpose.
12. I would ask that as my AM you investigate the above because as well as my concerns on the administration of statutory appeal notices there is a overarching concern that the VTW for literally years has not been acting in accordance with the legislation by which it is bound and perhaps should be raised with the Committee on Constitutional and Legislative Affairs. I might add this committee considered the 2017 amendments to the 2010 Regulations that came into force just over a year ago on the 1<sup>st</sup> December 2017 and from my reading on the matter the committee members were totally oblivious to the connection the VTW has with the VTS in its administration of council tax appeals. Indeed I would go as far as to say the connection is a national scandal that the Governing Council for the VTW has managed to suppress for years. What the WG sponsoring department knows about the matter I have no idea – but at the end of the day a significant proportion of WG funding for the VTW is going into England's coffers and by default is being used to support the VTE!

Andrew Shipsides <Andrew.Shipsides@vtw.gsi.gov.uk>

Thu 22/11/2018, 15:24

You;  
correspondence.mark.drakeford@gov.wales;  
LocalTaxationPolicy@gov.wales

Dear [REDACTED]

The logo on the tribunal's notices is hard-coded into the appeal management software which we currently share with the Valuation Tribunal Service (VTS) in England and which is managed by VTS on our behalf. It is not the logo that we use for other materials that we have direct control of. However it is the logo that we continue to use on notices produced by the shared platform. The notices do clearly show in words, in the address information next to the logo, that the notice emanates from the Valuation Tribunal for Wales. The choice of logo does not invalidate the notices in any way. However I do appreciate that the situation is not ideal.

A corporate decision was made in 2010, when the Valuation Tribunal Service for Wales became the Valuation Tribunal for Wales, not to change the logo on the shared system notices. This was done principally on cost grounds. The change would have cost in excess of £10,000 at the time. It was also anticipated at that point that the shared computing arrangement would come to an end in a few years' time, and the situation would resolve itself for zero cost. Unfortunately the period on the shared platform has been longer than anticipated (one factor, but not the only factor, was that the life of the 2010 Rating List was extended by Government by two years).

The situation will come to an end for council tax purposes in March next year, when the sharing arrangement comes to a permanent end. It has already come to an end for rating purposes with regard to the 2017 Rating List.

To answer the specific questions in your email below: I doubt that neither the president of the tribunal nor the clerk who were both present at your initial hearings would have regarded the logo on the notice you photographed as anything but the norm. It would be what they expected to see, and unremarkable for that reason. Both were aware of the corporate decision described above from the time it had been made.

Yours sincerely

Andrew Shipsides

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Prif Weithredwr | Chief Executive | Tribiwnlys Prasio Cymru | Valuation Tribunal Wales  
Swyddfa'r Prif Weithredwr | Chief Executive's Office | Swyddfeydd y Llywodraeth | Government  
Buildings  
Sarn Mynach, Cyffordd Llandudno, LL31 9RZ | Sarn Mynach, Llandudno Junction, LL31 9RZ  
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Rwy'n dysgu Cymraeg | I'm a Welsh learner

