

## **Summary Minutes of the Valuation Tribunal Service Board 143<sup>rd</sup> Meeting held on 28 March 2023 at 11:00 am in Lemn Street**

**Present:** Harry Rich (Chair); Suzanne McCarthy (Deputy Chair); Neil Buckley (Member); Stephen Chappell (Member); Kevin Everett (Member); Gary Garland (VTE President, *ex-officio* member); Alison Griffiths (Member) and Lola Moses (Member).

**In attendance:** Tony Masella (Chief Executive & Chief Operating Officer); Lee Anderson (Director of Operations & Development); Keung Wong (Finance Director) and Nicola Hunt (Board Secretary).

### **Welcome, Apologies, Declarations of Interest, Confirmation of Minutes**

Apologies for absence had been received from Peter Bates (ALB Business Partner, DLUHC) as an observer.

Minutes of the meeting held on 25 January 2023 were confirmed as a true record of the meeting. Actions had been completed as required.

### **Chief Executive's Report**

Tony Masella referred to the salient points of his previously circulated report. He informed the Board that TIAA had been appointed to provide internal audit services from 1 April 2023. An initial meeting had taken place to develop a programme for approval by the Audit & Risk Assurance Committee.

The Judicial Office had confirmed that 22 of the 28 offered appointments by the Lord Chancellor as VTE Chairmen had been accepted. The expectation was that new appointments will commence on 3 April 2023. VTS letters will be issued to the individuals outlining the expectations on them and to provide details of the induction training programme.

Alf Clark, Vice-President (VP), had now retired from the VTE. He had presided on a number of complex cases during his time and his experience as a rating surveyor will be missed. The recruitment exercise for two VP's will be launched in June 2023.

Tony Masella had been approached by HMRC regarding the jurisdiction for a new type of penalty appeal against fines imposed for failing to comply with the digital processes being implemented for business rates (draft Non-Domestic Rating Bill). The respondent in such appeals would be HMRC. The planned delivery date for the new service is 2026-27.

The CEO's proposals regarding VTE recruitment were being taken forward by the Department of Levelling Up, Housing & Communities (DLUHC) to the Ministry of Justice and a joint meeting is being arranged.

### **Finance**

**Management Accounts to 28 February 2023.** The management accounts to 28 February reflected a total resource funding forecast of £6,567k. Savings had been made from pay and pension as a result of vacant posts carried throughout the year. There was an underspend from non-pay across several cost centres, mainly due to the cancellation of face-to-face events because of national train strikes and the reduction in telephony costs.

**Draft VTS Budget 2023-24.** The revised draft budget for 2023-24 had been discussed by the Finance Committee in January and was now submitted to the Board. It was noted the budget shows an increase from last year to reflect the requirement to include IFRS 16: Lease Depreciation costs, and the uncertainty regarding the cost of living increases being negotiated by the National Joint Council (NJC) on behalf of the employer. Keung Wong was hopeful of reducing the draft budget by a further £157k. The Board supported the justification of higher pay costs as discussed and noted the revised budget as it was still subject to input from the sponsoring Department. Keung agreed to circulate a revised version for approval once the matter had been concluded with DLUHC.

### **Business Plan for 2023-24**

In referring to the previously circulated plan, Tony Masella explained that this year reflected a period of change and followed previous years of reflection and consolidation post pandemic. The plan was still subject to sponsor approval who were reviewing the impact regarding our change to KPI reporting and final budget predictions.

### **Board Standing Orders**

The Board Standing Orders had been reviewed. The document contained the updated Terms of Reference for the Committees and the substantive changes to the Finance Committee were noted. The Board approved the updated document.

It was confirmed that Stephen Chappell will move from the Finance Committee to the Audit & Risk Assurance Committee with effect from 1 April 2023.

### **Ways of Working**

The Board approved the revised document.

### **Code of Conduct**

The Code of Conduct for Board Members had been reviewed. It was suggested that section 7 (social media) required amending to provide more nuance guidance around expressing opinions publicly, both personal and political, and how this could reflect on the VTS. The updated wording will be reviewed and discussed at the next meeting. The Board approved the Code of Conduct subject to further discussion at the meeting in May.

### **Risk Management**

**Strategic Risk Register.** Tony Masella presented the risk register and in referring to the 11 risks, he explained that one was now closed and ten remained live and were categorised as two green, two red, two amber and four yellow.

### **Operations and Programme Update**

**Workload data.** Lee Anderson referred to the analysis of operational workflow for the period 1 April 2022 to 31 January 2023 and was pleased to report the current position was positive, with more appeals cleared than received. It was noted the clearance rate is skewed due to the historic 2010 List ATM appeals. Circa 500 appeals are received per month and appeals outstanding at the start of each month had reduced from 15,319 to 8,965 at the end of February 2023.

Lee Anderson advised that VTS systems are able to manage new 2023 Rating List appeals, but on a practical level it was unlikely any will be transmitted for 12 months. In terms of 2017 Rating List appeals, 31 March 2023 is the critical date when checks need

to be submitted by. Therefore there will be a time lag before any appeals are submitted to the VTS.

With effect from April 2023, API will allow agents to make bulk appeals instead of submitting appeals individually, and it will be possible for a single invoice across multiple appeals to be issued.

**Revised KPIs for 2023-24.** Revised performance measures to provide more granular detail about the determination of cases were presented. Redundant KPIs have been removed, such as the electronic communications to reflect that 99.9% of appeals are now made online. Other changes reflect elements which are out of the control of the VTS, such as delays progressing appeals due to High Court decisions. The Board approved the revised KPI reporting and showing the split by appeal type.

### **Chair's Report**

The Chair was pleased to report Stephen Chappell and Alison Griffiths had been formally reappointed for three years. Lola Moses' term had been extended by one year.

### **VTE President's Report**

Gary Garland advised that his judicial term of office as President ends on 5 April and that he had indicated his availability to continue in office.

The arrangements for the recruitment of VTE Senior Members and VPs were progressing, albeit slowly. Gary Garland was grateful to Tony Masella for progressing the matter. It was not known at this stage who will interview the applicants for the VP vacancies but he did not expect this to be a lengthy process given that the vacancy was for two.

### **Committee Updates**

**Finance Committee draft minutes.** The draft minutes from the meeting on 22 February 2023 were previously circulated. The Board had no comments to make.

### **Any Other Business**

The Chair opined that given the recent Board strategy meeting held in 2022, holding a further one so soon was not beneficial. The approach may be to have a more discursive Board session; he would discuss this with Tony Masella.

Tony Masella advised that Tracey Banham, VTS Training Manager, was putting together a Board training programme, including cyber awareness, as identified in a recent internal audit. The importance of Board Members completing their training programme was highlighted.

**Date of next meeting:** Tuesday 23 May 2023 at 11:00 am.