

## **Summary Minutes of the Valuation Tribunal Service Board 149<sup>th</sup> Meeting held on 3 April 2024 at 10:30 am in Leman Street**

**Present:** Harry Rich (Chair); Stephen Chappell (Member); Kevin Everett (Member); Gary Garland (VTE President, *ex-officio* member) and Alison Griffiths (Member).

**In attendance:** Tony Masella (Chief Executive & Chief Operating Officer); Keung Wong (Finance Director); Nick Pellegrini (ALB Business Partner, DLUHC – as an observer) and Nicola Hunt (Board Secretary).

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

Apologies for absence had been received from Suzanne McCarthy (Deputy Chair) and Lee Anderson (Director of Operations & Development). The Chair was pleased to announce Suzanne McCarthy's term of office had been extended until the end of the calendar year.

There were no new declarations of interest.

Minutes of the meeting held on 24 January 2024 were confirmed as a true record of the meeting. Actions had been completed as required.

### **Matters Arising**

The Chair advised that following the end of his term of office on 9 May, the Deputy Chair will stand in as Acting Chair.

The Board noted that the Local Government Act 2003 (Schedule 4) requires that the VTS Board shall have between six and ten members. Concern was expressed that from 10 May Board membership will reduce to five until new members are appointed by the Secretary of State. Advice to provide assurance to Board Members as to the consequences of operating below the numbers required by the Act would be sought.

The Chair confirmed that the membership of the Board Committees will need to be reviewed. As Acting Chair, Suzanne McCarthy could not continue as ARAC Chair.

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

Tony Masella referred to his previously circulated report. He had attended a positive meeting with the Ministry of Justice (MoJ) and DLUHC in March, he was now waiting for a further meeting with JAC. MoJ had expressed a preference to explore a simplified VTE Member recruitment process that met with expectations rather than move away from the current recruitment framework. Tony had indicated that appointing to volunteer positions was not JAC's normal work and that key appointments to the Magistracy fall outside of JAC, as do appointments to our sister body in Wales (the Valuation Tribunal Service Wales).

Tony Masella was pleased to report that he had agreed a 2024 VTE recruitment exercise and hoped it would follow a simplified process as envisaged by MoJ. Hopefully less focus on the judicial world would attract individuals with different skill sets, not just law. Tony had approached the Judicial Office with a possibility of developing the 2024 campaign to capture both senior members and members, as it had been suggested by current members that some individuals may want to become a member, but not a senior member. The Judicial Office had no objection to this and the Board supported this approach. The Chair thanked the team for their efforts in improving member engagement.

Member engagement had shown some improvement, but it was still too early to form conclusions. Last minute cancellations were still occurring, but levels were being maintained.

The Consolidated Practice Statement (CPS) had been updated with effect from 1 April 2024. The move to a new active case management approach and changes to evidence bundles should address some of the issues experienced with billing authorities, and all changes link to the priorities reflected in the 2024-25 Board strategy.

The lease on the office at Lemn Street ends on 31 October 2025 and space had been allocated at Marsham Street.

The VTS/VTE Review is likely to commence in June. Nick Pellegrini confirmed this is a standard cyclical review of all ALBs, to review a) whether organisations are carrying out their roles effectively, and b) is there a better way of carrying out the function.

## **Finance**

**Management Accounts to 29 February 2024.** Keung Wong presented the management accounts showing the near year-end position as at 29 February 2024, reflecting a total resource funding forecast of £6,488k, with a forecast underspend of £183k. This was against a revised budget of £6,671k. It was noted:

- Total resource funding was 97% vs the supplementary budget
- February cashflow remained within the £200k mark
- CCA fees of £1,317,150 had been received as at 3 March 2024
- 4,747 2017 List appeals had been received
- Bank fees for transaction costs for appeal refunds totalled £22,551

**Draft VTS Budget 2024-25.** The Finance Committee reviewed the draft budget at the meeting on 22 March and recommended its submission to the Board for consideration and approval. Keung Wong advised that this version had also been submitted to DLUHC for formal approval and a response was awaited. The Board approved the final budget of £6,168k.

**Capital Requirements 2024-25.** Keung Wong explained there was a two-step process to request capital funding. A placeholder for £200k would be submitted initially for the total amount, and then individual business cases will be submitted for approval by the Board and DLUHC when required. The Board noted the requirements.

**Board Standing Orders.** The Board Standing Orders had undergone its annual review and no substantial changes were required. Tony Masella referred to paragraph 5.1 which outlined the membership of the Board and explained that further discussion will be required once it was known how many new Board Members are to be recruited. The Board approved the document.

**Board Ways of Working.** The Ways of Working had been reviewed; the Board approved the updated document.

**Code of Conduct.** The Code of Conduct for Board Members had been reviewed; only minor formatting changes were required. The Board approved the document.

**Draft AI Solutions Business Case.** The draft business case for £50k capital funding was submitted to the Board for approval. Keung Wong provided a summary of the key points and explained the aim is to automate processes to improve efficiencies by replacing manual processes. The Chair was encouraged the VTS was taking first steps into exploring AI. The Board approved the business case which would now be submitted to DLUHC for formal approval.

**Draft System Enhancements Business Case.** The draft business case for £50k capital funding was submitted for Board approval. Keung Wong explained there was a running list of works to be carried out to keep all systems updated. The Chair stressed the importance of maintaining and improving systems. The Board approved the business case which would now be submitted to DLUHC for formal approval.

### **Member Engagement Update**

Tony Masella provided an update on the progress of member engagement since the previous meeting. The next step is to create a 'Member Insight Group' to support any developments, particularly in terms of IT. The face-to-face event held in London was well attended, but other events were cancelled due to low attendance and because of planned train strikes. The President hoped to hold two face-to-face events per year, providing attendance rates make the sessions viable. The Chair asked for his thanks to be passed onto Matthew Jones, Membership Engagement Lead, on the progress made so far.

### **Draft Business Plan 2024-25**

The Chair referred to the draft Business Plan 2024-25, which had been circulated previously, and confirmed that the strategic priorities agreed by the Board in 2022 were fully represented. Tony Masella explained the key aim is to move towards active case management, and he was hopeful this would be achieved by Q3. The aim is to provide appellants with a clearer understanding of the journey of their appeal, thus receiving a better experience. The Board approved the draft Business Plan and recommended it to be submitted to DLUHC for approval.

### **Risk Management**

**Strategic Risk Register.** Tony Masella presented the Strategic Risk Register and referred the Board to the ten risks, categorised as three red, four amber, two yellow and one green. This had been reviewed by EMT on the 18 March 2024. The Board noted the register.

### **Operations and Programme Update**

**Appeal Workload Analysis.** The analysis of operational workflow for the period 1 January 2023 to 31 January 2024 had been circulated. The Board noted the following:

- 6,894 appeals received
- 6,330 appeals cleared
- 4,844 appeals outstanding at the start of February 2024

**KPIs for Q3.** Council Tax Valuation and Liability appeals form the majority of the current workload. A surge of Council Tax Valuation appeals was expected due to the billing period. Tony Masella was keen to increase the number of hearings held per month, but this relied on member engagement. Currently on average 67 hearings were held each month, this had improved from 60, but it needed to increase to 75.

Tony Masella pointed out that the new active case management process should improve the time taken for Council Tax Liability appeals to be settled within six months of receipt because there will be more engagement with billing authorities earlier in the process.

The customer survey research had been reviewed and it was considered the current surveys were less useful now. It was important the VTS reflect the changing work patterns post pandemic and had therefore engaged with a new supplier to provide a new approach to better understand user behaviour and satisfaction levels. It was envisaged that this will start in October and would provide an initial six-month view.

### **Chair's Report**

Board recruitment had been fully discussed earlier in the meeting; membership of Board Committees will be reviewed on the assumption the Board remained functioning.

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

Members recruitment had already been discussed. Confirmation letters for the last cohort will be issued shortly, the induction training programme can then commence.

The updated CPS had been published and was effective from 1 April 2024. The most important change focussed on billing authorities providing the correct material at the right time. This should ensure hearings are more meaningful by avoiding late submissions and irrelevant evidence, and appeals will be managed by Clerks at an earlier stage in the process. The new process will be monitored carefully, particularly billing authority engagement, to ensure it is working efficiently. The President was confident the new way of working would make a difference as it works well with NDR appeals. The Chair passed on his thanks to the Registrar & Chief Clerk and his colleagues for their hard work.

### **Committee Reports**

**Finance Committee Draft Minutes.** The draft minutes from the meeting on 22 March 2024 had not yet been approved by the Committee but were circulated to the Board for information. The Board had no comments to make.

**Finance Committee Assurance Report.** The Finance Committee Assurance Report for 2023-24 had been circulated. The Committee Chair invited the Board to comment; it was noted new appointments to the Committee need to be made.

**Finance Committee TOR.** The TOR had been circulated; the Board had no comments to make and approved the updated version.

### **Any Other Business**

Tony Masella commented that sadly this was Harry Rich's last Board meeting and expressed not only his personal thanks, but also that of the staff, for the leadership that had been shown during his time as Chair and wished him the very best for the future. Harry stated that he had enjoyed working with the Board and the VTS team and was encouraged by the increasing flexibility in ways of working and responding to a challenging environment. The VTS's work was necessary and important and he wished the people and organisation all the best for the future.

**Date of next meeting:** Friday 7 June 2024 at 10:30 am.