



# THE VALUATION TRIBUNAL SERVICE

ANNUAL REPORT AND ACCOUNTS  
2023 - 2024



# **The Valuation Tribunal Service**

Annual report and accounts 2023-2024  
For the period 1 April 2023 to 31 March 2024

Presented to Parliament pursuant to Schedule 4, paragraph 20 (4)(b) to the Local Government Act 2003

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HC 298

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# Overview

## Chief Executive's report

Our statutory purpose is enshrined in the Local Government Act 2003 (S.105). Our aim at the Valuation Tribunal Service (VTS) is to support the Valuation Tribunal for England (VTE) and to provide the most effective service we can to those involved in local taxation appeals. Our people, structure and systems are designed to facilitate this.

Our successes for 2023-24 have been built on the strong foundation of the VTS and VTE working towards a single aim. The building blocks we have put in place have greatly contributed to strengthening the way we work to support the VTE and tribunal users through their appeal journey.



This year, we have continued to modernise our systems and processes and championed consistency in the format we receive appeals. We have also integrated our digital systems to better facilitate the exchange of appeal information from parties. This ensures that the tribunal has all the information it requires at the front-end to provide better effective decision-making. As a tribunal governed by legislation, processes and requirements can sometimes appear daunting. Many of our non-represented tribunal users will be 'one-time' users of our service, so it is important that we (the VTS) offer guidance and assistance at the front-end to help navigate their journey leading to the tribunal. We have introduced animated videos on our website ([www.valuationtribunal.gov.uk](http://www.valuationtribunal.gov.uk)) to guide our users through the steps required. We are partnered with the Plain English Campaign (PEC) to ensure our information is understandable and meets their crystal mark standard.

Our statutory function is to support the VTE, and its members are key to what we do. Their dedication in giving their time freely to hear local taxation disputes is very important to the continued success of this appeal system.

The VTE sits outside of the wider Ministry of Justice (MoJ) tribunals, and this can sometimes feel alien to new appointees recruited through the Judicial Appointments Commission (JAC). In September 2023, we engaged a Membership Engagement Lead as a dedicated focus in better understanding the engagement of VTE Members. Through surveys and forums, we have gained a better understanding of the challenges our members face in balancing their work/life balance with their commitment to providing a voluntary public service, recognising that such conflicts on their time can lead to lack of engagement. Finding ways that we can increase engagement has been a primary focus during the year. Our work in this area is beginning to see an increase in engagement levels, but there is still more work to be done. I pay tribute to each and every member of the VTE for the time they give to this public service. It is only through the continued commitment of our VTE Members that we are able to deliver.



I would also like to record my appreciation to the VTS team who continue to navigate through the many challenges faced in achieving what we have.

We continue to work with the MoJ in facilitating a wider exposure regarding future recruitment campaigns so that we can attract the diversity in skill sets required in dealing with the types of appeals within the local taxation environment, particularly in attracting more valuation expertise. In March, we concluded a recruitment exercise for senior members (chairmen), resulting in 43 new VTE Members joining us. We continue to plan for future recruitment campaigns with the JAC and in July 2024 launched a recruitment campaign specifically focussing on 12 senior members (chairmen) and 18 members for 2025 appointments.

We have continued to invest in technological developments that assist in improving our customer service. Our agile approach to such changes provides that necessary assurance that the end product adds value to our operations. This year, our delivery of the Application Programming Interface (API) has provided a much welcomed facility to lodge multiple appeals through our digital appeals portal. This has been a well-received development by the rating agent community.

**Antonio Masella**

Chief Executive and Accounting Officer  
Valuation Tribunal Service

### Our services and what we do

The Valuation Tribunal Service (VTS) is an administrative statutory body<sup>1</sup>, which supports the Valuation Tribunal for England (VTE)<sup>2</sup>.

The VTE's jurisdiction covers appeals on:

- business (Non-domestic) rates
- council tax (liability, valuation and support)
- completion notices
- penalty notices for failure to provide requested information

The VTS is an executive non-departmental public body (NDPB), sponsored by the Ministry of Housing, Communities & Local Government (MHCLG). The VTE is a tribunal NDPB also sponsored by MHCLG.

In supporting the VTE, the VTS's statutory role includes arranging and administering hearing days, training VTE Members, providing general advice and assistance to appellants and their representatives, and issuing statutory notices. The VTS also provides hearing clerks to advise the lay panels at hearings on practice, procedure and any legal issues, and to draft the decisions arrived at by the panels for their approval.

The President of the VTE has a statutory duty to ensure that arrangements are made for appeals to be determined in accordance with the Regulations<sup>3</sup>.

An appeal arises when the Valuation Office Agency (VOA in the case of business rates or council tax valuation) or the council (for other council tax matters) does not agree with a ratepayer's or council taxpayer's contention and the ratepayer or council taxpayer seeks an independent resolution to the matter.

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<sup>1</sup> The VTS was established under the Local Government Act 2003 and created on 1 April 2004

<sup>2</sup> The VTE was established by the Local Government and Public Involvement in Health Act 2007, which amended the 2003 Act; it came into being on 1 October 2009

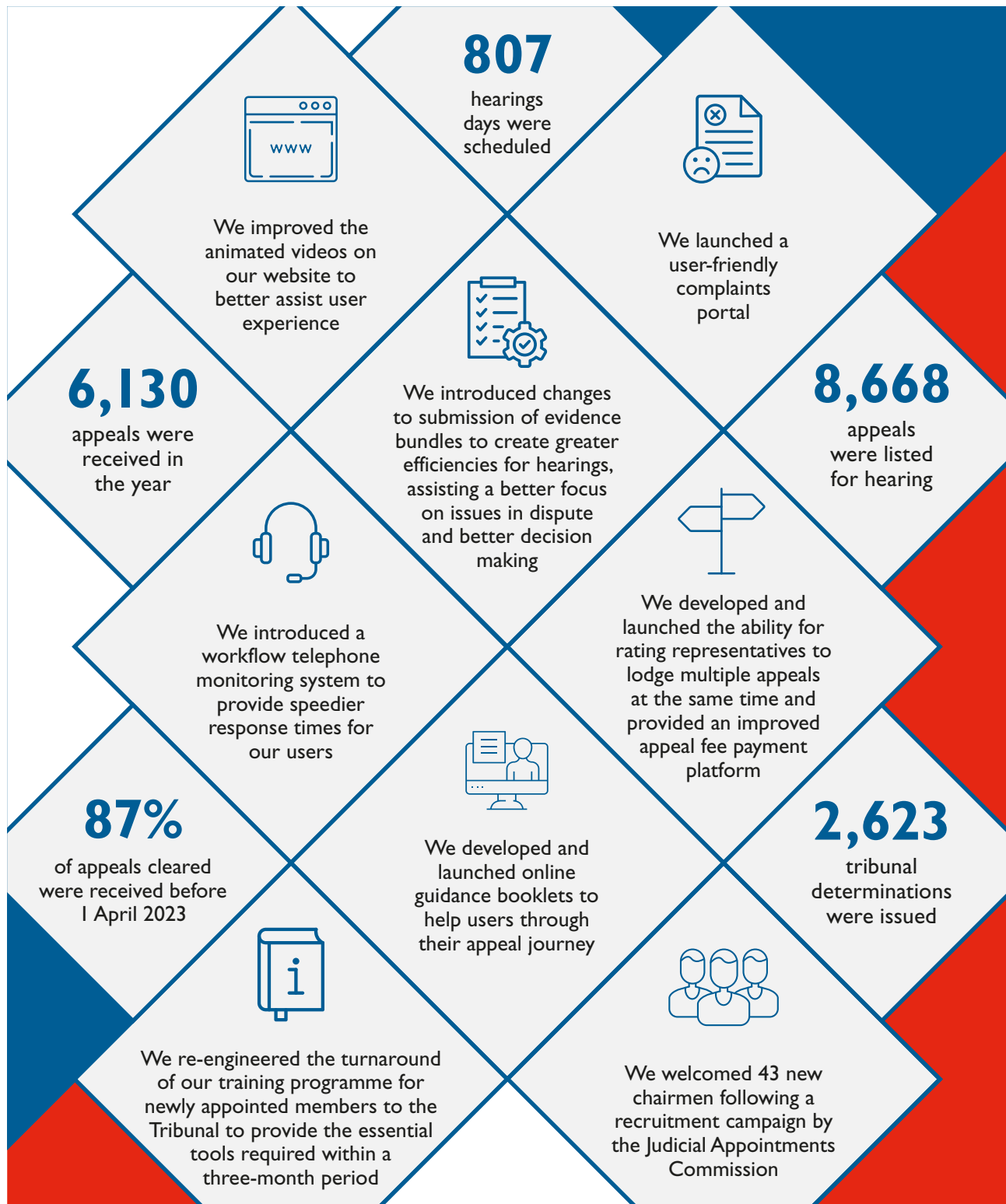
<sup>3</sup> Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009 SI 2009 No 2269 as amended

## Our Values





## Our year's highlights





## Key risks and issues

Our key risks are:

- Engagement of VTE Members – VTE Members able to give their time in meeting their sitting requirements on a voluntary basis is key to the local taxation appeal process. Not having the required engagement levels means that hearing days are reduced which creates an unnecessary backlog to workload volumes. This year we have redefined our member engagement strategy by holding focus groups with members in understanding their personal drivers, and rebalancing sitting requirements with their business/personal commitments to maximise involvement. The appointment of a Membership Engagement Lead has provided a dedicated resource to facilitate this area of work. The aim is for this work to translate into an increased level of engagement. We will be testing this work by steadily increasing the number of hearing days and keeping under review the number of cancelled hearings due to member cancellations. There is still more work to do as we establish benchmarking to provide a better gauge for levels of engagement.
- Recruitment of VTE Members – Current VTE recruitment process undertaken through the JAC impacts on the VTE's ability to recruit non-fee paying posts. Following our proposal for changes dated February 2023, we have been engaging with our sponsoring Department, JAC and MoJ officials in ways to diversify VTE Membership outside of the current lawyer cohort to directly encourage membership from the valuation profession and to those with experience of the local taxation environment. This has resulted in launching an outreach programme designed to cast awareness of our recruitment net wider and beyond the usual JAC channels. The first of this was launched on 17 July 2024 which captured interest from a number of non-legal professional bodies involved in local taxation. The next step will be to see the impact of this on applications received for the campaign launched in July. Appointments are expected in April 2025.
- Workload expectations from the closing of the 2017 Rating List – The expectation has always remained that with the closure of the 2017 Rating List on 31 March 2023, and due to the regulatory timescales surrounding check, challenge and appeal introduced on 1 April 2017, the true impact on appeal volumes of a new 2017 regime would not fully materialise until around mid-2024. We have begun to see an increase in 2017 appeal receipts in May (295) and June (622).

## Going concern

The financial statements have been prepared on a going concern basis.

The Statement of Financial Position shows a net surplus of £5.523m at 31 March 2024 (£5.964m at 31 March 2023). This reflects the inclusion of pension liabilities falling due in future years which, to the extent that they are not to be met from the VTS's other sources of income, may only be met by future grants or grants in aid from the sponsoring Department. This is because, under the normal conventions applying to parliamentary control over income and expenditure, such grants may not be issued in advance of need.

## Performance summary

The VTS completed 14 of the 17 actions set out in its Business Plan for 2023-24. Of the three outstanding objectives, two were partly completed, and one was not achieved. The objective not achieved relied upon participation and active engagement by the Valuation Office Agency (VOA). Due to VOA changes, this area of work was no longer pursued by the VOA. We remain in discussion regarding a future timeline for this delivery given the circumstances.

Further details appear in the performance analysis section from page 11.

Of the 14 key performance indicators (KPIs) identified for 2023-24, the VTS achieved or exceeded the targets for nine of them (see page 19).

As a service delivery body created by statute with the purpose of supporting the Valuation Tribunal for England (VTE), our strategic objectives remain static, whilst our aims and priorities will change to reflect priorities identified. We will continue to ensure that we are able to respond positively to any regulatory changes introduced within the non-domestic rating and council tax environment to enable us in continuing to deliver our statutory functions required from us within the Local Government Act 2003. This we will do whilst contributing to public sector finance initiatives and continuing to operate within the financial envelope delegated to us by our sponsor.

Our plan for the coming financial year is to continue to be the best we can as experts within our field and continue in being flexible in meeting any challenges head on. We periodically review our staffing structure to ensure we are aligned to our business aims and that we continue as a forward-thinking organisation, presenting solutions to challenges.

# Performance analysis



## Volumetrics

Over 7,700 appeals were brought forward in April 2023 and almost 6,000 were received in the year. The table below shows the details of these figures by appeal type:

**Table 1**

Appeal Type	Brought forward 1 Apr 2023	Received 2023-24	Cleared 2023-24	Carried forward 31 Mar 2024
Council Tax: Completion Notice	70	350	300	120
Council Tax: Penalty Notice	0	20	20	0
Council Tax: Liability	590	740	830	500
Council Tax: Notice of Invalidity	80	50	110	20
Council Tax: Reduction	390	580	550	420
Council Tax: Valuation	1,650	2,730	2,600	1,780
Non-domestic: Completion Notice	40	170	180	30
Non-domestic: Penalty Notice	0	0	0	0
Non-domestic: Transitional Certificate	0	150	140	10
Non-domestic: Notice of Invalidity 2010	480	0	480	0
Non-domestic: Rating List 2010	2,500	20	2,520	0
Non-domestic: Rating List 2017	1,930	1,300	1,400	1,830
Non-domestic: Rating List 2023	0	20	0	20
<b>Total</b>	<b>7,730</b>	<b>6,130</b>	<b>9,130</b>	<b>4,730</b>

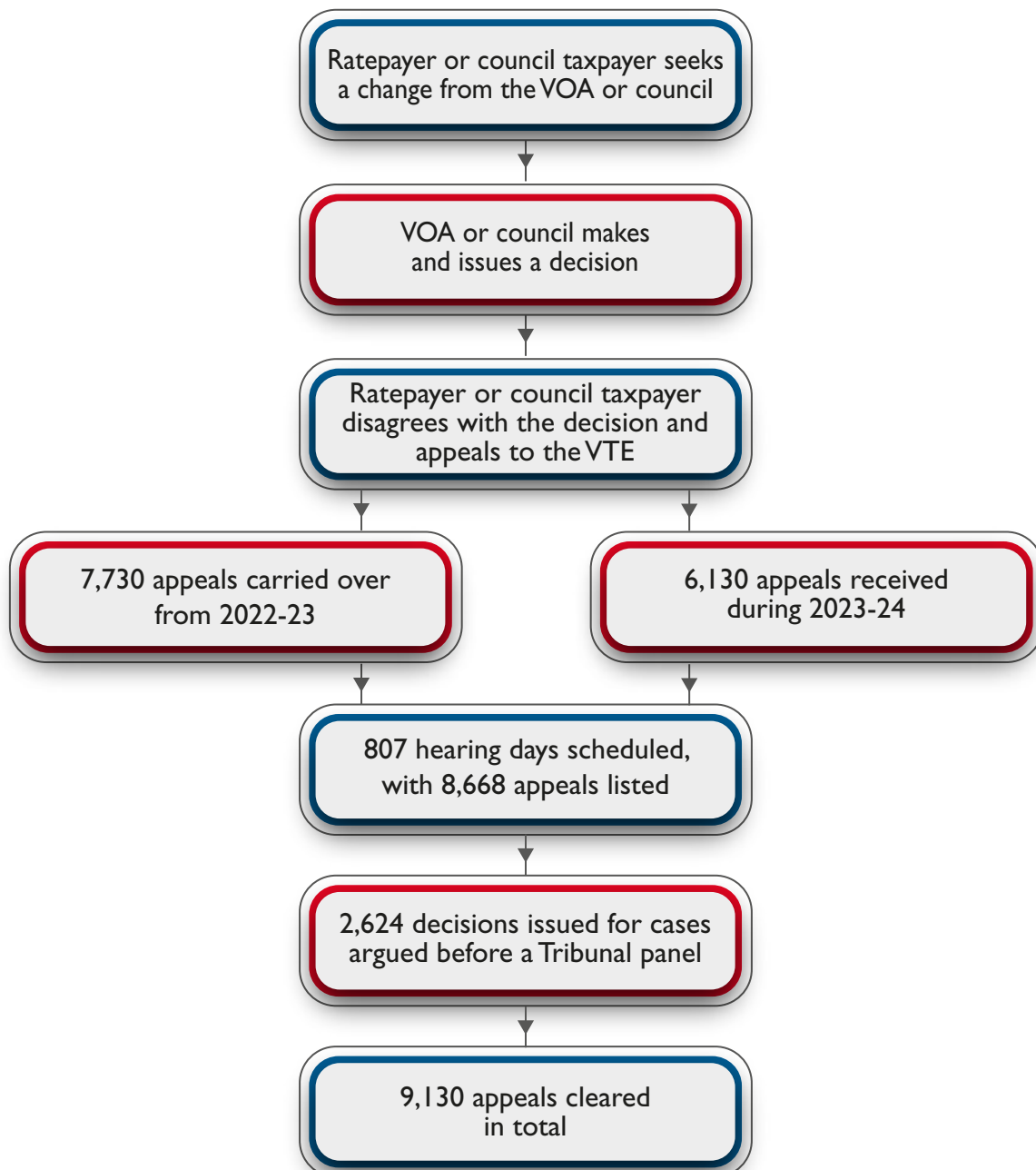
Note: Figures in the table are rounded to the nearest 10. Some "Brought forward" figures differ slightly from the "Carried forward" figures reported last year due to the rounding, added to the fact that the statistics are based on a "snapshot" of data at a fixed point in time. This can change over the course of a day, because of reinstatements or clearances of appeals.

During the year, we scheduled 807 hearing days (830 in 2022-23) to which we listed 8,668 appeals (9,856 in 2022-23); and issued 2,624 tribunal determinations (3,013 in 2022-23). In line with VTE protocols, 98% of hearings (97% in 2022-23) were held remotely using video or telephone conferencing facilities. 15 hearings (22 in 2022-23) were scheduled in person due to exceptional reasons.

The difference in performance between years reflects the impact of the risk identified regarding the drop in engagement levels of VTE Members, which has impacted on our overall appeal clearance rate against last year. In 2023-24, 65 scheduled hearings were cancelled due to not being able to convene a suitably constituted hearing panel.

We have been steadily increasing our monthly hearing allocation to our optimum number of 75 per month by October. However, the success of this will depend heavily on how VTE Members respond to the engagement programme introduced.

**Chart I**  
Appeals process and headline workload figures



## Achievement of business objectives and key performance indicators

The VTS Business Plan for 2023-24 sets out the objectives for the organisation. The Board and our sponsoring team receive a performance report quarterly. This report is aligned to our objectives and details our performance in each of the key strategic areas, as shown below in Chart 2 and Table 2.

### Chart 2

#### Our Strategic Objectives





**Table 2**

Business Plan Objective	Achievement	Comments
To work with the VTE President in identifying any changes required to the Consolidated Practice Statement (CPS) to reflect new ways of working following feedback from user forums.	<b>MET</b>	The revised CPS was launched on 1 April 2023 with the major change of providing greater efficiencies at hearings regarding non-domestic rating evidence bundles submitted. This new requirement of the CPS has made it an easier process for VTE Members to assimilate evidence during hearings, which in turn leads to speedier and more effective decision-making.
Evaluate the current recruitment process that will attract the widest range of candidates and remains responsive and proportionate to the needs of a non-fee paid tribunal.	<b>PARTLY MET</b>	This is part of ongoing discussions with our sponsoring Department, the Ministry of Justice (MoJ) and Judicial Appointments Commission (JAC) to investigate the scope for improving the VTE recruitment process. A further paper was developed by the Chief Executive for MHCLG focussing on five key areas of improvement that the Judicial Appointments Commission (JAC) could put in place, which was shared with the Ministry of Justice in January 2024.
Recognising the key risk regarding VTE Member engagement, in conjunction with the VTE President, we will review approaches that will enable the VTE to handle those appeals where legislation provides no prospect of success more speedily and fairly.	<b>MET</b>	In balancing the challenges of VTE Member engagement versus clearance of appeals, we have reviewed possible ways of achieving clearances without involving a hearing. In doing so, we re-engineered the regulatory strike out process. This was applied to a number of council tax hearings which has resulted in the clearing of 147 appeals without involving a hearing. This also resulted in the postponement level being reduced from 24% to 14%.



Business Plan Objective	Achievement	Comments
Work with the VTE Members to maximise sitting days.	<b>MET</b>	We employed a VTE Membership Engagement Lead, a new role created to provide a dedicated focus on VTE Member engagement. The VTE Membership Engagement Lead provided a comprehensive report and action plan to the Board on 24 January 2024. Engagement increased above 65% (from 60%) following interim changes to the hearing allocation process and tribunal scheduling. This is an ongoing matter as engagement remains key to success.
Review and improve the current onboarding programme for VTE Members to provide a faster journey through training.	<b>MET</b>	We have revised the induction training programme to bring newly appointed members onboard quicker and implemented a revised modular training plan that can be achieved within a three-month period.
Implement a standard policy for Clerks on key ingredients of a decision.	<b>MET</b>	A paper authored by the Chief Executive on the impact of concise decision writing was published internally. This was followed up with face-to-face training on 14 September 2023 to test understanding. This has assisted in Clerks focussing on salient matters in developing their drafting of reasons for decisions.
Continue to research, and if appropriate, implement software interactive solutions to assist users (subject to capital spend approval).	<b>MET</b>	The changing environment post pandemic has placed a greater reliance on digital engagement. This has necessitated the need to be open to other avenues and solutions to increase our user satisfaction. A capital business case was approved by the Board and our sponsoring Department in May 2024 to further investigate our thinking on Intelligent Automation solutions that remain proportional.

Business Plan Objective	Achievement	Comments
Review and, if appropriate, introduce recording of telephone calls.	<b>MET</b>	Tiger Prism software was introduced to provide a better insight on call monitoring, which is providing a holistic overview. This also gives a better insight on call volumes and the level of interaction by call handlers.
Continue to modernise our systems and processes to be exemplary and as effective as possible. Remain responsive to challenges of any legislative process changes and deal with appeals more speedily.	<b>MET</b>	Through consultation with the VTE, changes were identified and developed. This included triaging and active case management changes. These changes were released in a relaunch of the revised CPS on 1 April 2024.
Champion consistency in the format we receive appeals, allowing system to system appeal data exchange with Respondents to ensure the VTE has all information it requires to assist effective decision-making.	<b>NOT MET</b>	We had hoped to work with the Valuation Office Agency (VOA) in the development of their Business System Transformation Programme (BST). However, following rescoping by the VOA, this project has not progressed and is not likely to do so until 2024-25.
Continue to develop a leadership and management learning programme based on experiences of 2022 to build a pool of leaders for the future.	<b>MET</b>	We are very keen in nurturing and developing identified talent within the organisation, including leadership and management development. Following the successful launch of the Institute of Learning & Management (ILM) programme, we launched the second 18-month programme with the Chartered Management Institute (CMI).



Business Plan Objective	Achievement	Comments
Providing opportunities to bring colleagues together in a learning environment.	<b>MET</b>	A full staff face-to-face event took place in July 2023 and again in February 2024. These events highlighted the need to work in collaboration rather than isolation and the importance of improving virtual communication in a homeworking environment. We provided similar face-to-face events for VTE Members to build on our engagement work. During the year we held two such events: Birmingham in June 2023 and London in February 2024. We will now be holding all VTE face-to-face events in London.
Look at ways to assist recruitment and retention of staff.	<b>MET</b>	Following the return to normality post pandemic, a recruitment and retention strategy was reviewed and agreed by EMT and the Board. This was further implemented by adding trainee opportunities to build greater resilience into our succession planning for Clerks, who remain our specialist front-line staff. 432 applications were received for three trainee roles. We also looked at focussing more on non-pay benefits when recruiting to show the full benefits and rewards of being a VTS employee.
Getting employee views on their perspective as an employee.	<b>MET</b>	With the health pandemic having greatly impacted on changing attitudes and behaviours towards the workplace, we conducted a staff survey to understand what these feelings were. The findings were reviewed by the Board in September 2023 and the Head of HR & Training has implemented an action plan.

Business Plan Objective	Achievement	Comments
Engage with our staff and VTE Members to respond to the changing patterns of work post pandemic and review how we operate so that we can continue to work as smartly as possible in delivering our service.	<b>MET</b>	Aligned with the staff survey, the Chief Executive launched a Smarter Working Policy to set out expectations and working environment for office-based staff. This has introduced a 60% working time within the office. We have also worked on better member engagement and building towards providing tools to VTE Members for a better engagement experience.
Creating a budget focus team with regular reviews.	<b>MET</b>	Monthly budget holder meetings in place to support and work with budget holders to minimise underspends, including addressing supplementary returns.
Continue in looking at ways to streamline the finance function.	<b>PARTLY MET</b>	Internal changes approved and implemented to improve reporting cycle. Liaison continues with FSSD but actions remain outstanding to align services to meet VTS needs.



## Key performance indicators

We published 14 key performance indicators (KPIs) in our Business Plan for 2023-24, Table 3 reflects the outcome of these KPIs at year-end. Nine were exceeded or met with five falling short of our targets. The KPIs falling short relate to a timeframe of determination within six months of receipt. This timeframe has been impacted by our focus on earlier appeals received during the health pandemic that remained outstanding, as well as challenges in constituting hearing panels.

These challenges were expected and to enable us to better monitor our true performance against these challenges, we have introduced more granular performance measures as an internal process – this measures data covering seven, eight, nine and 12 months of receipt to listing timeframes (see Table 3a).

**Table 3**  
Business Plan KPIs

Performance measure	Target in 2023-24	Achieved	Comments
Support the VTE by administering a fair, efficient and accessible appeals system			
Council Tax (CT) appeals determined within 6 months of receipt	<b>80%</b>	<b>37%</b>	There has been an increase in appeals being submitted with incomplete documentation. This has required further contact, which has impacted on response times to list within 6 months.
Council Tax (CT) decisions issued within 1 month of the hearing	<b>92%</b>	<b>99%</b>	2,125 of the 2,147 CT decisions issued during the year were issued within 1 month of the hearing. We continue to ensure that once an appeal is heard a decision is issued within one calendar month.
Council Tax (CT) appeals resolved at first time of listing	<b>82%</b>	<b>80%</b>	3,338 out of 4,187 appeals were resolved at the first listing.
Non-domestic Rating (NDR) 2017 appeals determined within 6 months of receipt	<b>85%</b>	<b>56%</b>	The ability to list and determine NDR 2017 appeals has been significantly impacted by cases awaiting judgments from the Upper Tribunal.
Non-domestic Rating (NDR) 2017 decisions issued within 1 month of the hearing	<b>90%</b>	<b>98%</b>	315 of the 322 NDR decisions issued in the year were issued within 1 month of the hearing.



## PERFORMANCE REPORT

Performance measure	Target in 2023-24	Achieved	Comments
Non-domestic Rating (NDR) 2017 appeals resolved at first time of listing	<b>82%</b>	<b>76%</b>	666 out of 878 appeals were resolved at the first time of listing.
Enhance the quality and consistency of our service to all stakeholders			
Complaints resolved at stage 1 with no further escalation	<b>80%</b>	<b>80%</b>	We received 10 complaints during the year, of which 8 were resolved at stage 1 and 2 were escalated.
Tribunal notices issued electronically	<b>90%</b>	<b>98%</b>	45,311 out of 46,432 hearing notices were issued electronically.
NDR appeals lodged using our online appeal service	<b>90%</b>	<b>100%</b>	100% of NDR appeals received since 1 April 2023 were received through the online portal.
Convened hearings result in 2 or more appeals being heard on the day	<b>82%</b>	<b>86%</b>	We maintain a focus on using hearing time as effectively as possible. 607 out of 706 convened hearings resulted in two or more cases being determined.
Customers surveyed satisfied with the overall service (pre-hearing)	<b>65%</b>	<b>70%</b>	Over two-thirds of our users have indicated satisfaction with the pre-hearing service provided by the VTS. We continually review feedback from our annual user survey to build in further improvements in our processes and approach. Satisfaction level has increased from 59% in 2022-23.
Build capacity and capability in our staff, learning from their experience and from their feedback			
Short-term sickness absence maintained at or less than the previous years	<b>3.6</b> days or less	<b>3.08</b> days	Short-term sickness levels have fallen from 3.6 days last year.
On average staff to receive 5 days or more training and development in the year	<b>5</b> days	<b>7.8</b> days	Staff received an average 7.8 days' training or more using online modules provided by our Learning Management System.
Operate with financial and organisational initiative and efficiency			
Undisputed invoices are paid promptly within 5 days of receipt	<b>90%</b>	<b>88%</b>	385 out of 437 undisputed invoices processed over the 12-month period, were paid within 5 working days.



**Table 3a**  
Granular performance data

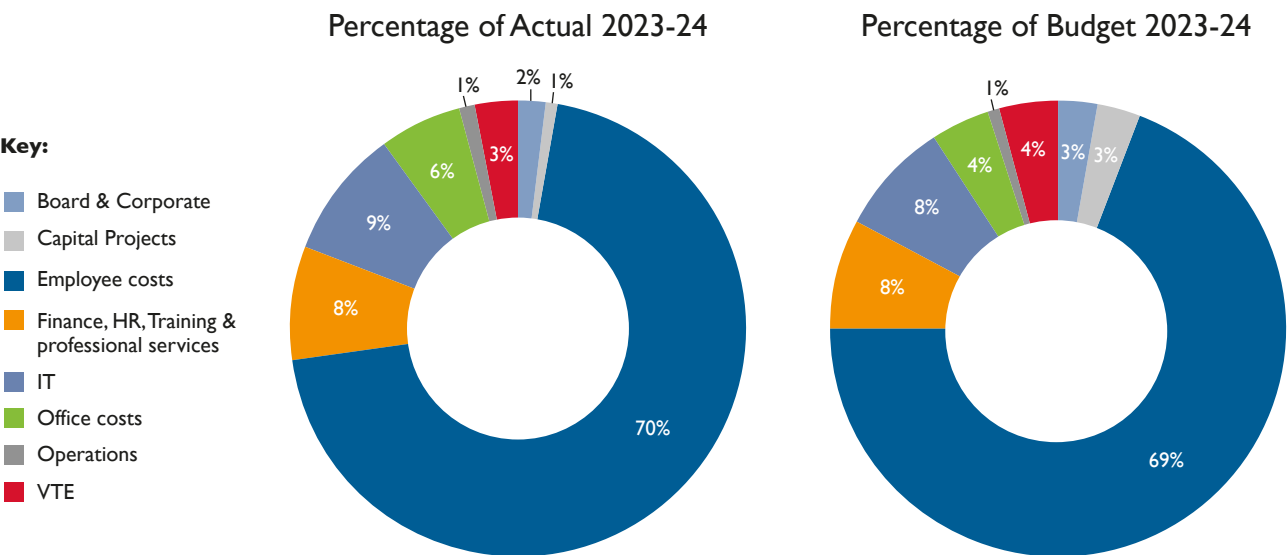
Performance measure	Achieved	Comments
Council Tax (CT) appeals determined within 7 months of receipt	<b>54%</b>	2,250 out of 4,187 appeals were determined within 7 months.
Council Tax (CT) appeals determined within 8 months of receipt	<b>72%</b>	3,008 out of 4,187 appeals were determined within 8 months.
Council Tax (CT) appeals determined within 9 months of receipt	<b>79%</b>	To reflect what is becoming a much more regular occurrence of incomplete documentation being received, we have introduced an internal 9-month response time to better reflect the changing environment. As can be seen, within a 9-month period, we achieved 79%.
Council Tax (CT) appeals determined within 12 months of receipt	<b>89%</b>	3,728 out of 4,187 appeals resolved in the year were dealt with within 12 months. Our ability to hold hearings has been impacted by member engagement issues.
Non-domestic Rating (NDR) 2017 appeals determined within 7 months of receipt	<b>69%</b>	604 out of 878 appeals were determined within 7 months.
Non-domestic Rating (NDR) 2017 appeals determined within 8 months of receipt	<b>72%</b>	629 out of 878 appeals were determined within 8 months.
Non-domestic Rating (NDR) 2017 appeals determined within 9 months of receipt	<b>74%</b>	As a result of appeals being affected by superior court judgments, we monitor internally a 9-month response time.
Non-domestic Rating (NDR) 2017 appeals determined within 12 months of receipt	<b>80%</b>	705 out of 878 appeals were determined within 12 months. Some appeal listings are awaiting superior court judgments.

Financial Performance

The financial statements, as set out on pages 67-70, have been prepared in accordance with the Government's Financial Reporting Manual (FRoM).

The operating expenditure for the period remained within the allocated budget, was £5.2m (2022-23: £5.4m). The largest area of expenditure was staffing costs and accounts for 65.03% of the total operating expenditure (2022-23: 65.89%). The below chart provides a breakdown of how we have utilised our resources.

Chart 3



The defined benefit pension fund closing position is net surplus of £4.814m (2022-23: £5.446m), an overall loss of £0.632m from the previous financial year after applying a Net Asset Ceiling of £4.411m. This is primarily due to changes in financial assumptions, changes in demographic assumptions and interest on assets and partly offset by the loss from invested assets and changes in the projected benefit obligations.

The overall loss in the pension fund reduced the Statement of Financial Position from Net Asset of £5.964m (2022-23) to £5.523m (2023-24), a decrease of 7.4%.



## Training

### Staff

With 60% of our staff now operating from home, our training and development strategy has been tailored to meet the changing needs of our workforce. In recognising this new way of working, we have placed a significant emphasis during the year on promoting employee wellbeing. We have also introduced a blend of traditional and digital learning methods to ensure maximum engagement and effectiveness for all staff. We also increased the frequency of contact events with the aim of bringing staff together to provide opportunities for skills development and to facilitate knowledge sharing across teams, as well as developing our business planning priorities for 2024-25, and understanding the collective goals to achieve success.

We continue to invest in the career development of our staff by offering qualification sponsorship funding where applicable.

During the year, we recruited three Trainee Clerks and are working with them towards achieving their professional qualifications.

A key performance indicator was to achieve an average of five days' training and development per member of staff. We achieved an average of 7.8 days.

### Valuation Tribunal for England (VTE) Members

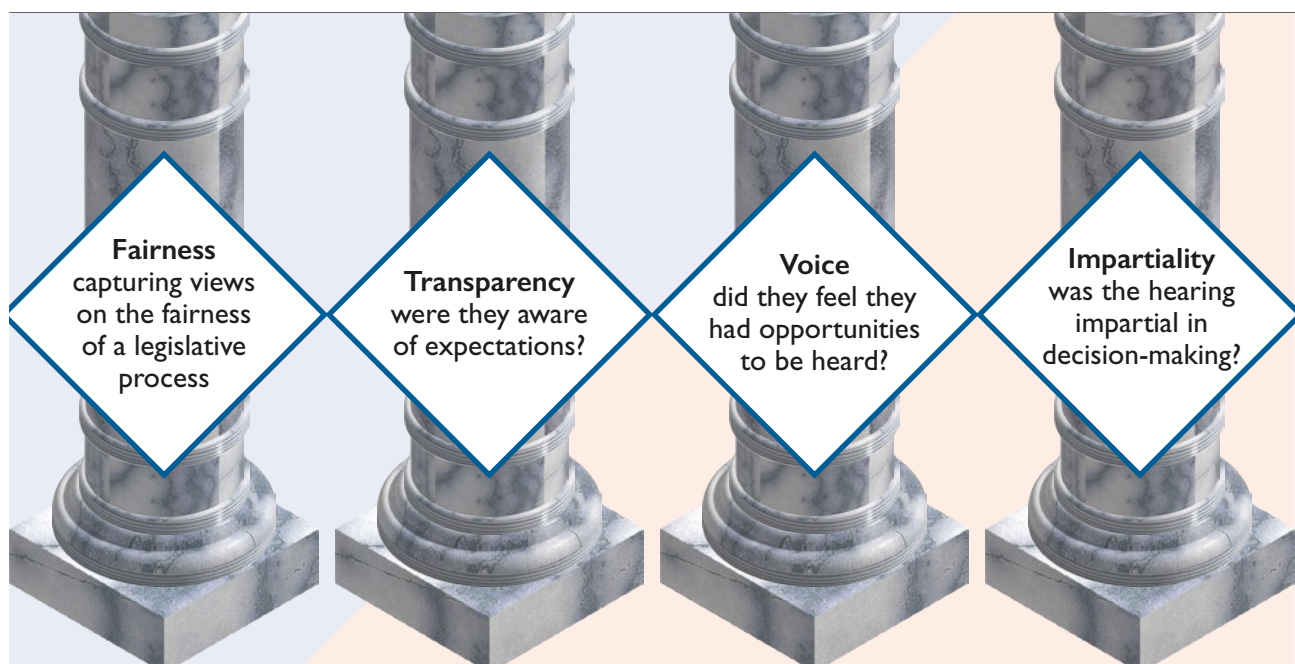
Recognising constraints on VTE Members' time, we set out to provide at least two days' training to each VTE Member, whether remotely or face-to-face. During the year we have provided a varied programme of online webinars addressing key issues facing the tribunal, as well as virtual drop-in sessions with the VTE President. We also held two contact events: one in Birmingham and one in London, both focussing on peer learning, networking, and enriching our members' professional development experience. 65% of VTE Members engaged in training this year.

Maintaining a London face-to-face event has proved to be most popular and a more effective training location. A further 43 chairmen were introduced to a robust training programme delivered using a mixture of the online learning, observations, and mentoring after their appointment by the Lord Chancellor (following a JAC recruitment exercise).

### Our user survey

Receiving feedback from our users is important to us. During the year we continued to engage with an external specialist to carry out a survey of non-represented tribunal users to allow us to better understand their experience of the service we provide.

Our user survey is based on four pillars of the Procedural Justice Theory:



Adopting this methodology, we are able to distinguish between the service the VTS provides pre-hearing and that of the VTE at the hearing itself (post-hearing).

We have seen an increase in pre-hearing satisfaction levels for 2023-24 (70%) (59% in 2022-23), which reflects some of the changes we have made to our website, information leaflets and processes during the year. We have also seen an increase to 51% (44% in 2022-23) in satisfaction levels at the hearing itself.

We continue to learn from our survey findings and to respond to recommendations identified.

### Complaints

The VTS maintains a register of complaints received. Our Customer and Service Charter and Complaints Policy documents were reviewed during the year and published on the VTS website for those dissatisfied with the service they receive from our administration.



During the year, we registered 10 formal complaints about the administration (20 in 2022-23), five of which were upheld (two in part). In all, eight of the complaints were resolved at the first stage of our two-stage complaints process. No complaints were investigated by the Parliamentary and Health Service Ombudsman (PHSO) during the year.

## Efficiencies

As a service delivery organisation, we continue to look at ways of achieving financial as well as operational efficiencies. The migration to remote hearings continues to provide significant financial and operational efficiencies.

## Estate matters

We occupy a single London based office with a lease expiry of 31 October 2025. We are in discussion with our sponsoring Department to co-locate our office premises within the Crown estate at 2 Marsham Street, London.

## External venues for hearings

The move to remote hearings has significantly reduced the number of external venues previously hired to conduct hearings. We now limit any external hire to situations where appellants are unable to participate in remote hearings, and where such applications have been approved by the VTE President. During the year, we have hired 12 venues outside of our estate.

## Health and safety

We operate a Health and Safety Committee to review all health and safety needs within the organisation. During the year, this Committee met on three occasions. As the VTS has only one office, our number of office-based staff is now around one third of our workforce. For those who continue to work within the London office, we operate on the basis that 60% of available time must be spent within the office. Given the evolving nature of the split between the number of home-based and office-based workers, the focus of our health and safety obligations is changing. We now have a greater emphasis on the health and safety of our large cadre of home-based workers. For example, during the year we embarked on an initiative to encourage staff to meet with each other and their managers more regularly (often locally or at convenient central points). The intention is to ensure that feelings (or the risk) of social isolation is minimised for homeworking staff. All homeworking staff were encouraged to do this and also visit the London office when they felt the need arose.

## Accidents and near misses

There were no accidents or near misses recorded in the year.



### **Training**

We continued to provide a focus on mental health as we emerged from the health pandemic, as our staff became more comfortable returning to work either in the office or from home. Staff have access to training on the learning management system that tackles areas such as stress awareness, good mental health, wellbeing at work and anxiety awareness.

We launched an online Display Screen Equipment (DSE) module for staff to assess their home and office set up which allowed us to identify any equipment needs. We also launched a module on lone working to reflect the changing work patterns post pandemic.

### **Portable Appliance Testing**

We commission portable appliance testing every two years on VTS equipment held by staff, whether at home or in the office. We conducted this exercise in February 2023 and the next testing will be in 2025.

### **Homeworking risk assessments**

We conducted homeworking risk assessments for staff transitioning to homeworking or new employees working from home to assess their needs and working environment.

We continued to review our first aiders and fire marshals to ensure we had sufficient numbers to meet our needs; retraining was provided where necessary.

### **Sustainability reporting and environmental impact**

As a small non-departmental public body, we recognise the importance of playing our part in contributing to sustainability and the wellbeing of our environment. As a body supporting a judicial tribunal, we continue to hear the majority of our hearings online, as well as conduct the majority of our training online (for both staff and VTE Members). We are a minor occupier in a non-government managed building located in London (Leman Street) and are not in direct control of utility providers or making changes to the building to provide greater environmental benefits. However, we will be migrating our presence to 2 Marsham Street at lease end on 31 October 2025. In the meantime, all of the measures that we can implement will positively contribute to reducing our greenhouse gas emissions across the organisation.

Sustainability has been a key focus for our Programme Management Board over a number of years and continues to be a driving factor when developing digital solutions. We have eliminated paper bundles from the appeal process relying solely on electronic submissions.

We select suppliers adopting the Crown Commercial Services contracts wherever possible as this provides assurance that such identified suppliers meet the sustainable and environmental expectations of government.



We have successfully championed a paperless office, which has resulted in reduced purchase of paper over various years. This year we purchased no reams of paper compared to 75 reams (37,500 sheets) of paper during 2022-23 and 470 reams (235,000 sheets) during 2019-20 (pre-pandemic).

Recycling plastics, paper and other forms of waste are also encouraged not just within the London office, but also in homes.

Whilst our office printing has greatly reduced, we do continue with our partners, Hewlett Packard's (HP) Planet Partners recycling programme, to recycle toner cartridges and inviting staff to bring their personal/home cartridges to the office for recycling. It is recognised that this collective behaviour has created a more effective impact in helping the planet than individual action. HP's website suggests that more than 875 million original HP ink and toner cartridges have been recycled by customers in partnership with HP Planet Partners.

As an organisation, and reflecting what is within our control, we continue to maintain a focus in the following key areas:



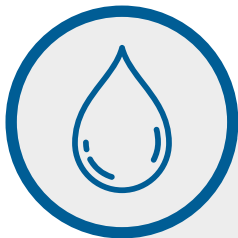
### Greenhouse gas emissions

- ✓ Contribute to the reducing of our overall footprint by continuing to hold online hearings
- ✓ Conduct the majority of our training online (for both staff and VTE Members)
- ✓ Investigations into further staff moving to home-based contracts



### Reducing waste sent to landfill

- ✓ Raising awareness and championing the importance of shredding and recycling of our paper waste
- ✓ Continue to recycle toner cartridges via Hewlett Packard's (HP) Planet Partners recycling programme
- ✓ Continue to utilise catering companies who share our sustainability commitments



### Water

- ✓ Hybrid working has produced a lower office occupancy level and this has resulted in reduced water consumption



### Paper

- ✓ Continued investment in technology, such as the business-to-business API solution, has contributed to the elimination of paper bundles from the appeal process
- ✓ Continue to maintain a focus on paperless when investigating new IT/digital solutions



### Travel

- ✓ Staff and VTE Members are now carrying out much of their training online via the Learning Management System rather than travelling to training venues



## Climate change adaptations

Our London office continues to be risk assessed for exposure to flooding and such factors are taken into consideration within our business continuity plan.

## Equality, Diversity and Inclusion

Our greatest asset is the different skills and experience that our diverse workforce bring. We have continued to look at ways of further encouraging diversity awareness and inclusion within our workforce, reviewing policies to ensure that we meet our statutory obligations regarding Equality, Diversity and Inclusion (EDI) as an employer and as a public body.

During the past year, we again assessed our progress against the objectives (i.e. our three-year EDI Action Plan), launched as part of our original EDI Framework (launched in 2020-21) to promote EDI within the workplace. In 2023-24 we carried out a formal review against our original objectives and produced a new draft three-year Action Plan for Board approval. This revised document addresses any areas where we considered we fell short in our previous three-year Plan and introduces some new objectives in certain areas to drive forward EDI for the forthcoming three-year period.

During 2023-24, we also built upon the initial progress made by our first EDI working group (the Working Group was established in 2021-22) introducing a standing group of employees to develop new initiatives and create a forum for challenging colleagues constructively to improve EDI. The resultant EDI Strategy Group was constituted with clear terms of reference and a requirement to meet a minimum of three times each year – which is proportionate to the VTS's size.

The EDI Strategy Group is designed to stimulate staff ownership and commitment in driving forward and promoting EDI within the workplace. Advising on the development of policy is also part of the Group's remit. From the start of 2024-25 this will lead to changes to VTS policies in respect of the Protection from Redundancy (Pregnancy and Family Leave) Act 2023. This Act modifies the Employment Rights Act 1996 and introduces safeguards for a wider group of individuals (and for a longer period) when they are on pregnancy, maternity, adoption or associated family leave. The Carers Leave Act 2023 also introduced the right for an employee to take one week of unpaid leave for caring activities.

The EDI Strategy Group contains representative members from across all the VTS's main departments to ensure that collective ownership is emphasized across all organisational groups. Membership is regularly reviewed to ensure that it contains individuals with an interest in promoting a positive environment for EDI, for championing EDI initiatives within local teams, and for being willing to make their voice heard. Further training for team members is being arranged (possibly through ACAS) so that individuals have a greater personal understanding of EDI. Members of the Group will be involved in cascading training down to the wider organisation during 2024-25.

Staff are able to access wide-ranging EDI modules on the Learning Management System (LMS) that will broaden their knowledge of EDI issues, including Active Bystanders, Disability Inclusion and LGBTQI+ Inclusion. They are also able to access a suite of modules called "The Uncomfortable

Series' which included 'The Uncomfortable Truth' and 'Uncomfortable Conversations'. In addition to the content above, we added a module to staff learning plans which is a mandatory requirement for completion covering Equality, Diversity, Inclusion and Belonging.

In addition to all of the above, we also made progress on the following initiatives:

- creating a more distinct EDI section and archive on IRIS (intranet), regularly updated with topics that are being discussed, upcoming events, mental health etc., to assist in staff becoming more aware about EDI
- offering learning and mentoring opportunities with senior and middle management
- EDI has become a standing item on team meeting agendas
- we have introduced management development opportunities/Chartered Institute of Management (CMI) training to grow our future managers from our existing talent pool
- we constantly assess the impact of changed working patterns on both EDI and any impact on recruitment and retention

Further work will also be undertaken during 2024-25 to ensure that the VTS remains compliant with (and addresses) new statutory initiatives such as the Worker Protection (Amendment of Equality Act 2010) Act 2023 which places additional responsibilities on employers to prevent sexual harassment. This came into force in October 2024.

We continue to offer the service of translating our guidance booklets and VTE decision documents into other languages, Braille or large print. No such requests were received during the year.

During the year we received one request for a British Sign Language interpreter. There were five requests for interpreters (four in 2022-23) to assist appellants. During the year under review, we arranged interpreters for Spanish, Cantonese, Turkish, Somali and Tamil speakers to assist at tribunal hearings.

Our website includes a link enabling the public to download, free of charge, Reachdeck software. This reads out the contents of any webpage, PDF file or Word document. In addition to reading the contents of the website in a variety of languages and accents, this software contains a facility that explains the meaning of any word for the user and enables MP3 files to be created. This year, we logged around 4,805 toolbar loads and 325 speech requests for Reachdeck.

### **Freedom of information and data protection**

In 2023-24 there were 55 requests (77 in 2022-23) under the Freedom of Information Act for information not readily available.

22 subject access requests were received (21 in 2022-23). None were referred to the Information Commissioner (ICO) as complaints regarding our handling of these requests.



A handwritten signature in black ink, appearing to read 'Antonio Masella', is positioned above the printed name.

**Antonio Masella**

Chief Executive & Chief Operating Officer  
Valuation Tribunal Service

12 November 2024



# Accountability report

The Accountability report gives details of the governance arrangements in place in the Valuation Tribunal Service (VTS), that underpin the organisation's strategy and decision-making process. The Directors' report lists those responsible for making decisions and includes a report from the Senior Information Risk Owner (SIRO). Risk management and the significant risks and issues form a key part of the Accounting Officer's governance statement.

## Corporate governance report

### The Directors' report

VTS Chair – **Harry Rich**

VTS Chief Executive & Chief Operating Officer and Accounting Officer – **Antonio Masella**

In 2023-24 the Board comprised:

- **Neil Buckley** (term of office expired 30 November 2023)
- **Stephen Chappell**
- **Kevin Everett** (reappointed to 31 August 2025)
- **Gary Garland** (Valuation Tribunal for England (VTE) President, *ex-officio* Member)
- **Alison Griffiths**
- **Suzanne McCarthy** (Deputy Chair) (Interim Chair 10 May 2024, term of office extended to 31 December 2024)
- **Lola Moses** (term of office expired 7 February 2024)
- **Harry Rich** (Chair – term of office expired 9 May 2024)

A register of Board Members' interests is maintained, reviewed annually and is available for inspection; a summary appears on our website at: <https://valuationtribunal.gov.uk/about-vts/vts-board-management-and-team/register-of-interests/>

### Data security and information risk

Data handling and information security meetings take place quarterly, chaired by the Board's SIRO and attended by all VTS Information Asset Owners (IAO) and the Data Protection Officer (DPO). This provides a forum for promoting compliance with information risk policy and process, promotes discussion on information risk issues and effective management across all VTS operational and head office functions.

Cyber security continues to be a primary focus for us during this financial year. We conducted an awareness campaign for our staff and Board on how to report cyber incidents, spot phishing attempts and reminding them to create strong passwords. In addition, given that we share our IT



platform, MHCLG have been testing awareness of cyber fraud by launching phishing email tests as part of an internal anti-phishing education campaign.

We continue to be proactive in raising awareness and providing guidance to staff on data security and information risk. We have mandatory online training modules in cyber security, data protection and fraud prevention for all staff to complete.

All security and information risks have been recorded in our risk register and evaluated, with proportionate controls and mitigations in place. Any non-compliance with guidelines or instructions has been captured in the Data Protection and Information Security Events and Actions log. Where necessary, controls are strengthened to prevent reoccurrence.

With effect from 3 June 2024, the role of Board SIRO has transferred from Lee Anderson, Director of Operations & Development, to Keung Wong, Finance Director.

## Statement of Accounting Officer's responsibilities

Under the Local Government Act 2003, Schedule 4, the VTS is required to prepare for each financial year a statement of accounts giving a true and fair view of the state of affairs and the use of funds delegated to the VTS (see Accounts Direction 90). The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual (FReM) and in particular to:

- observe the Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the FReM have been followed, and disclose and explain any material departures in the accounts
- prepare the accounts on a going concern basis and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable

The VTS Chief Executive is also the appointed Accounting Officer. Funding is delegated to the VTS Accounting Officer by the Principal Accounting Officer of Ministry of Housing, Communities & Local Government (MHCLG). The responsibilities of the Accounting Officer include responsibilities for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding VTS assets, as set out in *Managing Public Money* published by HM Treasury.

As the Accounting Officer, I have taken all the necessary steps to make myself aware of any relevant audit information and to establish that VTS auditors are aware of that information. So far as I am aware, there is no relevant audit information of which auditors are not aware.

I confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and that I take responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of VTS and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

### **Governance statement**

The purpose of my governance statement is to provide a clear and honest review of the financial year, highlighting risks and issues, providing assurance, and to demonstrate to our sponsor and users of our service how I, as Chief Executive & Chief Operating Officer and Accounting Officer for the VTS, have discharged my responsibilities in managing and controlling the resources under my remit. I am fully responsible for the day-to-day management of the VTS, and for having in place effective systems of governance, risk management and internal control. I share responsibility with the Board for complying with the Framework Agreement agreed with MHCLG, our sponsor. This sets out our relationship and how the VTS and MHCLG intend to operate and, in particular, ways in which the VTS provide the necessary assurances on the adequacy, effectiveness, efficiency, control and governance of our systems and processes. This governance statement reflects and reports this assurance.

In light of all the assurances provided to me across the organisation, I am able to conclude that the VTS is operating effectively and that there are no significant issues or weaknesses.

### **Governance framework, Board structure, attendance and coverage**

Established under the Local Government Act 2003 and created on 1 April 2004, the VTS provides or arranges for the provision of the services required for the general discharge of the VTE's functions and gives general advice about procedure relating to proceedings before the tribunal. The Act 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*". In providing this support, the VTS must ensure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively at all times. The VTS is assisted in this aim by the Finance Director.

Under its governing legislation the VTS has a non-executive Board, the majority of whom must be Senior Members (serving chairmen) of the VTE. This majority is currently made up of three VTE Senior Members and the VTE President, who is an *ex-officio* Member of the Board. The Chair and Members of the Board (other than the VTE President) are appointed by the Secretary of State for MHCLG, in accordance with the Code of Practice of the Commissioner for Public Appointments.



The recruitment process for Board Members falls under the remit of the Office of the Commissioner for Public Appointments (OCPA). On 7 February 2024, Lola Moses retired from the Board as a VTE Senior Member following her appointment by the Lord Chancellor as a Vice-President of the Valuation Tribunal for England. On 9 May, Harry Rich retired as Chair of the Board. The following Board Members were reappointed to a further term of office:

- Suzanne McCarthy (Deputy Chair) was reappointed for a further term expiring 31 December 2024. Following the vacancy created by the retirement of Harry Rich, Suzanne McCarthy took up the role of Interim Chair on 10 May 2024.
- Kevin Everett was reappointed for a year from 1 September 2024 to 31 August 2025.

The term of appointments for all Board Members are set out in Table 4 below.

The Framework Document, agreed in December 2018, governs the relationship between the VTS and our sponsoring Department. MHCLG schedule a number of Accounting Officer meetings during the year, usually quarterly, where financial progress against allocated budgets, issues impacting on service delivery, the risk register, key performance indicators (KPIs) and achievement of objectives against our Business Plan are reviewed and discussed. Our sponsoring team receives all Board minutes and papers and has a standing invitation to attend all Audit & Risk Assurance Committee (ARAC) and Board meetings scheduled as observers.

Our relationship with our sponsoring team continues to be one of mutual respect and is one that acknowledges the various pressures and risks faced by our respective organisations, recognising the impact any may have on ministerial and government priorities and the achievement of our aims and objectives as a statutory body.

The Board is collectively responsible for setting out the strategic direction of the organisation and monitoring delivery against its approved Business Plan. My Chief Executive's Report, together with other papers prepared for each Board meeting, provides information and updates on key activities and outcomes and is an important source of information and assurance. I attend all meetings of the Board, except for those Part 2 meetings when matters of my employment are considered.

The separate statutory positions of the VTS and the VTE are set out by legislation, but our working relationship is set out in a protocol document and forms the basis of our relationship and our respective governance arrangements. The VTE President and I collaborate in the consideration of judicial and administrative matters and this assists in providing a single focus and direction for the two separate organisations.

## Board performance, assessment and effectiveness

The Board met formally on five occasions during the year:

Board agendas are structured to differentiate between reports for information and those for decision. The Board receives prompt, regular and meaningful management information on costs,

efficiency, quality and performance to track progress and value for money. This information is of a quality that enables the Board to determine whether the VTS is on track to meet its strategic objectives and is acting within its risk appetite. Standing items include reviews of the management accounts, strategic risk register and reports from the Chair, the VTE President, the Chairs of the various Board Committees and myself. The Board receives quarterly reports on performance against objectives, KPIs and workload data.

During the year, the Board also discussed:

- May 2023: VTS draft budget 2023-24 (revised); Business Plan achievements 2022-23; Business Plan 2023-24; H&S Statement 2022-23; Stakeholder Engagement Strategy; Data Protection & Security Annual Report; Code of Conduct; User survey 2022-23; Working arrangements post pandemic
- July 2023: Business Plan achievements to Quarter 1; VTS budget 2023-24 (revised); Business Plan KPIs; Incident Response & Business Continuity Plan
- September 2023: Approval of Business Plan; VTS budget 2023-24 (revised); Staff survey; Assurance Map
- November 2023: Business Plan achievements to Quarter 2; Annual Report & Accounts 2022-23; VTE Member engagement; Stakeholder management; Future Options discussion paper
- January 2024: Business Plan achievements to Quarter 3; Business Plan Priorities 2024-25; VTS draft budget 2024-25; Annual Report & Accounts 2022-23; Standing Financial Instructions; VTE Member engagement

**Table 4**

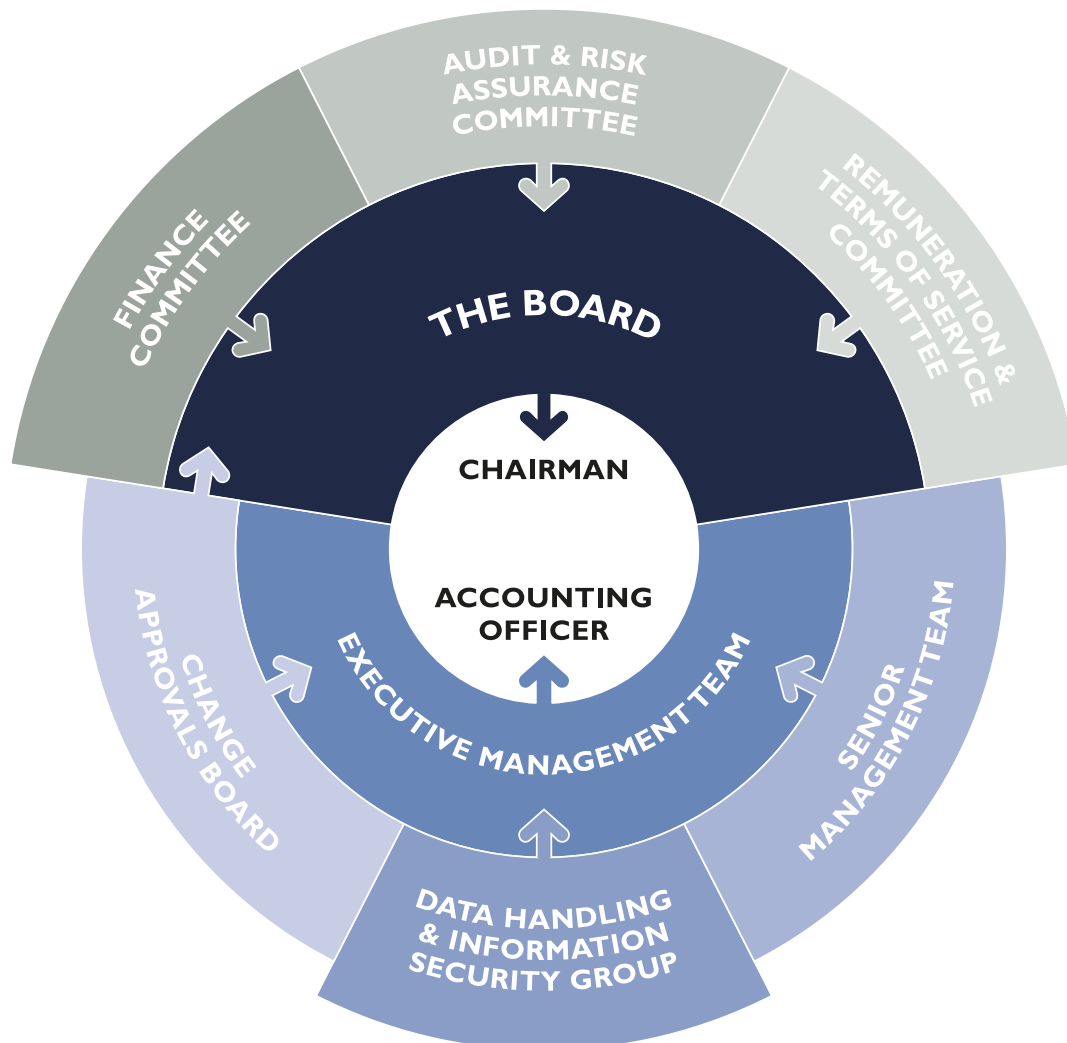
Board Members' dates of expiry of appointment, Committee membership and attendance

	<b>Date of expiry of appointment</b>	<b>Attendance at Board meetings (5 Board meetings in 2023-24)</b>	<b>Attendance at Audit &amp; Risk Assurance Committee (ARAC) meetings (5 in 2023-24)</b>	<b>Attendance at Finance Committee meetings (2 in 2023-24)</b>	<b>Attendance at Remuneration &amp; Terms of Service Committee meetings (2 in 2023-24)</b>
Neil Buckley	30 November 2023	■ 3 (4)		■ 1 (1)	■ 2
Harry Rich	9 May 2024	■ 5	■ 1	■ 2	■ 2
Kevin Everett	31 August 2025	■ 3 (5)	■ 4 (5)		
Gary Garland	n/a	■ 5		■ 2	
Suzanne McCarthy	31 December 2024	■ 5	■ 5		■ 2
Lola Moses	7 February 2024	■ 5	■ 5		
Stephen Chappell	3 February 2026	■ 5	■ 4 (5)		
Alison Griffiths	3 February 2026	■ 4 (5)			■ 2
Joanne Kennedy-Reardon (independent member of the ARAC)	31 August 2025	■ 1	■ 4 (5)		

■ Chair

■ Member – Where a number is shown in brackets, this indicates the maximum number of meetings the member could have attended during their period of appointment.

**Chart 4**  
Our Corporate Governance Structure



Three committees support the Board in the effective governance of the VTS:

**The Audit & Risk Assurance Committee (ARAC)** provides the Board with an independent view of the assurance framework, overseeing the risk management strategy through scrutiny of the various risk registers to ensure that processes in place are effective and robust. I attend the Committee's meetings to provide an update to the strategic risk register and present various reports. The Finance Director and Director of Operations & Development also attend. The Committee met five times during the year. It comprised four Members of the Board, one of whom is appointed by the Board as the Committee Chair, and an independent member.



External and Internal Auditors also attend meetings and representatives from our sponsoring team have an open invitation to attend meetings. At the end of every meeting, the Committee has a private session with the auditors, without staff. The Chair has confirmed to me that no matters of concern were raised at these meetings.

Our audited 2022-23 statutory accounts were laid before Parliament on 30 January 2024, with a clean audit opinion.

In addition to recommending to the Board the adoption of the 2022-23 year end financial statements and the audit completion report, this Committee has reviewed and approved revised policies on Risk Management, Procurement, Data Handling, Whistleblowing and Fraud. It also reviewed the VTS Assurance Map and considered all internal audit reports and monitored progress against management responses to action plans for the various recommendations. Risks relating to the recruitment and engagement of VTE Members were matters the Committee focussed on over the year. The Committee also reviewed its terms of reference.

**The Finance Committee** monitors the financial aspects of the VTS and supports me, as the Accounting Officer, and provides assurance to the Board on financial planning and management. In addition to reports on the management accounts and finance risks, the Committee also discussed the draft budget for 2024-25. Until 30 November 2023, this Committee, comprised of three Board Members. Since November this has comprised of two Board members. This Committee has met twice during the year under review. The Finance Director attends these meetings with me.

During the year the Finance Committee reviewed its terms of reference on 22 March 2024.

**The Remuneration & Terms of Service Committee** determines policy on executive remuneration and terms and conditions of service. This Committee of four Board Members exercises oversight on matters relating to my performance and pay. During 2023-24 the Committee met twice and recommended to the Board and the sponsoring Department the level of performance considered appropriate for the Chief Executive.

There are three management committees that have provided me with additional support during the year:

■ **Executive Management Team (EMT)** – This group is made up of the Directors and myself. Its role is to assist and share in my decision-making by providing accurate information, to advise in the delivery of the VTS's aims and to provide strategic direction to staff. The EMT met on 11 occasions during the year.

■ **Senior Operational Management Team (SOMT)** – This management group comprises the Director of Operations & Development (as Chair), Registrar & Chief Clerk, Planning Manager and the Performance Manager, and is responsible for reviewing operational activity and for improving business processes to enhance service provision. I attend these meetings as appropriate. The SOMT met on eight occasions during the year.



■ **Valuation Tribunal Interface Group (VIG)** – This forum comprises the Director of Operations & Development, myself, the President of the VTE and the Registrar & Chief Clerk to provide a more focussed interface between the operational and judicial aspects of the Service. This forum also informs the VTE Risk Register. I chair these quarterly meetings as Chief Executive.

For the purpose of ensuring that any business-related process changes identified by VTS staff and/or the VTE President may be discussed, costed, evaluated and benefits analysed prior to implementation through projects, a **Change Approvals Board (CAB)** is in place. The CAB comprises the Director of Operations & Development (as Chair), the Business Engagement Lead, the Business Development Analyst, the Business Development Officer and Finance Director. I also attend any meetings where my engagement may be of assistance, or I require more detailed information to make an assessment.

On my behalf, the Finance Director prepares and submits an annual budget to the Board for approval prior to the start of the new financial year. Financial performance against budget is monitored at every Board meeting. The Finance Director is also responsible for the detailed finance protocols, procedures, guidance and training to budget holders and other staff, and is responsible for maintaining and reviewing a contracts register. The VTS's budget is devolved to individual budget holders under written and signed delegated authority.

### Corporate governance compliance

The Board observes *Corporate governance in central government departments: Code of good practice* and its principles insofar as they are relevant to a small non-departmental public body (NDPB). There are no material departures. It complies with the Code's requirements for the Board, though the Board's particular composition is set out in the Local Government Act 2003, and the VTS Board does not have a nominations and governance committee because of its size. It directs the business of the VTS in as effective and efficient way as possible with a view to the long-term health and success of the VTS and VTE. Board Members are aware that they should not stray into the executive management of the VTS.

The Board supports the Accounting Officer in the discharge of obligations set out in *Managing Public Money* and its Standing Orders and Scheme of Delegations show those matters reserved for Board decision. The Board acts corporately and objectively when discharging its responsibilities, and Board Members act in the public interest in keeping with the Nolan principles of public life. Its meetings are recorded, and summary minutes are published on the VTS website. At the beginning of every Board and Committee meeting, members are asked to declare any potential conflicts of interest, which are then noted in the minutes along with any action necessary to address them. An annual declaration of Board Members' interests is required and made available for inspection.

The Board reviews its corporate governance framework annually to ensure it remains robust. It includes the Standing Orders and Scheme of Delegations, Standing Financial Instructions, the Board Code of Conduct and its Ways of Working.



Board Members, with the exception of the VTE President, are appraised annually by the Chair, who is appraised by the sponsoring Department. These appraisals assess individual performance, which in turn translate into the collective effectiveness of the Board.

## Risk management and risk profile

We maintain a culture where risk management is not just a process but is integral to the decisions we make. Risks are identified in a variety of ways, including the continuous review of operations and the evaluation of new challenges and opportunities. All reports to the Board include a section on risk implications. The Risk Management Policy, which is published on our intranet, sets out the key features of risk management and provides guidance for staff on their role in the process. I am responsible to the Board for ensuring that risks are managed effectively. There are a number of more detailed operational risk registers underpinning the strategic risk register. Each risk register owner takes responsibility for their own area of operation and reports on the processes of risk assessment, management actions to mitigate risk and highlights the possibility of risk failure. The registers clearly identify risk owners and mitigating strategies ensuring risk owners respond quickly. Risk registers are submitted to me quarterly. I carry out my assessment of the overarching strategic risk register with the EMT at each of its meetings.

The review of the strategic risk register is a standing agenda item at Board and ARAC meetings, with the ARAC maintaining an overview of risk management. The Committee receives presentations in respect of other departmental risk registers as an assurance that the risk management process is universal throughout the VTS.

We use an assurance map alongside the register that identifies whether we have controls in place at the appropriate level (operational management; governance and oversight; independent/external) to monitor and mitigate risks. This is reviewed by ARAC and the Board quarterly.

The Director of Operations & Development was the Senior Information Risk Owner (SIRO) until 3 June 2024. This role is now being filled by the Finance Director. The SIRO apprises me of any matters which may affect information assurance and data security. The SIRO provides me with an assurance statement, which is drawn from similar assurances confirmed by each IAO. Whilst much of the data the VTS produces and manages is in the public domain, the VTS operates within the demands of the Cabinet Office's security policy framework and the requirements of the data protection legislation, as well as respecting the public access rights in the Freedom of Information Act. No incidents were escalated to the ICO during the year by the VTS. We have annual mandatory online awareness training on data protection for all staff.

The VTS Data Protection Officer (DPO) provides a focus in ensuring staff understand their responsibilities and that the VTS is compliant with the 2018 legislation and any new regulations and guidance issued.

As Accounting Officer, I also receive an annual assurance statement from the Finance Director providing assurance to me over the effectiveness of finance systems and adherence to procedure to identify and report fraud.

Two incidents of data security were reported to me.

The first incident was reported to the SIRO on 19 February 2024. This involved, during June and July 2023, a third party setting up two fraudulent accounts under the VTS's name and issuing invoices totalling approximately £8,000. As the receipt of invoice was considered an unusual approach (BT invoices are normally posted on a portal), the Finance Team were able to review and interrogate the invoices and stop any payments from being made. BT and Action Fraud have been notified and are investigating this incident.

The second incident was reported on 17 June 2024, which highlighted that a VTE Member was able to inadvertently view all appeals information rather than only the evidence relating to the appeals they were assigned to hear. As soon as this was highlighted, our IT partner was able to control the permissions more tightly for all VTE Members to allow limited access to necessary information only.

The VTS has a Whistleblowing Policy and I have not been notified of any whistleblowing incidents, nor have I been made aware of any such reports being raised in 2023-24.

### Sources of assurance

Throughout the year I also gain assurance regarding the performance of the VTS through a number of other sources:

**Internal Audit:** TIAA is the Internal Audit provider appointed from 1 April 2023. The Head of Internal Audit provides me with assurance on the systems of internal control. All audit reports are reviewed at the ARAC meetings to ensure appropriate challenge. All agreed audit recommendations are logged and progress against implementation is monitored and reported at every EMT and ARAC meeting.

During the year, Internal Audit conducted audit work totalling 30 planned days based on the 2023-24 plan. ARAC received a total of three reports: Performance Monitoring (Substantial Assurance), Recruitment (Substantial Assurance) and ICT Follow-on (Reasonable Assurance) which produced five recommendations and five Operational Effectiveness Matters (OEMs) which have all been implemented. The overall audit opinion for the year was reasonable assurance.

**Working with the Board:** I maintain a very transparent style of working. I ensure the Board remains up to speed on any significant issues and developments. Board meetings are structured so that members are able to provide appropriate challenge as well as support.



**Accounting Officer meetings:** I meet with both the Finance and Policy teams with MHCLG at quarterly meetings and this provides opportunities to discuss a variety of matters, including a review of the strategic risk register and performance against KPIs, as well as carrying out 'deep dives' in a number of areas. For each meeting I provide the risk register, management accounts and performance reporting to assist our discussions. In 2023-24 we met on three separate occasions with our sponsors.

**Executive Management Team (EMT):** The EMT is presented with performance reports at each meeting and considers the risk implications of all proposals that are brought before it. I encourage and expect members of the EMT to keep lead staff briefed on significant issues and developments, and to seek feedback.

**Data Handling & Information Security Group:** This Group, under the chairmanship of the SIRO, maintains an overview of data and security matters, compliance with statutory requirements and risks across our information assets, projects and communications.

**Personal assurance:** I gain personal assurance by speaking informally and directly with front-line staff, enabling me to keep in touch with operational delivery.

## Significant risks and issues

### VTE Members

The most significant risk continues to be the engagement of VTE Members as they are critical to our hearing programme and the clearance of appeals. As part of terms of their appointment, VTE Senior Members are required to commit a minimum of 15 days per annum and VTE Members 12 days per annum. In reality, business and personal commitments interfere with this requirement, which leads to cancellation of hearings where the requirements of a tribunal hearing panel are not met.

In September 2023, we appointed to a new role a Membership Engagement Lead to provide a dedicated focus in addressing the engagement levels experienced and to better understand the work/life balance challenges that impact time commitment from our appointed members.

The expectations envisaged in last year's annual report are now beginning to materialise. With the closure of the 2017 Rating List, and due to the regulatory timeframe, we are beginning to see increased levels of activity on appeal receipts with 295 received in May 2024 and 622 received in June. The expectation is that over the next months we will see further high numbers being received as the full impact of VOA decisions regarding challenges versus appeals becomes evident. How quickly we can list these appeals is naturally impacted by member engagement.

# Remuneration and staff report

## Remuneration

### Board Members' emoluments and expenses

Board Members are appointed by the Secretary of State and receive an annual fee based on the fixed number of days in attendance at Board and other Board-approved meetings. All member posts are non-executive, and all members' emoluments are non-pensionable.

The VTE President is an *ex-officio* Member of the Board and is in receipt of a salary for up to three days per week but is not an employee of the VTS.

### Chair's term of office

Harry Rich retired on 9 May 2024.

### Deputy Chair's term of office

Suzanne McCarthy was reappointed Deputy Chair with effect from 1 April 2024 to 31 December 2024.

Suzanne McCarthy was appointed Interim Chair from 10 May 2024 following the retirement of the Board Chair, Harry Rich.

### Senior executives

The salary of the Chief Executive is set by the Board in line with guidance provided from the sponsoring Department and is subject to a contractual consideration of performance award as recommended to the Board by the Remuneration & Terms of Service Committee. Any such award has also been subject to approval by the sponsoring Department.

Directors are appraised by the Chief Executive.

### Proportion of remuneration subject to performance

The Remuneration & Terms of Service Committee considers the performance of the Chief Executive annually, against the objectives set for the year.

## Directors' contracts

Chief Executive	Permanent contract Commenced on 1 February 2010 3 months' notice for employee to provide; 12 weeks' notice for employer – in line with s.86 of the Employment Rights Act 1996 (hereafter, ERA 1996)
Director of Operations & Development	Permanent contract Commenced on 1 January 2015 3 months' notice for employee to provide; 12 weeks' notice for employer – in line with s.86 ERA 1996
Finance Director	Permanent contract Commenced on 1 February 2018 3 months' notice for employee to provide; 5 weeks' notice for employer – in line with s.86 ERA 1996 (due to lower level of continuous service)

## Audited information

The information below on fees, emoluments and pensions for non-executive Members of the VTS Board and the Directors, together with the disclosure of the ratio of the remuneration of the highest paid Director and median remuneration in the accompanying pages, is audited.

## Remuneration (salary, benefits in kind and pensions)

**Table 5**

Single total figure of remuneration (subject to audit)

Board Members	Salary (£'000)		Pension benefits (to nearest £'000)		Total (£'000)	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Harry Rich	5-10	5-10	–	–	5-10	5-10
Lola Moses*	0-5	5-10	–	–	0-5	5-10
Gary Garland**	75-80	70-75	40	38	115-120	110-115
Neil Buckley*	0-5	5-10	–	–	0-5	5-10
Suzanne McCarthy	5-10	5-10	–	–	5-10	5-10
Kevin Everett	5-10	5-10	–	–	5-10	5-10
Stephen Chappell	5-10	5-10	–	–	5-10	5-10
Alison Griffiths	5-10	5-10	–	–	5-10	5-10

\* Leaver – Neil Buckley last date 30/11/2023, Lola Moses last date 07/02/2024

\*\* The President is appointed by the Lord Chancellor and paid by the VTS; he is neither an employee of the VTS nor accountable to it. He is an *ex-officio* Member of the Board and was appointed from 12 September 2016. During 2023-2024 £40,211 (2022-2023 £37,661) was paid by the VTS into the Judicial Pension Scheme.

## Remuneration of Directors

**Table 6**

Single total figure of remuneration (subject to audit)

Officials	Salary (£'000)		Bonus payments (£'000) *		Pension benefits (to nearest £'000) **		Total (£'000)	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
<b>Antonio Masella</b> Chief Executive & Chief Operating Officer	110-115	100-105	10-15	10-15	70	(65)	190-195	45-50
<b>Lee Anderson</b> Director of Operations & Development	85-90	85-90	—	—	18	(10)	105-110	75-80
<b>Keung Wong</b> Finance Director	85-90	85-90	—	—	33	16	120-125	100-105

\* Bonus is usually paid one year in arrears.

\*\* The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

### Salary

'Salary' includes gross salary, bonus, overtime, any inclusion (where appropriate) of London weighting or London allowances, recruitment and retention allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments by the VTS and thus recorded in these accounts.

Salaries for senior executives are kept under review and any changes are subject to potential approval by the Remuneration & Terms of Service Committee and Board.

### Bonuses

Consideration of the Chief Executive's bonus is contractual and is up to a maximum of 10% of gross salary. The Remuneration & Terms of Service Committee recommends the level of the Chief Executive's performance award to the Board. The Board's decision regarding the amount of the performance award must have the approval of the sponsoring Department.

## Pensions

The VTS is a Schedule 2 body within the Local Government Pension Scheme (LGPS) Regulations. All new employees are entitled to become members of the London Pension Fund Authority (LPFA) administered scheme and are auto-enrolled on appointment, with only two employees selecting to opt out of the LGPS following the latest statutory triennial re-enrolment exercise carried out in June 2023.

From 1 April 2014, the LGPS changed from a contributory defined benefit final salary scheme to what is known as a career average revaluated earnings defined benefits scheme (i.e. a CARE scheme). In effect, the final salary element was removed from that date onwards but with protections for those already in the scheme at that point.

### Pension benefits

**Table 7** (subject to audit)

	<b>Accrued pension at pension age as at 31 March 2024 and related lump sum</b>	<b>Real increase in pension and related lump sum at pension age</b>	<b>CETV at 31 March 2024</b>	<b>CETV at 31 March 2023</b>	<b>Real increase in CETV</b>
<b>Officials</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Antonio Masella</b> Chief Executive & Chief Operating Officer	70-72.5 plus lump sum 102.5-105	2.5-5 plus lump sum 0-2.5	1,523	1,337	83
<b>Lee Anderson</b> Director of Operations & Development	47.5-50 plus lump sum 67.5-70	0-2.5 plus lump sum (2.5)-0	986	895	22
<b>Keung Wong</b> Finance Director	10-12.5 plus lump sum 0	0-2.5 plus lump sum 0	175	132	25



## Fair pay disclosure (subject to audit)

In line with FReM 6.5.25, the change in pay ratio is in accordance with our usual pay and reward arrangements, with variance from one year to the next affected by the level of pay settlements as well as the application of our other established reward mechanisms.

The VTS is required to disclose the relationship between the remuneration of the highest paid Director in the organisation and the median and quartile remuneration of the organisation's workforce.

The banded remuneration of the highest paid Director in the VTS in the financial year 2023-24 (inclusive of bonus) was within the remuneration banding of £120,000-£125,000 (£110,000-£115,000 in 2022-23). Figures for remuneration bands comprise bonus added to salary band. This was 3.05 times (2022-23: 2.94 times) the median remuneration of the workforce. The median in 2023-24 was £40,221 (2022-23: £38,296). In 2023-24, as for the previous year, no employees received remuneration in excess of the highest paid Director. Remuneration ranged from a lowest FTE band of £25,000-£29,000 to a highest band of £115,000-£120,000 (2022-23: £20,000-£25,000 lowest band to a highest band of £110,000-£115,000).

Total remuneration includes salary, non-consolidated performance related pay, benefits in kind as well as severance payments. It does not include employer pension contributions and the CETV pensions.

**Table 8 (subject to audit)**

**Percentage change in total salary and bonuses for the highest paid Director and the staff average\***

	2023-24		2022-23	
	Total salary and allowances	Bonus payments	Total salary and allowances (restated)	Bonus payments
Staff average	3.28%	n/a	5.06%	n/a
Highest paid Director	8.70%	8.70%	2.04%	13.38%

\* The calculations include bonus which is paid in arrears during the following year.

Table 8 takes account of the payroll costs of employees at the end of March looking back the whole year. Therefore, it picks up variations to pay during the year such as increases in pay, reductions to half pay or nil pay for those on maternity or sick leave etc. It also includes the pro-rated salary for starters and leavers during the year.

This is an agreed reworking of this table to more accurately reflect increase in average staff pay excluding the highest paid director.

No staff other than the highest paid director are entitled to be considered for bonus.

The table includes revised figures for 2022-23.

**Table 9 (subject to audit)**  
**Fair pay ratios**

	2023-24	2022-23
Band of highest paid Director's total remuneration incl. bonus	£120,000– £125,000	£110,000– £115,000
Mid-point of highest paid Director's salary band incl. bonus (used in ratios)	£122,500	£112,500
Median remuneration (excluding highest paid Director)	£40,221	£38,296
Ratio of median to highest paid Director's salary band incl. bonus (mid-point)	3.05	2.94
25th percentile remuneration (£)	£30,956	£29,854
Ratio of 25th percentile to highest paid Director's salary band incl. bonus (mid-point)	3.96	3.77
75th percentile remuneration (£)	£44,428	£42,503
Ratio of 75th percentile to highest paid Director's salary band incl. bonus (mid-point)	2.76	2.65

N.B. The total salary figure is the same as total remuneration for each of the percentiles.

**Table 10**  
**Staff split by remuneration band**

Remuneration band	Period ended 31 March 2024, based on FTE pay, number of staff	Period ended 31 March 2023, based on FTE pay, number of staff
£40,000 to £45,000	17	14
£45,000 to £50,000	4	2
£50,000 to £55,000	3	2
£55,000 to £60,000	2	1
£60,000 to £65,000	1	1
£65,000 to £70,000	1	1
£70,000 to £75,000	–	1
£75,000 to £80,000	1	–
£80,000 to £85,000	–	–
£85,000 to £90,000	2	2
£90,000 to £95,000	–	–
£95,000 to £100,000	–	–
£100,000 to £105,000	–	–
£105,000 to £110,000	–	–
£110,000 to £115,000	–	1*
£115,000 to £120,000	1*	–

\* The remuneration for the Chief Executive includes bonus payment.

Table 10 picks up only current staff as at the end of March and details their notional salary at that point – so ignores if they are on reduced sick pay or maternity pay or that they have started mid-year.

## Staff report

Since the VTS last formally restructured its operational team during 2019-20, it has been keeping its operational arrangements under regular review. We are now looking ahead to improving our ways of working during the 2024-25 financial year. The structure that the VTS put in place following the health pandemic was lean and resulted in bolstering our operational focus towards greater customer service and user engagement. As part of that changed focus, we introduced a 'cradle-to-grave' perspective for handling appeals and our intention is now to move that organisational philosophy to the next level.

We believe that giving staff greater ownership of their work and empowering them helps to create a more motivated and engaged workforce. This also creates a better environment for staff development and has facilitated an improved career pathway for individuals coming into the organisation, providing opportunities to develop their skills and abilities and to transition into other roles if that is their desire. This also has the advantage of assisting with the mitigation arrangements for addressing our ageing workforce through effective succession planning. We have again seen a number of internal applicants being successful in obtaining higher graded roles. We have added to our existing number of permanent homeworkers (first introduced in 2009) where possible and where it is in the interests of our business needs. This has allowed us to compress our estate to a single office. Approximately two-thirds (67.7%) of our staff (as at 31 March 2024) are now permanent homeworkers. The number of homeworkers is now close to the optimum although there may still be a little leeway for a few more posts to become homeworkers. This is something we keep under regular review.

Throughout 2023-24 we have reviewed our employment offering and created a resilience to the way we work and operate. In part this has been influenced by a very competitive employment market which has demanded greater flexibility and more emphasis on work/life balance and supported by greater levels of hybrid or "SMARTER" working.

The VTS had three temporary agency assignments/placements in 2023-24. The total cost (including VAT) was £110,000 during the year. The specifics of this spend is that the VTS engaged a finance professional to backfill a maternity leave for the post of Finance Officer (although this was a very short-term cover and the person left for another permanent role and was then replaced by another agency worker). We also had a vacancy for our Financial Controller role which has been filled by an agency worker.

Given our commitment to advertising and recruiting internally where individuals meet the criteria, we see the Financial Controller vacancy as an opportunity that may be attractive for internal staff to apply for, as well as being openly and externally advertised. To provide a fair opportunity for suitably qualified and experienced people to apply for the role from within the Finance team, we will await the return of the Finance Officer who is currently on maternity leave so that everyone from the immediate level below Financial Controller are given an equal opportunity to apply. The Assistant



Finance Officer was on maternity leave but left in July 2024 and this workload has been temporarily covered by the two agency workers and other permanent staff.

Despite these recruitment challenges within Head Office functions, our new SMARTER working methodology was implemented to ensure that office occupation averages at least 60% of available working time. This assists with recruitment in a tight jobs market as applicants have expressed expectations that there will be greater work/life flexibility on offer from employers. This change was precipitated by the health pandemic but also reflects a change to our operations with online tribunal hearings as a default. This new hybrid type of SMARTER working (splitting time between homeworking and office working) is expected to have a consequential positive impact upon motivation, staff commitment and flexibility whilst ensuring that personal social interaction still takes place for the interchange of ideas and face-to-face discussion and debate. This agile approach has allowed the VTS to move forward knowing we have the resilience to transition quickly to total homeworking if ever the need arises again.

The VTS has recently embarked on the creation of a Trainee Clerk grade to address succession planning and recruitment issues, coupled with the associated challenges of an ageing workforce. It allows us to train our own staff in the VTS's working methods and organisational culture by "growing our own". This new grade provides us with value for money in reducing initial salary costs. Recruitment has now taken place and three new Trainee Clerks have embarked upon their journey with the VTS during March 2024. We will keep this under review and, once assured of its success, potentially extend it further. This should create a conveyor belt type approach to recruitment, with older and more expensive staff retiring and being replaced by mainly younger and (initially at least) cheaper new recruits.

We have continued to develop our IT infrastructure and have fully utilised IT through communication/video conferencing packages such as MS Teams. This has been used for internal communications as well as for tribunals and has proved successful in allowing good communication. We have moved forward with the further development of our suite of Learning Management System (LMS) modules but coupled this with a mixed delivery approach to retain some "classroom-type" learning, again with the intention of stimulating social interaction and preventing social isolation. We have invested significantly in mental health awareness and have recently embarked on a programme for improving good physical health as the VTS is aware of the close link between good mental health and good physical health. The LMS modules have allowed us to build up a library of suitable development resources that staff can dip into at any point.

We have also invested in having more face-to-face, personal contact sessions for our homeworkers to create the feel of an office environment and some of the benefits such meetings can bring. It also enables better collaborative working and mitigates the risk of homeworking staff seeing their homes as a sort of "prison" by helping to prevent feelings of social isolation. Managers have been encouraged to book venues to meet with staff and bring them together in small groups. This is something we intend to build on further during the 2024-25 financial year. We have also held a number of all staff events which have proved positive in building a one-organisation culture, allowing staff to meet and

work with colleagues that they may not have been able to easily liaise with in the recent past as a consequence of the health pandemic.

Our detailed (and amendable) succession plan was kept under regular review and will form the focus for further work during 2024-25.

We have been mindful of the challenges presented by cyber security risks and during 2023-24 we have taken steps to ensure our staff are reminded of those risks and they have been made aware of such threats and how to deal with them.

There were no employment claims against the VTS in 2023-24 and that remains the case as at the time of writing in October 2024. None are currently envisaged.

The VTS recognises Unison for collective bargaining purposes and liaises with Unison's central head office branch in London as required. Contracts for staff are based on local terms and conditions. Pay increases/cost of living awards are contractual and based upon the agreed outcomes of the NJC for Local Government Services.

Staff costs

Staff costs comprise:

Table II (subject to audit)		
	2023-24 £'000	2022-23 £'000
Wages and salaries	2,528	2,277
Social security costs	275	257
Other pension costs	462	992
Agency staff costs	110	27
Untaken leave in year	15	-
<b>Total staff costs</b>	<b>3,390</b>	<b>3,553</b>

Staff numbers as at 31 March 2024

As at 31 March 2024, the actual number of staff employed (headcount) was 62 compared to 60 as at 1 April 2023.

## Average number of staff over the year

The average staff FTE for the whole year was 58.81, average headcount was 59.46 (2022-23: 54.61) (based on numbers each month rather than a simple average of start and end of year numbers).

During the year there were five new starters: three Trainee Clerks, one VTE Membership Engagement Lead and one Corporate Services Assistant. There were two leavers during the year, both of which were normal resignations. It is worth noting that under the terms of the LGPS, a person who reaches age 55 can elect to access their (actuarially reduced) pension without any requirement for permission from their employer. This restricts the ability of the VTS to prevent early retirement from those who have long service (combined with membership of the LGPS) and who are over age 55.

Given there were two leavers during the 2023-24 year, this is a turnover rate of 3.38% (10.17% for 2022-23).

**Table 12 (subject to audit)**  
Average number of persons employed

	Permanently employed staff	Others	2023-24 FTE Total	2022-23 FTE Total
Directly employed	58.81	-	58.81	54.61
Other	—	1.08	1.08	2
Total	58.81	1.08	59.89	56.61

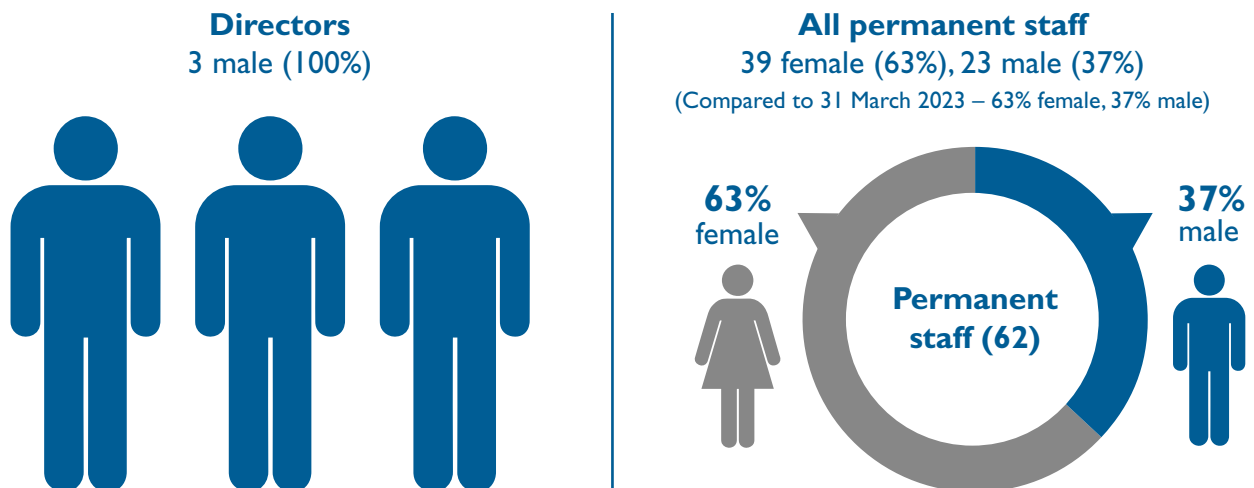
## Staff composition at 31 March 2024

**Table 13**  
Gender Profile as at 31 March 2024

Gender	Number 2023-24	Percentage 2023-24	Percentage 2022-23	Variance 2023-24 to 2022-23
Female	39	63	63	0
Male	23	37	37	0

## Chart 5

### Gender Profile as at 31 March 2024



This is similar to the 55% female to 45% male split in the Civil Service (Civil Service Statistics, 2022). Relatively small changes in an organisation like the VTS can alter the percentages significantly. In respect of Local Government, there is a 75% female to 25% male split (LGA/ONS quarterly survey, Q4 2022-23).

The representation of ethnic minorities within the workforce at the end of the year decreased to 19.35% compared to 25.42% as at 31 March 2023.

The percentage who either declared themselves to have a disability or were assessed by occupational health as likely to be considered to have a disability, under the Equality Act 2010, totalled nine as at 31 March 2024 (14.52% of the workforce compared to nine individuals – 15.25% of the workforce in 2022-23). Please note that the definition of disability is a legal definition and not necessarily a medical one, although the two often overlap.

The average age of our staff reduced very slightly from 45.8 in 2022-23 to 45 in 2023-24. The median age was 47.5 as at 31 March 2024 – a slight decrease from age 48 reported for 31 March 2023.

**Table 14**

Age Profile as at 31 March 2024 (and last year's percentages – 2022-23)

Age	Number 2023-24	Percentage 2023-24	Percentage 2022-23	Variation percentage
Under 30	9	14.52	10.17	4.35
30-40	15	24.19	23.73	0.46
40-50	10	16.13	16.95	-0.82
50-60	19	30.65	35.59	-4.94
60+	9	14.52	13.56	0.96
<b>Total</b>	<b>62</b>	<b>100</b>	<b>100</b>	

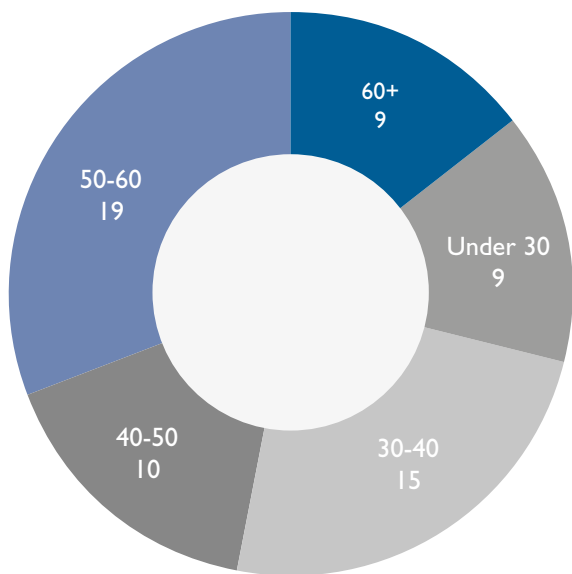
**Table 15**

Length of Service as at 31 March 2024

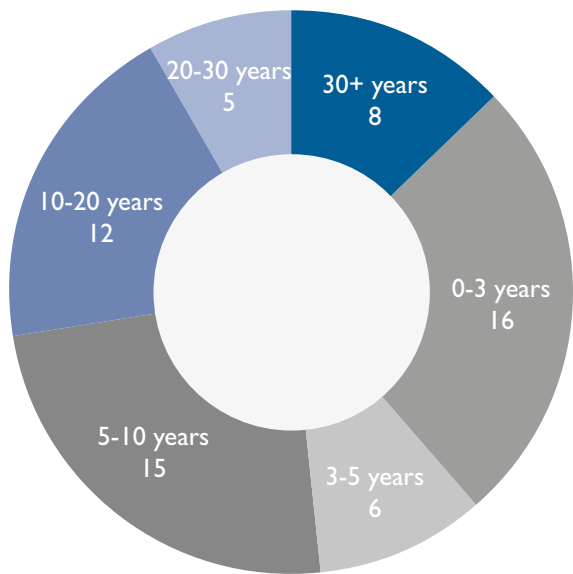
Length of Service	Number 2023-24	Percentage 2023-24	Percentage 2022-23	Variation percentage
Under 3 years	16	25.8	25.42	0.38
3-5 years	6	9.7	18.64	-8.94
5-10 years	15	24.2	22.03	2.17
10-20 years	12	19.4	13.56	5.84
20-30 years	5	8.1	10.17	-2.07
30+ years	8	12.9	10.17	2.73
<b>Total</b>	<b>62</b>	<b>100</b>	<b>100</b>	



**Chart 6**  
Age Profile as at 31 March 2024



**Chart 7**  
Length of Service as at 31 March 2024



The average length of service very slightly increased to 10.75 years (from 10.46 years in 2022-23). The median length of service increased to 7 years (from last year's 6.06 years). (These figures include service in the former valuation tribunals before staff transferred to the VTS in 2004.)

**Sickness absence data**

In 2023-24, 44% (26 people) had recorded sickness; 2022-23, 60% (35 people).

The percentages are calculated from our average staffing over the year. This calculation involves using the headcount on the first and last day of April, then the last day of every month to provide us with average staffing. For 2023-24, using this methodology the average staffing headcount was 59.4 (see below).

	2023										2024			
Headcount	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	Average	
Ist of month	60													
Last of month	59	59	59	59	59	60	60	59	59	59	59	62	59.4	

By this calculation, 56% of staff had no sickness during the 2023-24 year. In the previous year, 2022-23, 40% of the workforce had no sickness.



The total number of days lost to sickness was 347.5. The average sickness absence, including long-term absence (absences over 20 consecutive days), for the rolling year to 31 March 2024, decreased to 5.85 days per person from the 8.24 days reported in 2022-23.

Excluding long-term sickness, average sickness absence was 2.52 days (compared to the 3.06 days reported for 2022-23). This remains lower than our KPI target of maintaining short-term absence under 3.6 days per employee.

Of the total sickness of 347.5 days, 22 days were attributed to pregnancy or maternity (6.3% of the total). Five staff reported positive COVID-19 tests that contributed to 32 days of sickness absence (9.2% of the total sickness days in the VTS during 2023-24). Due to our IT advancement, and the weakening of some strains of COVID-19, some staff who had contracted COVID-19 were still able to work from home. In the previous year, 2022-23, 10 staff reported COVID-19 as the reason for their sickness absence (11 occurrences; one person twice).

There were no ill-health retirements during 2023-24 but three staff experienced quite long periods of long-term absence (more than 20 consecutive days sick) totalling 198 days (57% of the total sickness figure). This compares to three people with long-term sickness in 2022-23 totalling 286.5 days (a reduction of 88.5 days – or a 31% reduction in days lost due to long-term sickness). All three employees on long-term sickness in 2023-24 have returned to work.

## **Staff policies applied during the financial year in relation to disabled people**

These included all our Health and Safety policies, Sickness Absence Policy and the EDI Framework. These policies were utilised in the application of the VTS's legal requirements in respect of making reasonable adjustments and enabling supportive phased returns to work after longer-term absences.

Recruitment applications are monitored, and reasonable adjustments are made for interview wherever necessary to do so. Candidates are asked if they require any assistance in this regard. During the various COVID-19 lockdowns, we were able to continue with recruitment using remote interviews on MS Teams but have now moved (wherever possible) to face-to-face interviews. Any person with a disability who meets the essential criteria for a role will be interviewed. It is important to note that whilst the VTS encourages individuals to disclose disabilities in order to provide reasonable adjustments, some individuals do not do so and some applicants do not disclose any equality information.

The trigger points for sickness monitoring can be adjusted where employees have identified themselves or have been identified as having a disability. The definition of disability is a legal construct albeit influenced by medical information. The VTS provides an external, confidential Employee Assistance Programme (EAP) and commissions additional counselling or occupational health referrals for staff where appropriate from a provider based in London. An alternative provider is available should we need to access them for geographical considerations in the north. The EAP can also be used for a variety of things such as health issues, bereavement, debt etc.

We continue to build upon our wellbeing and mental health arrangements and providing support in the workplace. Staff are encouraged to support each other and to engage regularly with colleagues through the MS Teams platform. We also promote non-work conversations during break times and encourage homeworkers to attend the office whenever appropriate to enhance physical and social engagement.

Staff have been provided with the necessary equipment to do their jobs effectively. Display Screen Equipment (DSE) assessments and external Health & Safety Adviser visits have taken place to advise on the situation for those permanently based at home. Portable appliance testing has been completed for home and office workers during 2022-23.

With the aim of supporting homeworking staff, we hire accommodation to bring together remote teams to improve social interaction. This allows various groups to get together with colleagues and enhance working relationships, creating a positive working environment. We are developing further strategies to enhance the support that we can provide.

Reporting of compensation schemes (subject to audit)

There were no redundancies or other exit payments made to staff in 2023-24 (nor in 2022-23).

Off-payroll engagements

The VTS follows HM Treasury guidance in respect of the engagement of temporary staff. Where agency staff that fall within the definition of IR35 are required, they are contracted via umbrella company arrangements ensuring that the payroll taxes and national insurance are deducted at point of payment.

**Table 16**  
Highly paid off-payroll worker engagements as at 31 March 2024, earning £245 per day or greater

Categorisation	VTS
Number (no.) of existing engagements as of 31 March 2024	2
<b>Of which, no. that existed:</b>	
less than 1 year	2
for between 1 and 2 years	0
for between 2 and 3 years	0
for between 3 and 4 years	0
for 4 or more years	0

**Table 17**

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2024, earning £245 per day or greater

Categorisation	VTS
No. of temporary off-payroll workers engaged during the year ended 31 March 2024	3
Of which:	
Not subject to off-payroll legislation	0
Subject to off-payroll legislation and determined as in-scope of IR35	3
Subject to off-payroll legislation and determined as out-of-scope of IR35	0
No. of engagements reassessed for compliance or assurance purposes during the year	3
Of which: no. of engagements that saw a change to IR35 status following review	0

**Table 18**

For any off-payroll engagements of Board Members, and/or, senior officials with significant financial responsibility, between 1 April 2023 and 31 March 2024

Categorisation	VTS
No. of off-payroll engagements of Board Members, and/or, senior officials with significant financial responsibility, during the financial year	0
Total no. of individuals on payroll and off-payroll that have been deemed "Board Members, and/or, senior officials with significant financial responsibility", during the financial year. This figure should include both on payroll and off- payroll engagements	11

## Auditors' remuneration

The VTS's Annual Report and Accounts are audited by the Comptroller and Auditor General who is appointed under Statute. Auditors' remuneration of £55,000 (£52,000 for 2022-23) was charged in the audit of these Accounts. No remuneration was paid to the external auditor in respect of non-audit services.

# Parliamentary accountability and audit report

The Non-Domestic Rating (Alteration of Lists and Appeals) (England) (Amendment) Regulations 2017 came into force on 1 April 2017. Having received a determination by the VOA, a ratepayer making an appeal to the VTE is required to pay a fee, set by statute. This fee is refundable in the event of a decision in favour of the ratepayer or remitted to HM Treasury where the appeal fails. During the course of the appeal journey, the VTS holds these funds as an agent of HM Treasury and therefore the funds are not available to defray the expenditure of the service. These funds are managed and shown separately from the funds of the VTS. In the year, 1,330 appeals were lodged with fees received totalling £367,000. This information is subject to audit.

The VTS has no remote contingent liabilities, gifts, losses, special payments, redundancies, other exit payments or irregular expenditure to report under this Parliamentary Accountability disclosure. This information is subject to audit.



**Antonio Masella**

Accounting Officer  
Valuation Tribunal Service

12 November 2024



# The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

## Opinion on financial statements

I certify that I have audited the financial statements of the Valuation Tribunal Service for the year ended 31 March 2024 under the Local Government Act 2003.

The financial statements comprise the Valuation Tribunal Service's

- Statement of Financial Position as at 31 March 2024;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Valuation Tribunal Service's affairs as at 31 March 2024 and its net expenditure for the year then ended; and
- have been properly prepared in accordance with the Local Government Act 2003 and Secretary of State directions issued thereunder.

## Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom* (2022). My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of the Valuation Tribunal Service in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that the Valuation Tribunal Service's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Valuation Tribunal Service's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Valuation Tribunal Service is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

### **Other Information**

The other information comprises information included in the Performance Report and Accountability Report, but does not include the financial statements and my auditor's certificate. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.



## Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Local Government Act 2003.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Local Government Act 2003; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

## Matters on which I report by exception

In the light of the knowledge and understanding of the Valuation Tribunal Service and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the Valuation Tribunal Service or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

## Responsibilities of the Board and Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;



- providing the C&AG with unrestricted access to persons within the Valuation Tribunal Service from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with Secretary of State directions issued under the Local Government Act 2003;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions issued under the Local Government Act 2003; and
- assessing the Valuation Tribunal Service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Valuation Tribunal Service will not continue to be provided in the future.

### **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit, certify and report on the financial statements in accordance with the Local Government Act 2003.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud**

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

### **Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud**

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Valuation Tribunal Service's accounting policies;



- inquired of management, the Valuation Tribunal Service's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Valuation Tribunal Service's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Valuation Tribunal Service's controls relating to the Valuation Tribunal Service's compliance with the Local Government Act 2003 and Managing Public Money;
- inquired of management, the Valuation Tribunal Service's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Valuation Tribunal Service for fraud and identified the greatest potential for fraud in the following areas: posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Valuation Tribunal Service's framework of authority and other legal and regulatory frameworks in which the Valuation Tribunal Service operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Valuation Tribunal Service. The key laws and regulations I considered in this context included the Local Government Act, Managing Public Money, employment law and tax and pension legislation.

## Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Assurance Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;

- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

### Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

### Report

I have no observations to make on these financial statements.

**Gareth Davies**  
Comptroller and Auditor General

**13 November 2024**

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

# Statement of Comprehensive Net Expenditure

## for the year ended 31 March 2024



	Note	2023-24 £'000	2022-23 £'000
Staff costs	2	3,390	3,553
Purchase of goods and services	3	1,053	1,095
Other operating expenditure	3	312	306
Depreciation, amortisation and impairment charges	3	135	124
Provision and pensions expense	3	17	18
Right-of-use asset interest on lease liability	3	29	19
Right-of-use asset depreciation	3	277	277
<b>Total operating expenditure</b>		<b>5,213</b>	<b>5,392</b>
Finance (income)/expenses (net interest on pension liabilities)	3	(274)	327
<b>Net expenditure for the year</b>		<b>4,939</b>	<b>5,719</b>
<b>Other Comprehensive Net Expenditure</b>			
Actuarial loss/(gain) on pension scheme liabilities	10	(3,486)	(19,113)
<b>Total comprehensive net expenditure/(net income) for the year ended 31 March</b>		<b>1,453</b>	<b>(13,394)</b>

The notes on pages 71 to 89 form part of these accounts.

# Statement of Financial Position

## as at 31 March 2024

	Note	31 March 2024 £'000	31 March 2023 £'000
<b>Non-current assets</b>			
Property, plant and equipment	4	71	89
Intangible assets	5	469	535
Pensions	10	4,814	5,446
Right-of-use asset	12	439	717
<b>Total non-current assets</b>		<b>5,793</b>	<b>6,787</b>
<b>Current assets</b>			
Trade and other receivables	6	148	117
Cash and cash equivalents	7	358	164
<b>Total current assets</b>		<b>506</b>	<b>281</b>
<b>Total assets</b>		<b>6,299</b>	<b>7,068</b>
<b>Current liabilities</b>			
Trade and other payables	8	(342)	(387)
Obligation under lease	12	(275)	(277)
<b>Total current liabilities</b>		<b>(617)</b>	<b>(664)</b>
<b>Total assets less current liabilities</b>		<b>5,682</b>	<b>6,404</b>
<b>Non-current liabilities</b>			
Obligation under lease	12	(159)	(440)
<b>Total non-current liabilities</b>		<b>(159)</b>	<b>(440)</b>
<b>Total assets less total liabilities</b>		<b>5,523</b>	<b>5,964</b>
<b>Taxpayers' equity</b>			
General fund		709	518
Pension reserve		4,814	5,446
<b>Total taxpayers' equity</b>		<b>5,523</b>	<b>5,964</b>

The notes on pages 71 to 89 form part of these accounts.



**Antonio Masella**

Accounting Officer

Valuation Tribunal Service

12 November 2024

# Statement of Cash Flows

## for the year ended 31 March 2024



	Note	2023-24 £'000	2022-23 £'000
<b>Cash flows from operating activities</b>			
Net operating cost	SoCNE	(4,939)	(5,719)
Employers pension contributions	10	(498)	(450)
<b>Adjustment for non-cash transactions</b>			
Right-of-use asset interest on lease liability	12	29	19
Depreciation and amortisation	4, 5, 12	411	402
Decrease/(Increase) in trade and other receivables	6	(31)	(106)
Other non-cash pension movements	10	205	1,337
(Decrease)/Increase in trade and other payables	8	(45)	75
<b>Net cash outflow from operating activities</b>		<b>(4,868)</b>	<b>(4,441)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	4	—	(88)
Purchase of intangible assets	5	(49)	(157)
<b>Net cash outflow from investing activities</b>		<b>(49)</b>	<b>(245)</b>
<b>Cash flows from financing activities</b>			
Payment of lease principal	12	(307)	(296)
Grant in aid received from sponsoring Department	TpEq	5,418	5,051
<b>Net cash inflows from financing activities</b>		<b>5,111</b>	<b>4,755</b>
<b>Net (decrease)/increase in cash and cash equivalents for the period</b>		<b>194</b>	<b>69</b>
<b>Cash and cash equivalents at the beginning of the period</b>	7	<b>164</b>	<b>95</b>
<b>Cash and cash equivalents at the end of the period</b>	7	<b>358</b>	<b>164</b>

The notes on pages 71 to 89 form part of these accounts.

# Statement of Changes in Taxpayers' Equity for the year ended 31 March 2024

		2023-24		
	Note	General Fund £'000	Pension Reserve £'000	Total Taxpayers' Equity £'000
<b>Balance at 31 March 2022</b>		<b>299</b>	<b>(12,780)</b>	<b>(12,481)</b>
Grants from sponsoring Department		5,051	–	5,051
Comprehensive net expenditure for the year		SoCNE (5,719)	–	(5,719)
Other pension movements in the year		887	(887)	–
Actuarial (losses)/gains		10 –	19,113	19,113
<b>Balance at 31 March 2023</b>		<b>518</b>	<b>5,446</b>	<b>5,964</b>
Grants from sponsoring Department		5,418	–	5,418
Comprehensive net expenditure for the year		SoCNE (4,939)	–	(4,939)
Other pension movements in the year		10 (293)	293	–
Adjustment prior year service cost		5	–	5
Actuarial (losses)/gains		10 –	3,486	3,486
<b>Balance at 31 March 2024 before Pension Ceiling Impact</b>		<b>709</b>	<b>9,225</b>	<b>9,934</b>
<b>Impact of Net Asset Ceiling</b>		10 –	<b>(4,411)</b>	<b>(4,411)</b>
<b>Balance at 31 March 2024 after Pension Ceiling Impact</b>		<b>709</b>	<b>4,814</b>	<b>5,523</b>

The notes on pages 71 to 89 form part of these accounts.



## Note I Statement of accounting policies

### I.1 Basis of preparation

These financial statements have been prepared in accordance with the 2023-24 Government Financial Reporting Manual (FReM) issued by HM Treasury and Accounts Direction as issued by the Ministry of Housing, Communities & Local Government (MHCLG). The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. The accounting policies also meet the accounting and disclosure requirements of the Companies Act 2006 to the extent these are appropriate. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the VTS for the purpose of giving a true and fair view has been selected. The accounting policies have been applied consistently in dealing with items that are considered material to the financial statements. All policies adopted for the VTS are described below.

### I.2 Going concern basis

The financial statements have been prepared on a going concern basis.

The Statement of Financial Position shows net surplus of £5.523m at 31 March 2024 (£5.964m surplus in March 2023). This reflects the inclusion of pension liabilities falling during the years which, to the extent that they are not to be met from the VTS's other sources of income, and may only be met by future grants or grant in aid (GIA) from the sponsoring Department. This is because, under the normal conventions applying to parliamentary control over income and expenditure, such grants may not be issued in advance of need and will only be drawn as the liabilities fall due.

In common with other non-departmental public bodies (NDPBs), the future financing of the organisation's liabilities is to be met by GIA and has already been included in the sponsoring Department's Parliamentary estimates for 2024-25. The Accounting Officer has a reasonable expectation that the sponsoring Department has adequate resources to continue in operational existence for a period of at least 12 months from the date the financial statements are authorised for issue.

The going concern basis of accounting for the organisation is adopted in consideration of the requirements set out in HM Treasury Government FReM, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the service which it provides will continue in the future. For the above reasons it has been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

### I.3 Standards adopted by the VTS

The financial statements have been prepared under the historical cost convention with depreciated cost used as a proxy for current value in existing use in respect of property, plant and equipment and intangible assets.



## 1.4 Future accounting developments

Policies are applied in accordance with International Accounting Standards (IAS) as interpreted by the FReM for public sector context. All new and revised standards are considered and applied where relevant and adopted by the FReM.

The following IFRS is to be adopted:

### IFRS 17 Insurance Contracts (effective from 2025-26)

The International Accounting Standards Board (IASB) has issued IFRS 17 Insurance Contracts, which replaces IFRS 4 Insurance Contracts. IFRS 17 has an effective date of 1 January 2023 and has been approved for adoption in the UK by the UK Endorsement Board. HM Treasury have agreed with the Financial Reporting Advisory Board (FRAB) to delay the implementation of IFRS 17 in central government by two years to 1 April 2025.

## 1.5 Non-current assets

The FReM permits public bodies to determine the most appropriate valuation methodology. Non-current assets are held at current value in existing use and are depreciated/amortised on a straight-line basis over their estimated useful life. The VTS capitalisation threshold is £5,000.

Where assets have short useful lives or low values, the FReM permits the adoption of depreciated historic cost as a proxy for current value in existing use. The VTS has concluded that the assets held meet these criteria and therefore has adopted the depreciated historic cost model.

## 1.6 Property, plant and equipment

Property, plant and equipment are capitalised where they have an expected useful life of more than one year and where the original cost of the item exceeds £5,000 including VAT. Individual items valued at less than this threshold are capitalised only if they constitute integral parts of a composite asset that is in total valued at more than the capitalisation value.

The VTS does not hold any financial interest in land or buildings; it occupies premises rented or leased from its landlords. The VTS has property lease obligations on one office as at 31 March 2024.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate the cost to residual values over their estimated useful lives, as follows:

Information Technology	3-5 years
Furniture and office equipment	5 years
Leasehold improvements	over life of lease



## 1.7 Intangible assets

Intangible assets are capitalised where they have an expected useful life of more than one year and where the original cost of the item exceeds £5,000 including VAT. Individual items valued at less than this threshold are capitalised only if they constitute integral parts of a composite asset that is in total valued at more than the capitalisation value.

Amortisation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Computer software licences	over the length of the licence period
Computer software development	5 years

## 1.8 Grant in Aid (GIA)

GIA is accounted for on a cash basis. GIA received is treated as financing in accordance with the FReM and recognises that this is funding from the sponsoring Department. This reflects ownership of the VTS as an NDPB of MHCLG.

## 1.9 Employee benefits

In compliance with its Accounts Direction and the FReM, the VTS has accounted for employee benefits under IAS19. This accounting standard prescribes the treatment of retirement benefits in the accounts of employing entities. VTS staff are members of the Local Government Pension Scheme (LGPS). The LGPS is a funded, multi-employer, contributory defined benefit statutory scheme administered in accordance with the LGPS Regulations 1997, as amended with effect from 1 April 2014. It is contracted out of the state second pension. The London Pension Fund Authority (LPFA) administers the LGPS on behalf of all VTS employees with Barnett Waddingham as the scheme's actuaries.

The entity has a defined benefit plan for its employees. A defined benefit plan is a pension plan under which the entity has legal or constructive obligations to pay further contributions to the plan if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan typically defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The net pension surplus recognised in the Statement of Financial Position in respect of defined benefit pension plans is the calculated liabilities at the latest valuation, less the scheme assets, together with adjustments for unrecognised past service costs. The defined benefit obligation is calculated every three years by Barnett Waddingham using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Asset values are estimated based on projected returns for the year and are updated using actual returns figures obtained after the year end where this results in a material change in values.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to Taxpayers' Equity in the Statement of Financial Position in the period in which they arise.

Past service costs are normally recognised immediately in the Statement of Comprehensive Net Expenditure, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period).

The VTS pays for the pension entitlements of existing and retired employees and also bears the full cost of the LGPS benefits for employees who retire early or with an enhanced pension. The total cost of granting early retirements or enhancements is charged to the Statement of Comprehensive Net Expenditure in the year that the retirements are granted. Regular pension fund costs are paid from the same source.

IAS19 requires an organisation to account for pension liabilities as they arise, regardless of when pension payments are due to be paid. Setting side-by-side the value of all future pension payments and the snapshot value of investments as at 31 March each year results in either an overall deficit or a surplus. The total net surplus arising for the VTS as at 31 March 2024 is £4.814m (£5.466m surplus in 2022-23). The assessment of current surplus or deficit arising from an IAS19 valuation carries with it no additional payment requirement from the VTS as the actuarial valuation, carried out every three years, sets revised employer contribution rates to ensure that existing assets and future contributions will be sufficient to meet future pension payments. A triennial pension valuation was carried out by the actuary, Barnett Waddingham, on 31 March 2022. The financial position of the pension fund was funded at 128%, which is equivalent to a surplus of £12.6m, compared to 111% funded at the 2019 triennial valuation. The VTS have accepted the new contribution rate of 16.3% (the previous contribution rate was 16.3%) for the next three years from 1 April 2023 to 31 March 2026.

The amount of surplus arising from the defined benefit plan that an entity is allowed to recognise is limited under IAS19 valuation. This is the assessment under the application of IFRIC 14. The actuary, Barnett Waddingham, carried out the assessment and concluded that the economic benefit will be a reduction of future contributions, which will be the value of the current service cost in future years. In addition, they have made the following assumptions:

- there is no prospect of the Employer having an unconditional right to a refund of surplus on the basis that such a payment would be at the discretion of the Fund
- the Employer is a scheduled body and assumed to participate indefinitely
- primary contributions are considered to be a minimum funding requirement (MFR)
- the potential economic benefit from future contribution reductions using the method outlined has been calculated to be £6,004,000



- an additional liability of £44,000 is recognisable in respect of the Employer's obligation to pay future deficit contributions, thereby increasing or generating an irrecoverable surplus

The Scheme continues to consider the potential impact of the High Court & Court of Appeal judgments in the Virgin Media (VM) litigation. The VM litigation relates to amendments made to private sector and not public service schemes and as a result it does not expressly deal with whether s37 confirmations are required for relevant amendments made to public service schemes.

Public service scheme amendments during the relevant period would have been made by legislation (i.e. by primary legislation or regulations). The general position in public law is that legislation remains valid law until it is revoked or repealed by subsequent legislation or in the case of regulations specifically declared void by a court. The Scheme therefore continues to administer benefits and recognise liabilities in accordance with the relevant scheme regulations currently in force.

The VTS is sponsored by MHCLG. The pension obligations are fully funded by MHCLG and protected at all times. As such there is no risk that it will default on its LGPS contribution payments.

## I.10 Leases

### IFRS 16 Leases

IFRS 16 Leases replaced the International Accounting Standard (IAS) 17 and is applied on 1 April 2022.

Under IFRS 16 Leases, a lessee (the organisation has entered into a finance lease arrangement) is required to recognise its right-of-use of asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

From 2022-23 the lease of the office building is categorised as a right-of-use asset. In prior financial years under IAS 17, leases were classified as either operating or finance leases and the VTS lease liability/commitments were disclosed for not later than five years. Upon transition, the lease liability is capitalised along with the right-of-use asset.

The lease discount rate used is set out annually by HM Treasury in the Public Expenditure System paper. For 2023-24 financial year the discount rate used was 3.51%.

## I.11 VAT

The VTS is not VAT registered. Where goods and services include a charge for VAT the VAT-inclusive cost is charged to the relevant expenditure category or included in the capitalised purchase cost of property, plant and equipment and intangible assets.

## I.12 Taxation

The VTS is exempt from income and corporation tax under the Income and Corporation Taxes Act 1988.

### **1.13 Interest rate risk**

All of the VTS's financial assets and liabilities carry nil or fixed rates of interest and are, therefore, not exposed to significant interest rate risk.

### **1.14 Financial instrument risk**

As the cash requirements of the VTS are met through the Estimate process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to short-term payables and receivables in line with VTS expected purchase and usage requirements and the VTS is therefore exposed to little credit, liquidity, or market risk.

### **1.15 Appeal fees**

The Non-Domestic Rating (Alteration of Lists and Appeals) (England) (Amendment) Regulations 2017 came into force on 1 April 2017. Having received a determination by the Valuation Office Agency (VOA), a ratepayer making an appeal to the Valuation Tribunal for England (VTE) is required to pay a fee. This fee is returnable in the event of a decision in favour of the ratepayer or remitted to HM Treasury where the appeal fails. During the course of the appeal process the VTS holds these funds as an agent of HM Treasury. These funds are not available to defray the expenditure of the service. These funds are managed and shown separately from the funds of the VTS and do not form part of the organisation's financial statements.

### **1.16 Critical accounting judgements and key sources of estimation uncertainty**

The application of the accounting policies requires judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Note 10 sets out the VTS's pension liability, and sets out the judgements, estimates and assumptions made in respect of this. The liability takes account of all active and non-active fund valuations.



## Note 2 Staff costs

Staff costs comprise:

	2023-24 £'000	2022-23 £'000
Wages and salaries	2,528	2,277
Social security costs	275	257
Other pension costs	462	992
Agency staff costs	110	27
Untaken leave in year	15	–
<b>Total staff costs</b>	<b>3,390</b>	<b>3,553</b>

Please see the Remuneration and staff report (from page 44) for further detail on staff costs and numbers.

## Note 3 Other operating costs

	Note	2023-24 £'000	2022-23 £'000
<b>Cash items</b>			
<b>Other operating expenditure</b>			
VTE costs		157	141
Board costs		46	59
Travel and subsistence		62	47
Training		47	59
Other employee related costs		–	–
		<b>312</b>	<b>306</b>
<b>Purchase of goods and services</b>			
Support services (IT, legal and finance)		280	363
Rentals under operating leases		173	156
IT (maintenance and licences)		321	298
Post and communications		2	4
Tribunal costs		34	10
Printing & publications		21	22
Auditors' remuneration and expenses		55	52
Other goods and services		106	133
Variable maintenance		10	11
Heating and lighting		29	20
Internal audit		22	26
		<b>1,053</b>	<b>1,095</b>
<b>Non-cash items</b>			
Administration charge – pensions	10	17	18
Net interest on pension liabilities	10	(274)	327
Amortisation		116	96
Depreciation		19	28
Right-of-use asset depreciation	12	277	277
Right-of-use asset interest on lease liability	12	29	19
		<b>184</b>	<b>765</b>
<b>Total</b>		<b>1,549</b>	<b>2,166</b>



## Note 4 Property, plant and equipment

	2023-24		
	Furniture & fittings £'000	Information technology £'000	Total £'000
<b>Cost or valuation at 1 April 2023</b>	<b>5</b>	<b>245</b>	<b>250</b>
Additions	—	—	—
Disposals	—	(123)	(123)
Reclassifications	—	1	1
Impairments	—	—	—
<b>At 31 March 2024</b>	<b>5</b>	<b>123</b>	<b>128</b>
<b>Accumulated depreciation at 1 April 2023</b>	<b>5</b>	<b>156</b>	<b>161</b>
Charge for period	—	19	19
Disposals	—	(123)	(123)
<b>At 31 March 2024</b>	<b>5</b>	<b>52</b>	<b>57</b>
<b>Net book value at 31 March 2024</b>	<b>—</b>	<b>71</b>	<b>71</b>
<b>Owned at 31 March 2024</b>	<b>—</b>	<b>71</b>	<b>71</b>



## Note 5 Intangible assets

	2023-24		
	IT assets under construction £'000	IT development expenditure £'000	Total £'000
<b>Cost or valuation at 31 March 2023</b>	<b>149</b>	<b>904</b>	<b>1,053</b>
Additions	—	49	49
Disposals	—	(142)	(142)
Reclassifications	(149)	149	—
Impairments	—	—	—
<b>At 31 March 2024</b>	<b>—</b>	<b>960</b>	<b>960</b>
<b>Amortisation</b>			
At 1 April 2023	—	518	518
Charge for period	—	115	115
Disposals	—	(142)	(142)
<b>At 31 March 2024</b>	<b>—</b>	<b>491</b>	<b>491</b>
<b>Net book value at 31 March 2024</b>	<b>—</b>	<b>469</b>	<b>469</b>
<b>Owned at 31 March 2024</b>	<b>—</b>	<b>469</b>	<b>469</b>

## Note 6 Trade and other receivables

	Note	2023-24 £'000	2022-23 £'000
Amounts falling due within one year:			
Prepayments and accrued income		148	117
<b>Balance at 31 March 2024</b>		<b>148</b>	<b>117</b>

## Note 7 Cash and cash equivalents

	Note	2023-24 £'000	2022-23 £'000
<b>Cash at bank at 1 April</b>		<b>164</b>	<b>95</b>
(Decrease)/Increase in cash for the year	SCF	194	69
<b>Cash at bank and held at 31 March</b>		<b>358</b>	<b>164</b>
<b>The following balance at 31 March was held at:</b>			
<b>Government banking services</b>		<b>358</b>	<b>164</b>

## Note 8 Trade and other payables

	Note	2023-24 £'000	2022-23 £'000
Amounts falling due within one year:			
Trade payables		158	224
Accruals		126	121
Untaken leave and other creditors		58	42
<b>Balance at 31 March</b>		<b>342</b>	<b>387</b>
(Decrease)/Increase in trade and other payables		<b>(45)</b>	<b>75</b>

## Note 9 Provisions

The VTS has no provisions for the current year or prior year.

## Note 10 Pensions

	2023-24		
	Assets £'000	Obligations £'000	Net liability/ (asset) £'000
<b>Year ended 31 March 2024</b>			
<b>Opening position</b>	<b>57,839</b>	<b>(52,393)</b>	<b>5,446</b>
Current service cost	–	(462)	(462)
Administration costs	(17)	–	(17)
	<b>(17)</b>	<b>(462)</b>	<b>(479)</b>
Net interest	–	(2,481)	(2,481)
Interest income on plan assets	2,755	–	2,755
<b>Total net interest</b>	<b>2,755</b>	<b>(2,481)</b>	<b>274</b>
<b>Total (expenditure)/income recognised in the statement of comprehensive net expenditure</b>	<b>2,738</b>	<b>(2,943)</b>	<b>(205)</b>
Plan participants contributions	179	(179)	–
Employer contributions*	498	–	498
Benefits paid including expenses	(1,479)	1,479	–
Unfunded benefits paid	(95)	95	–
<b>Expected closing position</b>	<b>59,680</b>	<b>(53,941)</b>	<b>5,739</b>
Changes in demographic assumptions	–	659	659
Changes in financial assumptions	–	385	385
Experience Loss/(Gain)	–	(162)	(162)
Return on assets excluding amounts included in net interest	2,604	–	2,604
<b>Total re-measurements recognised in the statement of other comprehensive net expenditure</b>	<b>2,604</b>	<b>882</b>	<b>3,486</b>
<b>Closing position</b>	<b>62,284</b>	<b>(53,059)</b>	<b>9,225</b>
<b>Impact of Pension Asset Ceiling</b>	<b>(4,411)</b>	<b>–</b>	<b>(4,411)</b>
<b>Closing position after Asset Ceiling</b>	<b>57,873</b>	<b>(53,059)</b>	<b>4,814</b>

\* Contributions by employer including unfunded pension payments.

## Note 10 Pensions (cont.)

	2022-23		
	Assets £'000	Obligations £'000	Net liability/ (asset) £'000
<b>Year ended 31 March 2023</b>			
<b>Opening position</b>	<b>59,030</b>	<b>(71,810)</b>	<b>(12,780)</b>
Current service cost	–	(992)	(992)
Administration costs	(18)	–	(18)
	<b>(18)</b>	<b>(992)</b>	<b>(1,010)</b>
Net interest	–	(1,839)	(1,839)
Interest income on plan assets	1,512	–	1,512
<b>Total net interest</b>	<b>1,512</b>	<b>(1,839)</b>	<b>(327)</b>
<b>Total (expenditure)/income recognised in the statement of comprehensive net expenditure</b>	<b>1,494</b>	<b>(2,831)</b>	<b>(1,337)</b>
Plan participants contributions	164	(164)	–
Employer contributions*	450	–	450
Benefits paid including expenses	(2,298)	2,298	–
Unfunded benefits paid	(89)	89	–
<b>Expected closing position</b>	<b>58,751</b>	<b>(72,418)</b>	<b>(13,667)</b>
Changes in demographic assumptions	–	1,607	1,607
Changes in financial assumptions	–	25,220	25,220
Experience	–	(6,802)	(6,802)
Return on assets excluding amounts included in net interest	(748)	–	(748)
Other actuarial losses	(164)	–	(164)
<b>Total re-measurements recognised in the statement of other comprehensive net expenditure</b>	<b>(912)</b>	<b>20,025</b>	<b>19,113</b>
<b>Closing position</b>	<b>57,839</b>	<b>(52,393)</b>	<b>5,446</b>

\* Contributions by employer including unfunded pension payments.

Assumptions as at:	31 March 2024		31 March 2023	
	% pa	real	% pa	real
RPI increases	3.30	–	3.30	–
CPI increase	2.95	(0.4)	2.90	(0.4)
Salary increases	3.95	0.7	3.90	0.6
Pension increases	2.95	(0.35)	2.90	(0.40)
Discount rate	4.90	1.6	4.80	1.5

		31 March 2024	31 March 2023
Life expectancy from age 65		Weighted by liability	Weighted by liability
Retiring today	Males	21.3	21.6
	Females	24.0	24.2
Retiring in 20 years	Males	22.4	22.7
	Females	25.2	25.4

Member data summary	31 March 2024			31 March 2023		
	Number of members	Salaries/pensions £'000	Average age	Number of members	Salaries/pensions £'000	Average age
Actives	58	2,217	49	58	2,217	49
Deferred pensioners	123	368	54	123	368	54
Pensioners	223	2,072	72	223	2,072	72
Unfunded pensioners	45	95	77	45	95	77

## Sensitivity analysis

IAS require disclosure of the sensitivity of the results to the methods and assumptions used. The costs of a pension arrangement require estimates regarding future experience. These assumptions are largely prescribed at any point and reflect market conditions at the reporting date.

Changes in assumptions can have a significant effect on the value of the liabilities reported. The table below explains the effect of +/-0.1% movement in financial assumptions.

Sensitivity analysis	£'000s	£'000s	£'000s	£'000s	£'000s
<b>Adjustment to discount rate</b>	<b>+0.5%</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>	<b>-0.5%</b>
Present value of obligation	49,743	52,367	53,059	53,766	56,758
Projected service costs	381	434	449	463	528
<b>Adjustment to long-term salary increase</b>	<b>+0.5%</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>	<b>-0.5%</b>
Present value of obligation	53,284	53,103	53,059	53,014	52,840
Projected service costs	450	449	449	448	447
<b>Adjustment to pension increases and deferred revaluation</b>	<b>+0.5%</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>	<b>-0.05%</b>
Present value of obligation	56,588	53,734	53,059	52,397	49,886
Projected service costs	530	464	449	434	379
<b>Adjustment to life expectancy assumptions</b>		<b>+ 1 Year</b>	<b>None</b>	<b>-1 Year</b>	
Present value of obligation		55,417	53,059	50,810	
Projected service costs		466	449	432	

## Statement of Financial Position

The asset and liability values as at 31 March 2024 are reflected in the table on page 82 and are reported in the Statement of Financial Position on page 68 as the total pension net surplus of £4,814,000 (2022-23: £5,446,000).

Unfunded benefits paid as at 31 March 2024 amounted to £95,000 (2022-23: £89,000). The liability for unfunded benefits at 31 March 2024 was £1,146,000 (2022-23: £1,202,000). This is contained within the net pension surplus of £4,814,000 (2022-23: £5,446,000).

## Assets

The estimate asset allocation as at 31 March 2024 is as follows:

Asset breakdown	31 March 2024		31 March 2023	
	£'000s	%	£'000s	%
Equities	37,710	61	34,013	59
Target return portfolio	10,745	17	10,754	19
Infrastructure	7,155	11	7,318	13
Property	5,698	9	5,680	10
Cash	976	2	74	—
<b>Total</b>	<b>62,284</b>	<b>100</b>	<b>57,839</b>	<b>100</b>

## Projected pension expense for the year to 31 March 2025

Projections for the year	31 March 2025 £'000s	31 March 2024 £'000s
Service cost	449	415
Net interest on the defined liability (asset)	(248)	(272)
Administration expenses	19	17
<b>Total loss (profit)</b>	<b>220</b>	<b>160</b>
Employer contributions	<b>403</b>	<b>362</b>

## Note II Capital commitments

The VTS has no capital commitments for either the current or prior year.



## Note 12 Right-of-use assets

	2023-24 Buildings £'000	2022-23 Buildings £'000
<b>Right-of-use assets</b>		
<b>Cost or Valuation</b>		
At 1 April 2023	994	994
<b>At 31 March 2024</b>	<b>994</b>	<b>994</b>
<b>Depreciation</b>		
At 1 April 2023	277	–
Depreciation charge for the year	277	277
<b>At 31 March 2024</b>	<b>555</b>	<b>277</b>
<b>Carrying amount at 31 March 2024</b>	<b>439</b>	<b>717</b>

Note: Zero additions to right-of-use assets. Cost model measurement/current value in existing use measurement used.

### Lease Liabilities

VTS adopted IFRS 16 from April 2022 and this standard replaced IAS17 Leases. The opening balance represents a five-year lease for the London office (120 Leman Street, London) ending on 31 October 2025 (financial year 2025-26) that were within scope of IFRS 16. The Lease Liability within one year is £275,000 and later than one year is £159,000. Lease interest of £29,000 was recognised in the Statement of Cash Flow. A maturity analysis of lease liabilities within scope of IFRS 16 Leases, based on undiscounted gross cashflows, is reported in the table below. Liquidity risk is the possibility that the VTS may be unable to meet its obligations from lease liabilities to be settled with cash. As the VTS can draw down cash from the Consolidated Fund and, if necessary, make a Contingencies Fund request for cash, its liquidity risk is low. VTS chose not to reassess whether a contract is, or contains a lease at the date of initial application in accordance with the accounting standard.

The lease discount rate used is set out annually by HM Treasury in the Public Expenditure System paper. For 2023-24 financial year the discount rate used was 3.51%. However, there was a suggestion that new leases commencing in 2024 calendar year could use 4.72%. In the transition to IFRS 16, the rate used to determine lease liability for existing leases was 0.95%.



Lease Liability for the following periods comprises of:	2023-2024 £'000	2022-2023 £'000	2021-2022 £'000
<b>Buildings</b>			
Not more than one year	275	273	271
Later than one year but not later than five years	159	440	707
Changes in Accounting Policy (interest – Note 3Z)	29	19	3
More than 5 Years (Marsham Street)	280	–	–
<b>Total</b>	<b>743</b>	<b>732</b>	<b>981</b>

## Note 13 Related party disclosures

The VTS is sponsored by MHCLG, which is regarded as a related party. During the reporting period there were several significant related party transactions. The values of related party transactions include the following:

- GIA of £5,418,000 (2022-23: £5,051,000) was received from MHCLG
- The VTS is an NDPB and during the year the VTS had various material transactions with the sponsoring Department but not with any other entity for which MHCLG is regarded as the parent Department

In addition, the VTS has had various transactions with other government departments and other central government bodies which include:

- payments of £498,000 (2022-23: £449,000) were made to the LGPS pension fund representing employer's contributions for the year for funded and unfunded schemes, excluding settlements
- remittances were made to HMRC for social security costs of £851,000 (2022-23: £805,000)

For details of compensation paid to management please see the "Remuneration and staff report" on page 44.

## Note 14 Check, Challenge and Appeal (CCA) fees

	2023-24		2022-23	
	Number	£'000	Number	£'000
<b>Balance at 1 April</b>	<b>2,017</b>	<b>579</b>	<b>1,191</b>	<b>335</b>
CCA cases received during the period	1,330	367	1,276	365
Less: Cases determined in favour of the Appellants	(884)	(253)	(289)	(79)
Add back: Cases held for repayment to the Appellants at 31 March	60	16	12	3
Less: Cases determined in favour of the Authority	(486)	(133)	(180)	(47)
Add back: Cases held for remittance to the Consolidated Fund at 31 March	10	3	7	2
<b>Balance at 31 March</b>	<b>2,047</b>	<b>579</b>	<b>2,017</b>	<b>579</b>

## Note 15 Events after the reporting period

The VTS's financial statements are laid before the Houses of Parliament by the Comptroller and Auditor General.

The Chief Executive and Accounting Officer authorised the accounts for issue on the date that they were certified by the Comptroller and Auditor General.

There are no other significant events after the reporting period that require disclosure.

# Accounts direction

## The Valuation Tribunal Service

ACCOUNTS DIRECTION GIVEN BY THE SECRETARY OF STATE WITH THE CONSENT OF THE TREASURY, IN ACCORDANCE WITH PARAGRAPH 19(2) OF SCHEDULE 4 TO THE LOCAL GOVERNMENT ACT 2003

- 1** The annual accounts of The Valuation Tribunal Service (hereafter in this accounts direction referred to as “the Service”) shall give a true and fair view of the income and expenditure and cash flows for the year and the state of affairs at the year end. Subject to this requirement, the financial statements for 2010-11 and for subsequent years shall be prepared in accordance with:-
- (a) the accounting and disclosure requirements given in Managing Public Money and in the Government Financial Reporting Manual issued by the Treasury (“the FReM”), as amended or augmented from time to time;
  - (b) any other relevant guidance that the Treasury may issue from time to time;
  - (c) any other specific disclosure requirements of the Secretary of State.

Insofar as these requirements are appropriate to the Service and are in force for the year for which the Accounts are prepared, and except where agreed otherwise with the Secretary of State and the Treasury, in which case the exception shall be described in the Notes to the Accounts.

- 2** Schedule 1 to this direction gives clarification of the application of the accounting and disclosure requirements of the Companies Act and accounting standards. Additional disclosure requirements of the Secretary of State and further explanation of Treasury requirements are set out in Schedule 2.
- 3** This direction shall be reproduced as an appendix to the annual Accounts.
- 4** This direction replaces all previously issued directions.

Signed by authority of the Secretary of State for Communities and Local Government



An officer in the Department for Communities and Local Government  
31 March 2010

