

Summary Minutes of the Valuation Tribunal Service Board 154th Meeting held on 26 November 2024 at 10:30 am in Leman Street

Present: Suzanne McCarthy (Interim Chair); Stephen Chappell (Member); Kevin Everett (Member); Gary Garland (VTE President, *ex-officio* Member for item 10 only via MS Teams) and Alison Griffiths (Member).

In attendance: Tony Masella (Chief Executive & Chief Operating Officer); Keung Wong (Finance Director); Matthew Jones (Membership Engagement Lead for item 9.1); Amy Dusanjh (Business Development Analyst for item 9.2); Nick Pellegrini (ALB Business Partner, MHCLG – as an observer) and Nicola Hunt (Board Secretary).

Welcome, Apologies, Declarations of Interest, Confirmation of Minutes

Apologies for absence had been received from Lee Anderson (Director of Operations & Development).

There were no new declarations of interest.

Minutes of the meetings held on 25 September and 12 November 2024 were confirmed as a true record respectively of those meetings.

Actions had been completed as required.

Chief Executive's Report

Tony Masella referred to the salient points in his report. The pay award had now been agreed, which resulted in an extra 3.5% added to the pay budget. Following the Chancellor's budget announcement in October, the VTS had not yet been advised about the level of funding for 2025-26, but future funding would need to reflect increased Employer National Insurance contributions.

Active Case Management (ACM) was launched on 1 October 2024 for Section 16 appeals (Billing Authority appeals) as a way of identifying those cases which will need hearing time to resolve them at the registration stage, separate from those that could be dealt with administratively. This was quite a significant change from previous practices. It was reported that ACM had resulted in circa 711 Billing Authority appeals being cleared that would otherwise have required hearing time. The Board was encouraged by the initial benefits of ACM.

Parties continued to adopt a 'kitchen sink' syndrome to information included in their evidence bundles, much of which was irrelevant to the matter at hand. This plethora of non-relevant information sometimes detracted from the salient matters that would be of interest to the Tribunal. More work was required in educating Billing Authorities and appellants. Some Billing Authorities were replicating evidence bundles used in Housing Benefit cases for Council Tax Reduction appeals, which were completely different areas. As part of ACM staff were actively engaging with Billing Authorities with a view to changing this behaviour.

In looking at the statistics for VTE Member sittings from April to September 2024, Tony Masella highlighted that 15% of VTE Members had sat 10 times or more, and that 63% had only sat four times. The aim remained to increase the sitting rate for each member to a minimum of 10 days annually.

Progress on Public Body Review Discussions

The Interim Chair invited Nick Pellegrini to provide an update to the meeting. Nick explained a decision was awaited from the Ministers who will decide whether to proceed. The next stage will be to appoint independent assessors who will consider the Terms of Reference.

Finance

Management Accounts to 31 October 2024. The management accounts to 31 October 2024 reflected a total resource funding forecast year to date of £6,057k, against a supplementary estimates budget of £6,168k, and an underspend of £60k. It was noted:

- Total resource funding was 99% vs the supplementary budget
- October cashflow remained within the £200k mark
- Total CCA fees of £1,929,600 had been received as of 31 October 2024
- 6,835 Appeals had been received to date
- Bank transactional costs for appeal refunds totalled £34,843 to date

Finance Risk Register. Keung Wong presented the risk register which reflected two live risks, categorised as yellow.

Outcome to Supplementary Estimates Return. Keung Wong drew the Board's attention to two key matters:

- More investment was required for IT, therefore as part of the pay settlement and savings in recruitment, it had been requested that the pay budget be reduced by £61k for use in IT projects
- The VOA Transformation project will not go ahead in this financial year, therefore the £50k capital funding will be returned as part of the supplementary estimate

In conclusion, the overall total budget will be reduced by £50k and the new budget will be £6,118k, with a forecast underspend of £42k from pay and £17k from non-pay. Keung Wong confirmed he was satisfied with the current position.

Operations and Programme Update

Appeal Workload Analysis. Tony Masella presented the report for the period 1 April to 30 September 2024. The Board noted the following:

- 4,730 Appeals brought forward at 1 April 2024
- 4,671 Appeals received, with a further 659 awaiting validation, totalling 5,330 appeals received
- 3,600 Appeals cleared
- 5,801 Appeals carried forward at 30 September 2024

Tony Masella referred to the two charts (i) the number of VO Decision Notices issued by the VOA between 1 April to 30 September 2024, and (ii) the number of appeals received in the same period. Tony explained that in reviewing the two sets of data it was difficult to conclude a VO Decision to appeal ratio, given that regulations permit an appeal to be made within a four-month window.

KPI Data (Q2). Tony Masella advised that it was still a struggle to reach the target of appeals determined within six months, but the position improved at seven, eight and nine months. He highlighted that for Council Tax appeals in Q2, only 45% were cleared within six months of receipt, but this increased to 62% within seven months, 73% within eight, 89% within nine and 95% within twelve months. He explained that increasing listings at this stage would have a negative impact causing cancellations of hearings and a higher postponement rate. This was noted by the Board.

Matters for Approval

VTE Member Engagement Project Business Case. A business case to introduce a VTE booking system had been previously circulated. Following a review of the three options, the preferred option was to build an in-house solution (with the current IT partner) using elements from an off-the-shelf product to provide more benefit to staff and members. It would provide a self-service approach for VTE Members to engage in hearings and manage their own calendars. This was approved by the Board and recommended for submission to MHCLG for formal approval.

Risk Management

Strategic Risk Register. The register was presented by Tony Masella who referred the Board to the seven live risks categorised as three amber, three yellow and one red. The register had been reviewed recently by the Executive Management Team. The Board noted the register.

Matters for Information

Update on Member Engagement. Matthew Jones was invited to provide an update on VTE Member engagement. He was pleased to report that the position had improved. However, he pointed out that the long-term members who would reach the statutory retirement age in the near future would have an impact on sittings due to their higher availability compared to the newer cohorts. It was hoped the compulsory retirement age would be increased from 72 to 75 years of age to align with other judicial bodies.

Work continued to encourage more engagement. It was noted that engagement from the latest cohort was good; of the 46 new entrants, 24 have been fully signed off as competent to sit and a further 13 were beginning to participate on hearing panels. Matthew Jones advised that a member had been removed from the Tribunal recently by the Judicial Conduct Investigations Office (JCIO).

Intelligent Automation (IA). Amy Dusanjh was invited to present a paper on Intelligent Automation (IA) within the VTS. She explained that the first objective was to establish the potential for IA based business solutions. Focus was on enhanced efficiencies, such as automating processes, reducing manual effort and more informed and quicker decision making.

The government has recognised the power of using IA to increase productivity across the public sector and how it can provide a more personalised user experience. Amy Dusanjh explained there were two branches to IA, Artificial Intelligence (AI) and general automation. AI works by simulating human intelligence using machine learning, with the goal to enable machines to perform tasks that require human intelligence such as learning or problem-solving. General automation related to the use of technology to perform tasks and processes without human intervention, focussing on repetitive and rule-based activities. IA is an advanced form of

automation that combines AI with general automation to enhance efficiency, accuracy and flexibility of business processes. It was believed that IA could build on the current IT investment to help reduce staff workload, speed up our services and perform complicated tasks more effectively.

The VTS was already benefitting from general automation in several business processes, but greater advantages could be achieved by integrating intelligent applications into our operations. It was recommended that the VTS follows other governmental bodies who were using AI with the aim of improving existing services. The government published 10 principles which provide guidance on using Generative AI safely and securely for government organisations. All public sector organisations have been instructed to submit quarterly reports on AI implementation, which the VTS has already complied with, and an AI Policy was being developed. Given these preparations, the VTS was in a good position to implement IA within its business processes. Overall, AI was transforming various industries by enhancing efficiency and enabling new capabilities across many sectors.

Stakeholder Engagement Strategy. The document had undergone its six-monthly review. Only minor amendments were required. The Board noted the revised strategy document.

VTE President's Report

The VTE President joined the meeting via MS Teams for this item only due to his ongoing commitment with the JAC in respect of the latest VTE recruitment campaign. He referred to his previously circulated report and stated that the current recruitment process was not the best model for the VTE. The profile of the membership had changed over the years, individuals now have demanding, professional jobs, and do not have the capacity to give the required time. It was unlikely the latest recruitment exercise would find people who could sit more than 20 times per year, it was likely they would struggle to manage the minimum 12-15 days.

The VTE President expressed his frustration at not being able to remove those members who did not fulfil their sitting requirements himself, instead he had to refer requests to the JCIO.

It was hoped if a full Cabinet review took place, it would provide the levers in order to make the changes required to modernise the VTE. The President added that unless the recruitment process was improved, nothing would work. The current campaign started in February 2024, but it was doubtful letters to successful applicants would be issued before June 2025. This meant it was unlikely the induction training could begin before September 2025.

Chair's Report

Update on VTS Board Recruitment. The Interim Chair confirmed five new Board Members had been appointed with effect from 2 December 2024 (Kevin Sadler, Clive Quantrill, Sarah Guerra, Chiew Yin Jones and Joanne Hadley).

The Interim Chair advised that her term of office had been extended to the end of February 2025. Interviews for the position of Board Chair would be taking place in December.

Evaluation of Effectiveness. An evaluation exercise for the Board was due, but it was agreed that this should be postponed until summer 2025 once the new Board Members had settled in.

Committee Reports

ARAC Draft Minutes (28 October 2024). The draft minutes from the meeting on 28 October 2024 had not yet been approved by the Committee but were circulated to the Board for information. The ARAC Chair confirmed the Committee had carefully reviewed the Annual Report & Accounts 2023-24 and recommended their submission to the Board for formal approval. The Board noted the draft minutes.

Date of next meeting: Wednesday 22 January 2025.