

Summary Minutes of the Valuation Tribunal Service Board 155th Meeting held on Wednesday 22 January 2025 at 10:30 am in Lemn Street

Present: Suzanne McCarthy (Interim Chair); Gary Garland (VTE President, *ex-officio* Member); Alison Griffiths (Member); Joanne Hadley (Member); Chiew Yin Jones (Member - until 12:00 pm) and Kevin Sadler (Member).

In attendance: Tony Masella (Chief Executive & Chief Operating Officer); Lee Anderson (Director of Operations & Development); Keung Wong (Finance Director); Amy Dusanjh (Business Development Analyst for item 9.1); 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 Stephen Chappell (Member); Kevin Everett (Member); Sarah Guerra (Member) and Clive Quantrill (Member).

There were no new declarations of interest.

Minutes of the meeting held on 26 November 2024 were confirmed as a true record.

Actions had been completed as required.

Chief Executive's Report

Tony Masella referred to the salient points in his previously circulated report. VTE Member engagement had improved but was still being carefully monitored as it tended to fluctuate. Engagement was at its highest in those sitting between four and six days, which fell short of the required expectation of 12-15 days per annum. He was pleased to note that no sittings had been cancelled recently due to a lack of available members. It was noted that 41 members had not sat at all in this financial year, 12 of these were subject to a formal leave of absence granted by the President.

The outcome of the recent recruitment exercise was still pending. Tony Masella reported that he had agreed a further business case for recruitment in 2025.

Revisions to VTE Member Terms & Conditions (T&Cs) remained ongoing with MHCLG. Tony Masella recommended that the T&Cs should reflect the expectations of the role, and that sitting expectations were clearly spelled out from the start. He thought revised T&Cs should be in place for the new recruitment exercise programme to ensure applicants were well aware of the expectations of an appointment from the outset.

Half-day hearings had proven popular with members but it was impacting on clearance volumes. Starting in April, half-day hearings will be recorded as half-day hearings so that sittings could be better analysed.

Clarification was requested regarding the internal process adopted to deal with low engaging members. Tony Masella explained that the Membership Engagement Lead closely monitored sittings and where engagement was low, he wrote to the individual to see if there were any concerns to note. The next step was for the President to make contact. Depending on the response, individuals were either granted a formal leave of absence or given the opportunity to resume sitting. If no improvement was seen, the President would then refer the matter to the Judicial Conduct Investigations

Office (JCIO) requesting the individual be removed from membership. Tony pointed out that if a member was removed from membership, it could also affect other judicial appointments held.

In reinforcing his view that the current JAC model does not work for recruiting non-paid, non-legal members, Tony Masella referred to his paper submitted to MHCLG, his circulated paper setting out VTS Wales's (VTSW) member recruitment process and the legal advice (King's Counsel) previously provided to MHCLG on the potential extraction of the VTE from the JAC. He recommended that the type of model used by VTSW should be adopted for the VTE.

Tony Masella had previously reported the change in providers of the customer satisfaction survey from Savanta to Beehive. He explained that the new survey still measured against the four pillars of the Procedural Justice Theory (Transparency, Fairness, Voice and Impartiality), and that satisfaction levels in the guidance and information on the VTS website was also included. Beehive started their survey in October 2024, and the Board noted the current findings were positive and rewarded the efforts spent on introducing new animated videos on the website. The Board was keen to maintain an overview of user survey results. Tony stated that these would feature as quarterly reports with an annual report presented in the summer.

The Board was reminded that the current lease on the office at Lemn Street expires on 31 October 2025, and that the VTS would be relocating to 2 Marsham Street. Tony Masella was currently in discussions with MHCLG Estates regarding the form of occupation. It had been clarified recently that staff based at Marsham Street would require Counter Terrorist Clearance.

Business Plan Achievements to Q3. A progress update on the 16 priorities set out in the 2024-25 Business Plan had been circulated. Nine had been implemented and six were categorised as amber. Tony Masella was pleased to report that of the four objectives set for Q3, two had been implemented and two were progressing.

Business Plan Priorities 2025-26. Tony Masella referred to his previously circulated paper. He explained that the VTS had delivered many new initiatives since the Covid-19 pandemic, and that the VTS was expected to be the subject of a public bodies review that may include recommendations on the future of the VTS and VTE. The 2025-26 Business Plan should have a smaller dedicated focus on certain aims and objectives that would support the VTS's statutory function. He therefore suggested the following areas of focus for 2025-26:

- VTE Membership
- Hearing Management
- A realignment of Key Performance Indicators on appeal clearances
- Clerk Resources
- Financial Challenges

Progress on Public Body Review Discussions

The review of the VTS and VTE had been signed off by the Minister and would progress to a stage 2 review, which is a full review. The scope would set the outline of what would be covered and an independent reviewer (outside of the sponsor unit) would be appointed with a support team.

Finance

Management Accounts to 31 December 2024. The management accounts to 31 December 2024 reflected a total resource funding forecast year to date of £6,080k, against a supplementary estimates budget of £6,118k, and an underspend of £38k. It was noted:

- Total resource funding was 99% vs the supplementary budget
- December cashflow remained within the £200k mark
- Total CCA fees of £2,070,450 had been received as of 31 December 2024
- 7,312 Appeals had been received to date
- Bank transactional costs for appeal refunds totalled £38,406 to date

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

Draft VTS Budget 2025-26. The draft budget submission for the next financial year had been previously circulated. Keung Wong explained that MHCLG was expecting a flat budget for 2025-26, but additional funding of circa £400k had been requested to reflect the recruitment of four Trainee Clerks.

The Board was asked to note the draft budget, including the financial restriction of a flat budget. A response was awaited from MHCLG. The proposed budget for 2025-26 would be submitted for approval at the March meeting.

Operations and Programme Update

Appeal Workload Analysis. Tony Masella presented the report for the period 1 April to 31 December 2024. The Board noted the following:

- 4,842 Appeals brought forward at 1 April 2024
- 6,773 Appeals received, with a further 26 awaiting validation, totalling 6,799 appeals received
- 6,318 Appeals cleared
- 5,297 Appeals carried forward at 31 December 2024

Tony Masella referred to the graphs which showed the number of appeals received in comparison to the number of decision notices issued by the VOA, broken down between 2017 and 2023 Rating Lists. It was difficult to correlate the number of decision notices with appeals because of the regulatory appeal timelines, but it gave an indication of potential workload volumes. For forward planning Tony predicted circa 400 appeals would be received per month, and added that while clearances were improving, the backlog had not yet reduced. This was the reason smarter listing had been introduced, and he expected a higher level of clearances over the next few months.

Matters for Approval

VTS Standing Financial Instructions. The document had undergone its annual review and minor changes had been made. Keung Wong explained it set out the accountability and responsibilities for Board Members and staff to ensure best practice was adopted. It was approved by the ARAC at the Committee's meeting on 19 December 2024. The Board approved the document.

Risk Management

Strategic Risk Register. The register was presented by Tony Masella who referred the Board to the seven live risks categorised as four amber and three yellow. The register had been reviewed recently by the ARAC and EMT. The Board noted the register.

Assurance Map. The Assurance Map highlighted the risks and the levels of assurance in place. This was noted by the Board.

Matters for Information

Intelligent Automation (IA). Amy Dusanj presented a progress update following on from her presentation at the November meeting. That discussion focussed on how current IT investment could be used to find ways to reduce staff workload, speed up our service to appellants and perform complicated tasks more effectively. This could be achieved by way of IA creating first drafts of routine email responses and summarising large amounts of information quickly.

Amy Dusanj began by clarifying that IA is a combination of two branches – Artificial Intelligence (AI) and General Automation. AI works by simulating human intelligence using machines, whereas General Automation refers to performing tasks and processes without human intervention such as repetitive and rule-based activities.

Following the Board's approval in November of the capital business case, a general IA workshop was held in January to build a potential VTS IA roadmap. The output of the workshop showed a broad range of ideas and options for consideration, with several quick and easy wins which would deliver efficiencies and savings.

A Decisions Use Case Exploratory workshop was also held to understand how IA could produce summaries of evidence bundles and first drafts of judicial decisions.

The Board requested a progress update at the May or July meeting (whichever was most appropriate for an update). Nick Pellegrini confirmed the Department supported the use of AI for improvements to services and agreed to find out what other ALBs were doing in respect of improving processes with AI.

VTE President's Report

The recruitment process had been fully discussed earlier in the meeting. The VTE President reported that the latest appointment competition had started in February 2024, with interviews finishing on 10 December 2024. The details of the successful candidates had been sent to the JAC/MoJ, but it was unlikely offers would be made before the end of March 2025. Therefore, it would not be possible to start onboarding and training before September 2025. The President felt it was unacceptable that recruitment took 18 months and added that discussions were ongoing with the Department to find solutions.

The VTE President was pleased to note that the new process for the removal of members involving the JCIO was delivering prompt action. He also advised that the number of complaints had reduced.

Chair's Report

The Interim Chair had nothing further to add to what had already been discussed, except to note that all new Board Members had been appointed to a committee (see below):

- *Audit & Risk Assurance Committee* – Kevin Everett (Chair), Stephen Chappell, Sarah Guerra and Kevin Sadler
- *Finance Committee* – Suzanne McCarthy (Chair), Gary Garland, Joanne Hadley and Clive Quantrill
- *Remuneration & Terms of Service Committee* – Suzanne McCarthy (Chair), Alison Griffiths and Chiew Yin Jones

Committee Memberships

Finance Committee remit. The Interim Chair explained that the Finance Committee meeting on 28 January had been cancelled to avoid a duplication of discussions of the same subjects discussed at this meeting.

She proposed extending the remit of the Finance Committee to include operational performance, and for the number of committee meetings held annually to be increased to four. It was suggested that mixing finance with operational performance might detract focus from finance matters, and considering the primary purpose of the Finance Committee was to ensure money was allocated appropriately and to provide advice and assurance to the Board.

It was agreed that a new committee would be set up to focus on operational performance supported by Lee Anderson, as Director of Operations & Development, with Kevin Sadler as Chair. A meeting would be arranged to allow the Interim Chair, Kevin and Lee to discuss the new committee's proposed TOR. The Board agreed with this approach.

Committee Reports

ARAC Draft Minutes (19 December 2024). The draft minutes from the meeting on 19 December 2024 had not yet been approved by the Committee but were circulated to the Board for information. The Board noted the draft minutes.

Board Workplan 2025

The workplan for 2025 showed the focus planned for each Board meeting. The Board approved the workplan.

Date of next meeting: Wednesday 26 March 2025.