

Summary Minutes of the 157th Valuation Tribunal Service Board Meeting held on Wednesday 28 May 2025 at 10:30 am in Leman Street

Present: Suzanne McCarthy (Board Chair); Stephen Chappell (Member); Kevin Everett (Member – via Teams); Alison Griffiths (Member); Sarah Guerra (Member); Joanne Hadley (Member – via Teams); Chiew Yin Jones (Member); Clive Quantrill (Member) and Kevin Sadler (Member).

In attendance: Tony Masella (Chief Executive & Chief Operating Officer); Lee Anderson (Director of Operations & Development); Keung Wong (Finance Director); Matthew Jones (Membership Engagement Lead – item 9.1); Kirsty Potter and Charles Ray (Beehive Research – item 9.5); Nick Pellegrini (representing MHCLG sponsoring Team as an observer); Felipe Espinosa-Camacho (Head of VTS/VTE Review, MHCLG as an observer) and Nicola Hunt (Board Secretary).

Welcome, Apologies, Declarations of Interest, Confirmation of Minutes

Apologies for absence had been received from Gary Garland (VTE President, *ex-officio* Member).

There were no new declarations of interest.

Minutes of the meeting held on 26 March 2025 were confirmed as a true record.

Actions had been completed as required.

Chief Executive's Report

In referring to his previously circulated report, Tony Masella highlighted the more salient points. He advised that the staff consultation exercise addressing the move to 2 Marsham Street had gone well with no major concerns surfacing. The sudden announcement by MHCLG of their own migration from 2 Marsham Street to 1 Horse Guards Road in 18 to 24 months' time had caused some concern. However, written assurance had been received from MHCLG Estates that this was not expected to impact on the VTS's move on 1 September 2025.

Discussions had begun with Felipe Espinosa-Camacho in connection with the VTS/VTE review, and information had been provided to help him understand the role of the organisations.

Tony Masella reminded the Board that clerking staff were key to the VTS's function and that recruiting front-line staff remained a priority in light of five pending retirements this financial year. The recruitment exercise to engage Trainee Clerks was progressing well with 500 applications received, which were being shortlisted. An in-house 'assessment centre' was being arranged for 10 June to provide a testing environment for potential candidates to shortlist for interview. A separate exercise was ongoing to recruit Clerks with more experience of the local taxation world.

Tony Masella reported that 53 new members (30 Senior Members and 23 Members) had been offered VTE appointments by the Lord Chancellor. The actual number would depend on acceptances. He highlighted once again the importance of MHCLG updating the VTE Member Terms & Conditions (T&C).

The last 12 months had shown an improvement in VTE Member engagement. However, the preferred level of sittings was 6-8 days, which was considered insufficient to meet workload demands. As part of the VTS's work in improving engagement, a new digital self-service platform had been launched to allow VTE Members better self-management of their diaries. Board Members reported finding this platform very intuitive and easy to use.

Tony Masella referred to the age profile of current VTE Membership, which showed the highest percentage of VTE Members was between 45-54 years old. It was noted that there were no VTE Members aged between 18-24. As there was a wealth of young people wanting to begin a judicial career, the Board felt focus should be in recruiting from this age group. However, it was noted that appointments fell outside of the VTS's and VTE's ambit.

Business Plan Achievements 2024-25. The progress against the 16 objectives in the 2024-25 Business Plan was noted:

- 11 have been met
- 4 partly met/progressing
- 1 had not been met because of operational reasons

The objective which had not been met related to the implementation of an operational staffing review which was impacted by retirements within the clerking cohort. This objective will be revisited as part of the 2025-26 priorities.

Update on Public Body Review

Felipe Espinosa-Camacho outlined the purpose and scope of the VTS/VTE review and referred to the seven Ministerial agreed scope areas:

- Performance
- VTE Panel Member recruitment
- Objectives and structure
- Leadership (within the ALB and the Department)
- Sponsorship arrangements
- Value for money, efficiency and improvement
- Appeals system

The methodology of the review would comprise two stages – phase 1 (preliminary evidence gathering) which was underway, and phase 2 (Lead Reviewer appointment). The first step will be to agree the Terms of Reference (TOR) which would be influenced by Ministerial decisions. Felipe Espinosa-Camacho explained that engagement had already commenced with the VTS/VTE leadership, MoJ, JAC, HMT, VOA, Valuation Tribunal Service for Wales (VTSW), Scottish Assessors' Association, LGA, IRRV, CIPFA and internal MHCLG teams. The next steps would be:

- Awaiting Ministerial decisions on the ALB landscape to confirm the Lead Reviewer appointment
- Targeted discussions on scope areas
- Start engaging with ratepayers and VTE Members
- Start phase 2 of the review

Finance

Management Accounts to 30 April 2025. The management accounts to 30 April 2025 reflected a current total resource funding forecast year to date of £6,582k, against a budget of £6,612k, and forecast underspend of £30k. It was noted:

- Total resource funding was 99% vs the budget
- April cashflow remained within the £150k mark
- Total CCA fees of £2,243,100 had been received as of 30 April 2025
- 7,913 Appeals had been received to date
- Bank transactional costs for appeal refunds totalled £40,215 to date

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

Operations and Programme Update

Appeal Clearances for 2024-25. The analysis of the appeal workload for the period 1 April 2024 to 31 March 2025 had been previously circulated. The Board noted the following:

- 4,730 Appeals brought forward as at 1 April 2024
- 8,536 Appeals received
- 8,770 Appeals cleared
- 4,496 Appeals carried forward as at 1 April 2025
- 7,680 Total appeals received

KPIs Achievements for 2024-25. The KPI report reflecting 2024-25 achievements had been previously circulated. Performance was positive and focus remained on the turnaround time of appeals. It was noted that for Council Tax 58% of appeals were determined within six months of receipt against a target of 80%, and 77% of NDR appeals were cleared against a target of 86%. It was pointed out that there had been quarter by quarter improvements as we moved into the new financial year. KPIs relating to two or more cases being determined in a day, complaints resolved at stage 1, customer satisfaction, undisputed invoices paid within five days, short-term sickness and training days all exceeded their targets.

Risk Management

Strategic Risk Register. The register was presented by Tony Masella who referred the Board to the nine live risks categorised as five amber, two yellow and two red. The register had been reviewed recently by EMT on 15 May. The Board noted the register.

Internal Audit Programme for 2025-26. The proposed internal audit programme had been approved and would be managed by the Audit & Risk Assurance Committee.

Matters for Approval

Paper on CCA Fees Process, Challenges & Recommendations. The Finance Committee had requested details on the issues around the CCA process and appeal fees to be submitted to the Board. The key factors were the number of NDR appeals which could not be progressed and the consistent position of circa 60-65% of cases

being won by ratepayers resulting in the refund of fees. The process of refunding fees was both an administrative and financial burden on the VTS. The process had been automated as much as possible, but some manual processes still had to be carried out. The Board noted that the transactional costs to fund fee payments and reimbursements were met by the VTS, impacting on its operational budget.

A significant number of NDR appeals were delayed due to higher court litigation or national co-ordination, and these delays caused two issues. Payment of fees were made using GOV-UK Pay which managed the front end of the transaction, by the time refunds were due credit cards used may have expired or been replaced. In addition, the management of the payment was carried out by Worldpay, who archived payment records after two years and deleted them after five. In both situations the transactions fail and staff have to follow a manual process. Discussions had begun to see what solutions could be implemented.

It had been suggested that transactional costs should be included as part of annually managed expenditure (AME). Nick Pellegrini advised that formal representation would be required setting out the impact of volumes and how this increased costs. It was pointed out that the VTS spends circa £60k to administer a process which was of no benefit to the organisation.

Data Protection & Security Annual Report. The Data Protection Officer had submitted the Data Protection & Security Annual Report for 2024-25 for Board approval. The report provided assurance that the VTS complied with the requirements of data protection and Freedom of Information legislation. This legislation would be updated in July 2025; therefore, all data protection policies would need to be revised and mandatory training completed.

The Board noted that 75 Freedom of Information requests had been received during the year and eight Subject Access requests. The Board approved the report.

Health & Safety Statement 2025-26. The statement set out the responsibilities of the VTS under the Health & Safety at Work Act and it was a legal requirement to display it. It was reviewed annually, and following approval it would be displayed in Leman Street. The Board approved the statement.

Stakeholder Engagement Strategy. The Executive Management Team had reviewed the document and only minor amendments were required. The action plan at Appendix 2 set out the objectives and approaches for different stakeholders during the year. The Board approved the document.

System Enhancements Business Case. A business case setting out enhancements to the IT systems had been submitted to the Board to request capital funding to ensure they remained fit for purpose. The Board recommended that the business case be submitted to MHCLG for formal approval.

Matters for Information

Members Engagement Review. Matthew Jones referred to his previously circulated paper and drew attention to key items of interest. He was pleased to report engagement had improved, although there were still some challenges. The new digital booking platform had been launched and was well received. No hearings were

cancelled in May due to member shortages, and all hearings in June currently had full panels.

It was questioned whether it was realistic that reading/preparation time was not included in the 12-15 days sitting requirement. In addition to preparing for hearings, members had to spend time reviewing decisions and approving them. However, it was pointed out that Magistrates sit for 13 full days which did not include case preparation or training, whereas the 12-15 days for VTE Members included training days. Evidence bundles could be lengthy, but Clerks provided summaries for each case for members to read beforehand. Work was also being undertaken on using intelligent automation to produce a coherent and detailed summary of evidence presented. Work continued with the aim of re-engaging low-sitting members and in recognising members for their contributions.

Concern was expressed that the JAC recruitment process was not attracting people with the right experience, and many were using the VTE as a stepping stone into the judicial world. Felipe Espinosa-Camacho wondered if any non-money incentives could be given to help retain members and encourage them to sit more often. This matter had been discussed previously on numerous occasions, and it was limited what the VTE could do in this area.

The Board thanked Matthew Jones for the comprehensive update and asked for another update at the November meeting.

Complaints Annual Report 2024-25. The report had been previously circulated and it was noted that 17 formal complaints were received during the year, all of which were responded to within the timeline. Six were upheld (two in part), broken down as follows:

- 1 because an appellant was unhappy with the panel's conduct at the hearing
- 3 in respect of the judicial decision and its content
- 1 because the appeal took too long
- 1 because the appellant was unhappy with the council/VOA staff
- 9 regarding the Clerk's conduct
- 2 in respect of prevention from making an appeal

Customer & Service Charter 2025. The document had undergone its annual review and no substantial changes were required. The Board approved the charter.

Tribunal User Survey Update. Beehive Research attended the meeting to present their findings on the first six months of the user survey. It was confirmed the response rate was one third before the hearing date and two thirds after, but before the decision was issued, which statistically was sufficient. The following was noted:

- Satisfaction with the overall service from the VTS – 74% satisfied; 17% dissatisfied
- Transparency – 73% extremely or fairly satisfied
- Fairness – 75% extremely or fairly satisfied
- Impartiality – 71% extremely or fairly satisfied
- Voice – 73% extremely or fairly satisfied

There was a significant uplift in key scores once appellants had attended their hearing (but not yet received their decision). This could be explained by factors such as clarity from having had the hearing, reduction in anxiety or stress, and optimism about the outcome.

Positive changes were being implemented, such as the guidance videos being more prominent on the website and staff contact being reviewed to ensure appellants were aware test calls were available.

Chair's Report

The Chair advised that she would be meeting with the Minister in June and would discuss the matters raised today.

Committee Reports

ARAC Draft Minutes of 28 April 2025. The draft minutes of the Committee's meeting on 28 April had not yet been approved but were circulated to the Board for information. It was noted the Committee undertook a self-assessment exercise led by the NAO in May.

ARAC Assurance Report. The Assurance Report for 2024-25 had been circulated. The Board was invited to comment and the report was approved.

Finance Committee Assurance Report. The report for 2024-25 had been circulated. The Board was invited to comment and the report was approved.

Remuneration & Terms of Service Committee Report. The Committee met on 8 May and agreed new TOR to better reflect the responsibilities of the Committee. The Board approved the revised TOR.

Date of next meeting: Wednesday 30 July 2025.