



Valuation Tribunal Service

2025-26 Business Plan

Chair's Introduction

I am delighted to introduce our business plan for 2025-26.

I have a long history with the Valuation Tribunal Service (VTS). I was appointed the VTS's Deputy Chair in April 2018. Following the retirement of the then Chair in May 2025, I served as the Interim Chair until my appointment as Chair in February 2025. Thus, I am well versed in the important service that we provide to tribunal users, and I champion the organisation's drive and energy of the organisation in rising to the appreciable challenges it faces.

I recognise and understand the important role this service plays for both council and business rate payers and the support we provide to the Valuation Tribunal for England (VTE). With the forthcoming Public Bodies Review tabled for the organisation this year I recognise that this year will be a critical one for us, and I am aware that I will be leading the Board at a very significant time for the organisation.

My Board is made up of senior members (chairs) of the VTE and independent members, all appointed by the Minister to serve on the VTS Board. The skills that each and every one brings to Board discussions, I know, will serve the organisation well in the coming year in meeting our statutory function, priorities and objectives, and in overseeing the delivery of this Business Plan.

Similarly, the Board is supported by a proactive executive team, led by our Chief Executive and Chief Operating Officer. Our staff are experts in what they do, and it is through their dedication and collaboration across all areas of our work that we can continue to successfully provide our service.

Readers will see that our Business Plan highlights four key priority areas for 2025-26 to focus on:

- VTE membership.
- management of hearings.
- greater focus on clerking resources; and
- financial processes.

These priorities are key to achieving our strategic objectives and, by doing so, delivering for our internal and external stakeholders in meeting the aims we have set ourselves for 2025-26.

I am very proud to be associated with such an excellent value-oriented organisation that puts the public first. Valuation Tribunal Members and staff remain at its core.

Suzanne McCarthy

Chair of The Valuation Tribunal Service

Foreword

Our statutory function is to support the Valuation Tribunal for England (VTE) in the discharge of its functions in hearing local taxation appeals and in the provision of administrative efficiency for the VTE to do so. Since our inception on 1 April 2004, the Valuation Tribunal Service (VTS) has consistently demonstrated itself to be a vital body in the local taxation world and, as the experts in local taxation appeals.

In the context of local taxation, maintaining an independent body is crucial to safeguarding the rights of individuals and organisations while ensuring that decisions are made based on objective, evidence-based criteria. We continually strive to make improvements in the delivery of a high-quality service that consistently supports both appellants and respondents in resolving disputes through an independent platform. Over the years, we have made significant strides in protecting the impartiality of the service we provide and, above all, in maintaining our key tenets of accessibility for all, fairness and transparency. It is through this commitment that we have built a reputation for clarity, consistency and efficiency in providing a service to all parties involved.

One of our greatest strengths has been our ability to adapt and modernise in response to ever changing demands within the evolving local taxation landscape. Our innovative thinking and investment in technological advancement has allowed us to further improve accessibility and transparency for our users. The move in developing the VTE to become a virtual tribunal and the introduction of virtual hearings in September 2020 has continued to enhance accessibility to tribunals. We have, since this time, convened over 4,158 hearing days on a virtual platform and listed over 31,479 appeals (19,517 council tax and 11,962 non-domestic).

We continue to investigate new ways in which we may further enhance ways to deliver support to our users and to improve the existing robust materials accessible on our website, our outreach initiatives in engaging with stakeholders, and our clear, Plain

English, communication to ensure appellants continue to feel confident in engaging with our system, helping them to navigate and better understand the environment they have connected with.

As we continue to evolve as a service delivery organisation our commitment to championing the provision of a quality service with impartiality continues to be our central focus. In this financial year we are proactively engaging with our sponsoring department in the Minister's review of the partnership provided by both the VTS and VTE within the appeal process and to investigate if the current model of working remains the best way of providing an appeals system. This will be the third of such a review since our creation and is a very exciting time for us as we engage with our sponsor in carrying out a holistic review of our structure, the current recruitment and engagement of VTE Members and the general appeal framework to ensure that both organisations remain fit for purpose in dealing with the challenges of future rating lists and the changing local taxation landscape. This review will be a major focus for us during 2025-26.

Also, in this financial year we will be migrating our current presence in London, which has been our home since 2014, to smaller office space in 2 Marsham Street, the home of our sponsoring department, Ministry of Housing, Community and Local Government (MHCLG). The impact of the health pandemic, our changed way of working, i.e. virtual hearings, more home-based working, new technology, and the Smarter Working Policy introduced since the health pandemic has changed our requirements for the space occupied.

We have great challenges ahead and will continue to ensure that we remain as effective as we can as a public body within the field of local taxation appeals.

Tony Masella

Chief Executive & Chief Operating Officer

Our service

The Valuation Tribunal Service (VTS) is a statutory, independent organisation sponsored by the Ministry of Housing, Communities and Local Government (MHCLG). The VTS delivers a range of services to the Valuation Tribunal for England (VTE), which makes the final decisions on disputes that have arisen between those who pay council tax or non-domestic rates and their local council or the Valuation Office Agency (VOA).

The VTE is headed by a President and is a separate statutory body charged with¹:

- dealing with appeals in ways which are proportionate to the importance of the appeal, complexity of the issues and the anticipated costs and resources of the parties
- avoiding unnecessary formality and seeking flexibility in the proceedings
- ensuring, so far as practicable, that the parties are able to participate fully in the proceedings
- using any special expertise effectively, and
- avoiding delay, so far as compatible with proper consideration of the issues.

Delivering financial efficiency

The VTS receives grant in aid funding from our sponsoring department (MHCLG) for its activities. We recognise the growing challenges facing the public purse and the restraints this may place upon us in maintaining the statutory service required from us by Parliament whilst, at the same time, complying with the requirements of our Framework Document.

We are committed to ensuring that funding allocated to us is used effectively and responsibly. We will continue to work with our sponsoring department in identifying more efficient ways of working whilst at the same time maximising the value derived from every resource allocated. We will do this through careful budget management, cost effective procurement practices and continuous monitoring of spending to identify areas for further improvement.

We will prioritise financial efficiency so that we can continue to deliver high quality services in meeting our statutory responsibility whilst maintaining public confidence in what we do.

¹ The Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009, as amended

Our values

We are a value driven organisation committed to meeting our strategic priorities.



Our strategic objectives

As a demand led organisation, our strategic objectives define our success.



Our Business Plan Priorities for 2025-26

With the focus in 2025-26 rightly being on the Public Review of the VTS and VTE, our aims are to further introduce improved efficiencies in the delivery of our service and to do so will concentrate on the following areas:

VTE Membership – The current Judicial Appointments Commission's (JAC) recruitment process presents a challenge in recruiting non-fee paid, non-legal volunteers. We will continue to work with our sponsoring department with a view to find ways to address this.

Furthermore, we will work to improve current engagement levels of our tribunal members by achieving the optimum 15 or 12 sittings per annum as required under current terms and conditions of Senior Members (Chairs) and Members, respectively.

Hearing Management – We will be convening around 800 virtual hearing days and will aim to clear 3,600 appeals during 2025-26. Furthermore, we will be migrating to a 12-month hearing programme (1 April to 31 March) with the aim of:

- providing our users with a timescale expectation of when appeals will be heard; and
- providing a rolling year's hearing programme of dates for Members to select. This is being introduced to enhance engagement and will involve the development of a Members' digital portal to simplify engagement by non-fee paid workforce.

Greater focus on Clerking Resources – with the increased engagement of VTE Members, the clerking resource of hearings is an important factor of our delivery. Our clerks are front facing, i.e.

directly involved in engaging with the public, on tribunals and key to the preparation of hearings and in advising panels on case law, practice and procedure. We currently employ 23 clerks with a further three monitoring performance and providing technical advice to this cohort.

We introduced three trainee clerks in 2024 and want to build on this in 2025-26 by adding a further four trainees. This also serves to provide succession planning in recognition of the key function clerks provide. Our optimum number of clerks is 30. We recognise that the restraints of funding will impact on our ability to achieve this.

Financial – We currently use the financial services of MHCLG's Financial Services Shared Division (FSSD) and SAP reporting system. This uses a one size fits all SAP solution across the MHCLG family of arms-length bodies. Current SAP presents a significant restraint to our own way of reporting. Our own areas of spend do not lend themselves easily within H.M. Treasury's 'OSCAR system'. This means that we are using dedicated finance staff resource in reinterpreting (mapping) spend and reporting from the SAP system to what is meaningful to us and vice-versa.

In 2025-26 we will conduct a holistic review of our current internal financial processes that will maximise our financial efficiency across the VTS and VTE as a whole. This includes reporting with a view to removing any re-work/duplication in current processes and develop more value driven processes that will integrate across the various budget areas within the VTS.

Strategic objective	Priority	What we will do and why	When we will do it and who	Current position	Key Indicators of success	Measure of success
Support the VTE by administering a fair, efficient and accessible appeals system.	Be an exemplar national tribunal, delivering remote hearings.	Terms and Conditions set out annual sitting requirements – 15 for Senior Members (chairmen) and 12 for Members, including training days. The aim is to increase the number of Members sitting 10 days or more.	Quarter 1 (Chief Executive)	66% of the VTE Membership sit 6 days or more and 31% sit 10 days or more.	Increased number of members sitting on 10 days or more.	An increase from current 31%.
Enhance the quality and consistency of our service to all stakeholders	Maximise the use of our service for the benefit of all stakeholders, particularly appellants.	Work with the VTE to identify further enhancements to the functionality of VTE Member experience with the newly introduced sitting portal.	Quarter 2 (Director of Operations & Development)	Current engagement portal does not reflect engagement. It requires manual intervention and is staff resource intensive	Implementation of the new Member Sitting Portal (Virtual Management System – VMS).	Greater engagement by Members in self managing hearings, including cancellations
		Work with our sponsoring department with its work on a review of the VTS & VTE.	Quarter 4 (Chief Executive)	Cabinet Office are considering a review of all tribunals who fall outside of Ministry of Justice	A full-scale review of structure, function and regulatory changes regarding VTE and VTS	The publication and issue of a report on findings
		Develop and implement a rolling 12-month hearing programme	Quarter 1 (Director of Operations & Development)	Programme is currently on a quarterly basis.	Greater expectation of users regarding timescale of listing. Greater flexibility for VTE Members diaries to provide forward view of hearings and to book accord to their diaries.	The implementation and working benefit of a 12-month rolling programme.

Build capacity and capability in our staff and VTE Members.	Demonstrate willingness and commitment to invest in our staff.	Build on the 2024 trainee clerk programme to recruit further trainees and refresh the development programme resulting in professional qualifications win 2 years.	Quarter 1 (Head of HR & Training)	Optimum clerking resource is 30, but is declining below the number of front facing clerks.	Trainee clerks appointed and going through a revised develop plan leading to the attainment of professional qualification	Clerk numbers increased.
		Review the operational staffing structure to ensure it remains fit for purpose in a changed environment	Quarter 4 (Director of Operations & Development)	Active case management was introduced in 2024 and the impact of this needs to be evaluated and impacted.	An aligned staffing structure to meet needs of users and stakeholders.	A future proof staffing structure implemented.
		Following investigative and development carried out in 2024-25 on potential of Intelligent Automation (IA), review the next stages and potential of automating decision writing post hearings	Quarter 3 (Director of Operations and Development)	Notes are taken by clerks and then a draft decision is formally produced for approval and issue.	IA solution to decision writing leading to more effective use of time.	Effective use of clerking resources.

Operate with financial and organisational initiative and efficiency.	Seek out efficiencies which leads to greater effectiveness.	Holistic review of internal financial processes to ensure maximum efficiency of financial process, providing value driven processes; clearly identifying waste and improvements.	Quarter 1 (Finance Director)	Finance resources spent in turning SAP reports into excel spreadsheets and may constitutes re-work.	A report on the review of processes with recommendations for implementation and/or development.	A thorough and detailed understanding of the challenges in integrating in-house finance processes with those external and improvement changes that will make finance reporting more responsive for VTS needs.
		Exiting the Leman Street Lease and migrating to a new office	Chief Executive (Quarter 2)	Office lease expires on 31 October 2025. Migration to 2 Marsham Street	Exit of Leman Street.	New office presence in 2 Marsham Street.
		Investing ways of mapping HM Treasury 'OSCAR system' with VTS reporting.	Finance Director (Quarter 2)	We are currently using dedicated resource to map SAP with VTS and vice-versa, when this should be a read across process.	Review of process and clear recommendations for change.	A value driven process identified and in place.

Total resource funding estimates for 2025-2026

Delivering value for money and ensuring that taxpayer money is spent in the most effective manner possible is the way that we maintain public confidence in the service we deliver. We do so by carefully reviewing expenditure and controlling costs and systematically evaluating core processes to identify continuous improvements in effectiveness and efficiency.

We continue to navigate the economic challenges faced and the pressures this presents on the public sector. The Table below shows the funding we have requested from our sponsoring department for 2025-26. However, we recognise that this request will need to be balanced against public funding restraints across the whole of government.

Budget category	£'000
Pay	3,532
Non-Pay	1,690
Pension payment	476
Depreciation	180
IFRS16 Lease Depreciation	192
Total Admin	6,070
Annually Managed Expenditure (AME)	281
Capital	220
Total Resource Funding	6,571

Our funding request reflects:

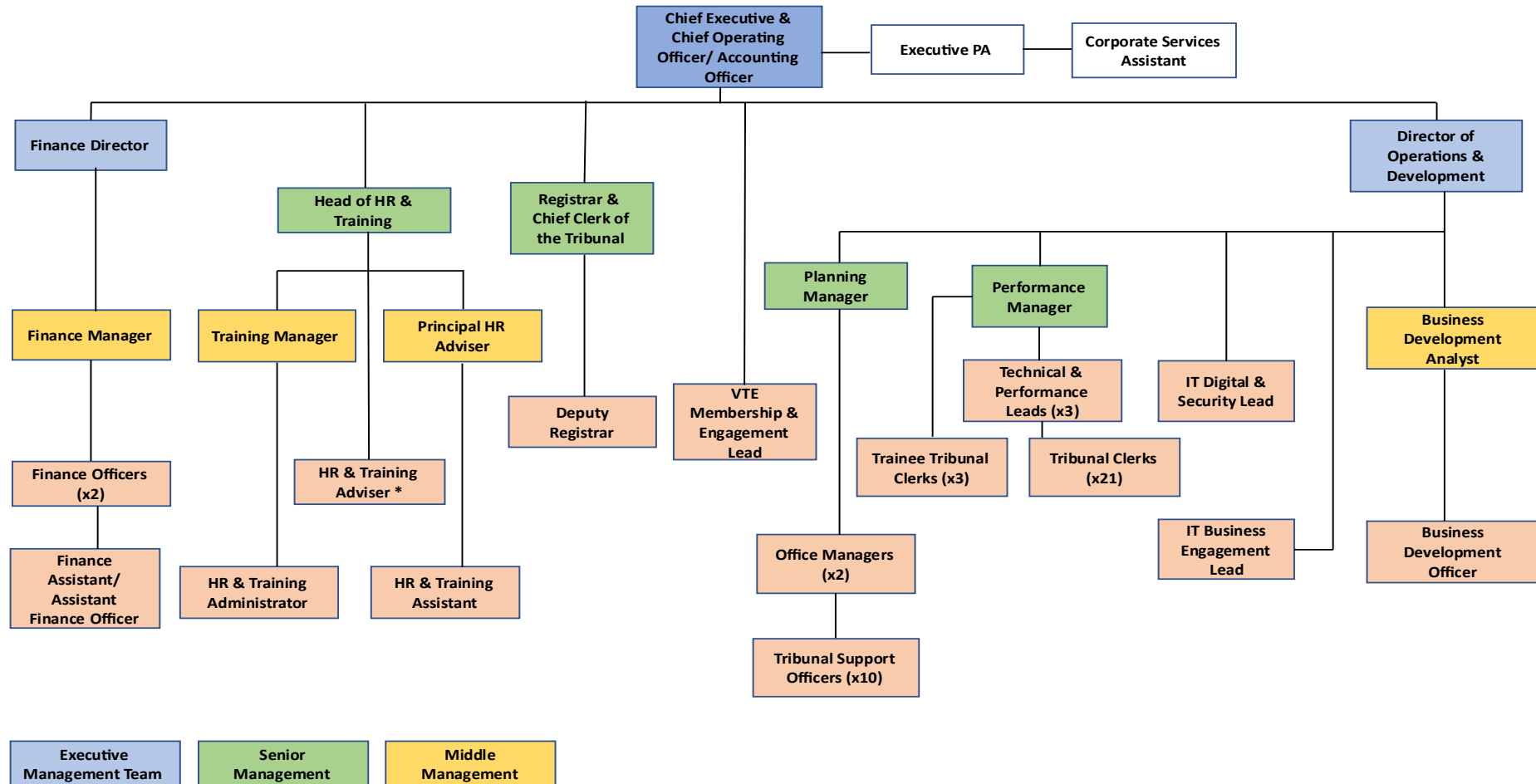
- Optimum staffing levels of 64 posts - 22 Corporate staff, 30 Tribunal Hearing Clerks and 12 Tribunal Support Officers.
- Retaining employer's pension contribution rate at 16.3% and increased Employers' National Insurance.
- Estimated cost of National Joint Council pay negotiations reflecting current landscape around public sector pay settlements and cost of living rises.
- Maintaining our investment in our existing IT infrastructure and cloud technology to ensure its continued suitability and sustainability in providing us with new ways of working.

Our capital requirements in 2025-26 reflect our continuing journey in the investment made in our digital services to meet business and user requirements. Our aspirations reflect:

- Fine tuning our recent development of the digital VTE Member engagement platform.
- Continuing with the agile approach to our IT investment regarding future development; and
- Implementing the identified Intelligent Automation (IA) solutions following the minimum viable product developed during 2024-24.

Staffing

Our staffing structure from 1 April assumes a staffing structure of 64 and is represented below.



We continue to adopt a Smart Working Policy. 60% of staff (35) are now engaged on home-based contracts. 21 staff are currently working in a hybrid nature (three days per week in the office and two days from home).

Membership of the Valuation Tribunal for England

The VTE is a tribunal sponsored by MHCLG with membership appointments made by the Lord Chancellor falling within the Constitutional Reform Act 2014, under a process managed by the Judicial Appointments Commission (JAC). Appointments to the VTE are non-fee paid.

The VTE is made up of a President, three vice-presidents and a panel of senior members (chairmen) and a panel of members. The current VTE membership stands at 151. Our statutory function is to support and provide advice to the Valuation Tribunal for England (VTE).

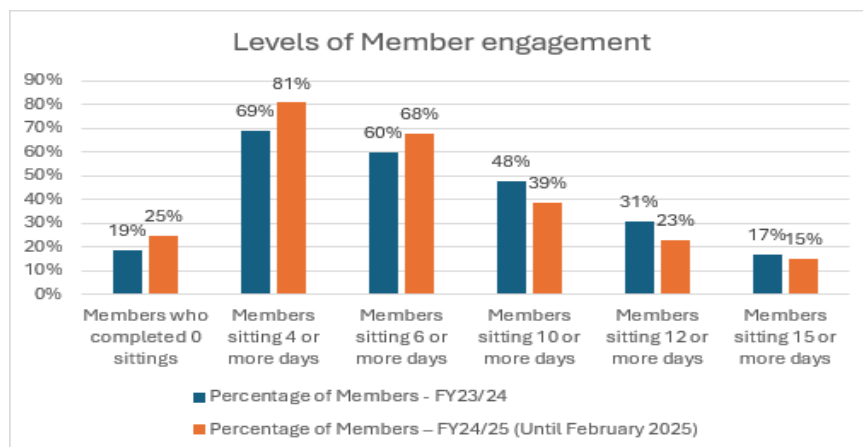
The VTE falls outside of the wider Ministry of Justice tribunals. Naturally, this can sometimes feel alien to new appointees recruited through the JAC.

We have made much progress delivering our member engagement aims, but there is still more to do. Engagement levels of between 4 and more than 6 sitting days have increased and the aim is now to improve on the numbers who sit for 10 days or more.

We continue to engage with our sponsoring department on how to optimise the current recruitment model for VTE Members to reflect that the organisation is non-fee paid, has no requirement for legal qualifications and is heavily reliant on purely voluntary engagement; or whether alternative recruitment models should be considered

We will, at present, continue to engage with the Judicial Appointments Commission (JAC) and Judicial Office in how best to attract skills best suited to the local taxation appeal environment, such as rating and valuation specific skills.

We have also concluded a successful recruitment campaign to appoint both Senior Members (chairmen) and Members. We are waiting for appointments to be made, and the expectation is that these appointments will be onboarded in this financial year and will be making resources available for their training and development in their new judicial roles.



Our Office

We continue to operate from a single location in Leman Street, London, occupying a space of 544 sqm on the second floor. This level of floor space is no longer a requirement following the changes we have made to our working practices over the years since the health pandemic.

Our lease expires on 31 October 2025. We will be vacating this space and migrating to new office space within 2 Marsham Street.

External Hearing venues

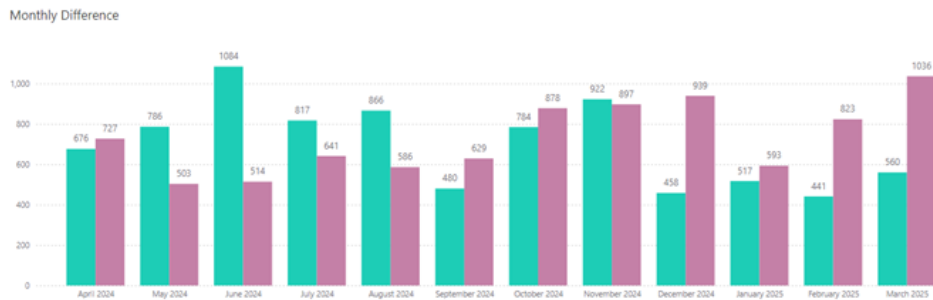
Due to the success of remote hearings, in-house hearing rooms are no longer in demand. However, we continue to retain the flexibility to hire external premises in which to hold hearings in those instances where applications for in person hearing requests are approved by the VTE President, when online hearings may not be the most effective way to dispense justice for that appeal.

During the year, we arranged 5 (14 in 2024-24) in-person hearings. This low number reflects that remote hearings continue to be the preferred method of hearings for our users.

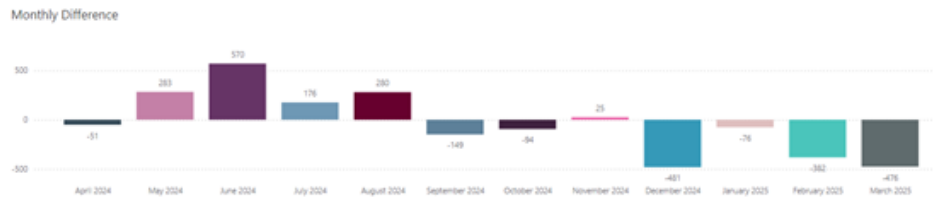
Appeal Volumes

The number of appeals we receive is dependent on the parties.

The graph below presents a graphical illustration of clearances versus receipts during 2024-25.



The graph graph shows the difference in clearances against receipts on a monthly basis.



2025-26 Workload

Our focus continues to be in resolving as many disputes as we can within our listing programme. We expect to start the 2025-26 financial year with the following number of appeals, broken down between non-domestic rating and council tax.

Non-Domestic Rating (Business rates) by Rating Lists

2017 Rating List	2400
2023 rating List	300

Council Tax Appeals

Council Tax Valuation	900
Council Tax Liability	500
Council Tax Reduction	250
Council Tax Other	100

The issue of council tax bills at the beginning of a financial year often acts as a catalyst for council taxpayers to query their bills with their billing authority. We expect to see a flurry of appeals in the first four months of this financial year as bills start hitting floor mats. Our aim remains to list these at the earliest opportunity subject to VTE Member available resource.

We have seen an increase in 2017 rating list appeals during the year. Much of this reflects the impact of the closure of large stores in geographical locations throughout England. There are also around 1,300 appeals affected by Upper Tribunal litigation on office fit outs. These appeals have been ‘stayed’ by the VTE awaiting the outcome of the superior court.

Whilst the focus of the parties remains on 2017 appeals, we are listing 2023 Rating List appeals with the corresponding 2017 List appeal where appropriate to do so.

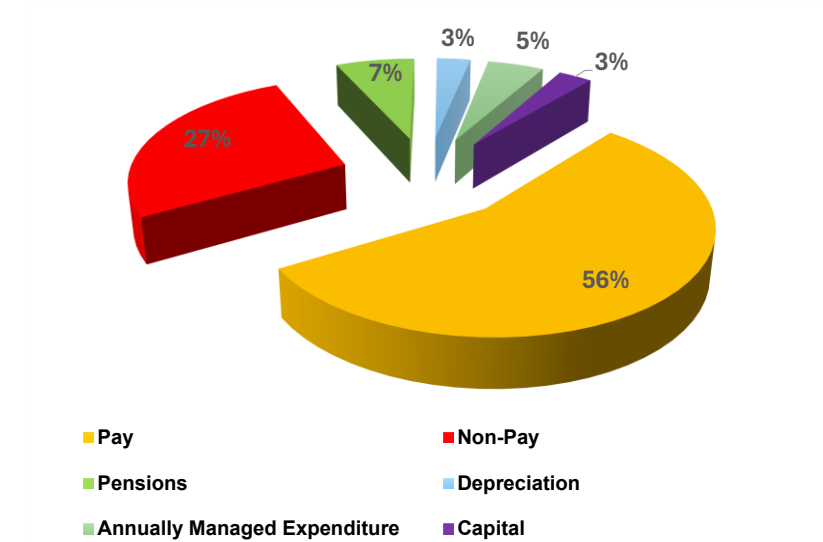
Funding for 2025-26

The total Admin Expenditure Budget approved and allocated for 2025-26 is £5,681k, excluding Depreciation. The table below illustrates the allocation of this approved funding within the allocated areas.

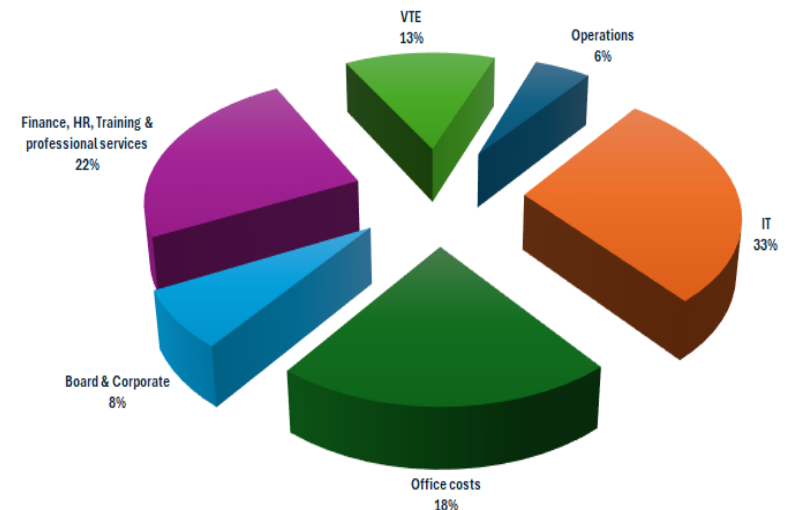
Budget category	£'000
Pay	3,506
Non-Pay	1,705
Pension payment	470
Depreciation	180
Total Admin	5,861
Annually Managed Expenditure (AME)	287
Capital	220
Total Resource Funding	6,368

We recognise that in this financial climate we must '*cut our cloth accordingly*'. We will use the funds allocated to further strengthen our front-line services and recruiting to levels that can meet our workload demands, at the same time building on identifying further efficiencies in our continued performance for the future.

The pie chart represents the breakdown of areas of spend that reflects our total budget spend of £6,325k for 2025-26:



Our operational spend (non-pay) reflects 26% of our allocated funding. This is the area of our budget that assists us in developing and supporting our service. The projected allocation of non-pay costs for 2025-26 financial year is spread across the following areas:



Our Key Performance Indicators for 2025-26

Strategic Objectives	Support the VTE by administering a fair, efficient and accessible appeal system	Council Tax Appeal	80% of appeals determined within 6 months of registration 95% of decisions issued within 1 month of the hearing
		Non-Domestic Rating Appeals	85% of appeals determined within 6 months of registration 95% of decisions issued within 1 month of the hearing
		All Appeals	80% of appeals resolved at first time of listing
	Enhance quality and consistency of our service to stakeholders	Complaints	85% of complaints resolved at Stage 1 with no further escalation
		Digital Services	95% of NDR appeals lodged using our on-line appeal service 95% of tribunal statutory notices issued electronically
		User Survey	65% of users surveyed are satisfied with the administrative service we provide
	Operate with financial and operational initiative and efficiency	Finance	92% of undisputed invoices paid within 5 working days of receipt
		Tribunal Hearings	85% of scheduled hearings result in 2 or more appeals being heard on the day
	Build capacity and capability in our staff	Absenteeism	Short term sickness less than 3.6 days per person
		Training	Training and development days per staff member average 5 days or more per year

Governance arrangements to support the Corporate Plan

All of our activities are underpinned by governance arrangements which support the delivery of our services. These include:

- the statutory framework set out in the Local Government Act 2003.
- Board reviews of performance and achievement against this Business Plan.
- reporting to MHCLG in line with the Framework Document and complying with government policy and sponsoring department rules.
- the Board's Finance, Audit & Risk Assurance and newly introduced Operations and Performance Committees, which exercise detailed oversight in their relevant areas.
- Standing Orders, Standing Financial Instructions and Procurement Policy, which are reviewed and updated at least annually.
- Our risk management processes, overseen by both the Audit and Risk Assurance Committee and the Board.
- A business continuity plan, which is seen as a living document, regularly reviewed and tested.
- Our information governance, through a set of policies that support effective and secure data handling, implemented by staff trained to ensure they handle data, especially personal data, appropriately.
- a Change Approvals Board, responsible for considering and controlling all requests for IT and business process changes.

Delivering and reporting on the Business Plan

The Business Plan is published on our website and on the staff intranet. VTS budget holders bid for budgets for activities designed to deliver the objectives outlined in the Plan and to minimise risks. The objectives set out in the Plan provide the basis for staff personal development objectives. The delivery of this Plan will be monitored quarterly at three levels:

- The delivery of targets and achievements against the Plan will be monitored by the Board, which may amend the Plan to reflect new or revised Ministerial requirements that emerge during the year;
- the Chief Executive and Chief Accounting Officer will monitor the achievements of the Plan with his executive team; and
- we will share our progress and achievements with MHCLG through quarterly Accounting Officer meetings and any other meetings convened.