

Summary Minutes of the 158th Valuation Tribunal Service Board Meeting held on Wednesday 30 July 2025 at 10:30 am in Leman Street

Present: Suzanne McCarthy (Board Chair); Stephen Chappell (Member); Gary Garland (VTE President, *ex-officio* Member); Alison Griffiths (Member); Sarah Guerra (Member); Joanne Hadley (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); 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 Kevin Everett (Member); Chiew Yin Jones (Member) and Nick Pellegrini (MHCLG sponsoring Team as an observer).

There were no new declarations of interest.

Minutes of the meeting held on 28 May 2025 were confirmed as a true record.

Actions had been completed as required.

Chief Executive's Report

The report had been previously circulated, and Tony Masella highlighted the more salient points. He advised that the VTE/VTS would no longer be embedded within the original public bodies review, but included in a broader, cross-Government review of tribunals and Ombudsman functions that sat outside of the Ministry of Justice.

Focus remained on clerking resources. Tony Masella expressed concern following a number of recent resignations. The team was currently 12 below the optimum number of 30, and this affected the ability to service hearing panels. This meant that the previously agreed expectation of convening 75 hearings per month was no longer realistic. A recruitment exercise had concluded, and four Trainee Clerks and five more experienced local taxation practitioners would be joining, but all would have to undergo training before they could add value to the team. It was pointed out that resources would have to be diverted from front-line services to train the new cohort of Clerks. This matter had been fully discussed at the recent Accounting Officer meeting.

Tony Masella referred to the priority in the Business Plan to review the staffing structure. He stressed the importance of a further review with the objective of simplifying processes leading up to a hearing to relieve pressure on staff. It was hoped that the implementation of IT solutions would also help.

The relocation of the office to 2 Marsham Street (2MS) was progressing well. The last working day at Leman Street was 29 August, and staff would begin working from 2MS on 1 September.

The Volunteer Management System (VMS) continued to work well. VTE Members were providing feedback which would be incorporated into an action plan to develop and enhance the system. Once improvements have been identified, a paper would be submitted to the Board.

While VTE Member engagement had improved, 37 members were still not engaging. The onboarding process had begun for the 51 new appointments, and one member from the previous cohort. The induction programme would be launched in September. During June, two hearings were cancelled due to member cancellations, and three were cancelled because of the lack of available Clerks.

The Tribunal Business Arrangements in the Consolidated Practice Statement had been amended to return to three-member panels. The President hoped this would provide more flexibility and mitigate against late cancellations as panels could proceed with two members, with individuals being moved where necessary, to ensure all hearings in a day were covered. It was clarified that the majority of hearings would still run with two members. The Board Members were interested to see if the amendments to the Tribunal Business Arrangements achieved the desired outcome.

The President said that, in his opinion, the VTE was one of the best performing tribunals in the judicial world. There was no backlog of appeals, merely work held in the system which would be processed. He explained that because appeals took some three months, there would always be appeals in the system. However, this did not constitute a backlog, simply work in progress.

The pay award for 2025-26 had been agreed at 3.2% across all spinal points, which fitted in with budget expectations. Confirmation of the London Allowance element was still awaited. Due to the contractual nature of this, payment would be backdated to 1 April 2025.

Business Plan 2025-26

The Business Plan 2025-26 had been previously circulated. The version presented at this meeting incorporated comments received from the Department in respect of the Priorities section, VTE Membership and KPIs. The Board was asked to approve this version containing the Departmental changes. **The Board approved the plan.**

Update on Review

Felipe Espinosa-Camacho shared an overview of the independent review and the current position. The sponsorship assessment would be led independently by the sponsorship team, with oversight from Michelle Warbis, Deputy Director of Local Taxation & Pensions. A Lead Reviewer would not be appointed. The Terms of Reference had been reviewed by Michelle and would be shared with the Board Chair, VTE President and Tony Masella. The Chair requested an update at the Board meeting in September.

Finance

Update of the Finance Committee (including draft Minutes of 17 July 2025). The draft minutes of the last Finance Committee meeting had not yet been approved but were circulated to the Board for information. Suzanne McCarthy, Chair of the Committee, advised that the Committee was taking a more strategic approach in accordance with the revised Terms of Reference. A new risk had been added to the Finance Risk Register to provide clarification of the policy regarding Members' financial loss allowance claims.

Management Accounts to 30 June 2025. The management accounts to 30 June 2025 reflected a current total resource funding forecast year to date of £6,480k, against a budget of £6,612k, and forecast underspend of £132k. It was noted:

- Total resource funding was 98% vs the budget
- June cashflow remained within the £250k mark
- Total CCA fees of £2,373,150 had been received as at 6 July 2025
- 8,351 Appeals had been received to date
- Bank transactional costs for appeal refunds totalled £44,699 to date

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

Values, benefits and internal improvements to the VTS Finance Function. Keung Wong referred to a paper which had been discussed at the Finance Committee meeting on 17 July. He explained that the paper identified areas for improvement of the finance function and included recommendations with target dates. The overall aim was for the Finance Team to review and then implement more efficient processes to meet the needs of the organisation. The Chair advised that discussions would take place at the Finance Committee meeting in October, and an update would then be provided to the Board.

Operations and Programme Update

Update of the Performance Committee (including draft Minutes of 2 June 2025).

Kevin Sadler, Chair of the Performance Committee, advised that the first meeting of the Committee took place on 2 June. The draft minutes had not yet been approved by the Committee but were circulated to the Board for information. The Committee's next meeting would be held on 4 November, and a report would be provided to the Board at its November meeting.

The purpose of the Committee was to look at the performance of the organisation as a whole, and not just appeals received and cleared, with particular focus over the year rather than just looking back. User and VTE Member surveys would be discussed at the next meeting to see what feedback could be taken forward. Performance data would be presented with and without stayed cases, so the impact of the latter could be seen. The Committee was keen to ensure the Board had clear visibility as to what the VTS could and could not do.

Appeal Workload Analysis. The analysis of the appeal workload for the period July 2024 to June 2025 had been previously circulated. The Board noted the following:

- 2,796 NDR appeals received
- 3,134 NDR appeals cleared
- 4,883 Council Tax appeals received
- 5,901 Council Tax appeals cleared

Lee Anderson referred to the report which provided an indicative position of the rolling year. He confirmed that the appeals awaiting listing was not a backlog, they simply reflected work in progress. He was pleased to report a positive position despite the number of appeals (stayed cases) that could not be progressed at present due to reasons outside of VTS/VTE control. Looking at the figures for 2024-25 and continuing to the current financial year, despite volumes and throughput increasing significantly, the number of NDR appeals outstanding was at the lowest ever. Appeals against the 2023 Rating List were being received in peaks and troughs, but there was little higher litigation to delay their progression. Council Tax appeals outstanding had been reduced by 1,018 over the rolling year, despite a spike in appeals received during May/June which

reflected the annual billing cycle. Lee was pleased to note the average length of time appeals were outstanding was below six months in the vast majority of cases. The average time for 2023 List appeals was 98 days, for 2017 List appeals it was 466 days, but if stayed appeals were removed it reduced to 192 days.

Resource challenges and impact for 2025-26. Lee Anderson referred to his previously circulated paper which set out the resource challenges and impact for 2025-26. He explained that as at 1 April 2025 there were 23 Clerks in post, including three trainees, but since then two Clerks had resigned and four retired. Additional pressure on the team was caused by sickness absence.

During Q1 the target of 75 hearings per month had been maintained, but this was only possible because the Registrar, Deputy Registrar and Technical & Performance Leads covered hearings to support the shortfall. This solution was a temporary measure which could not continue because it removed focus from their core roles and responsibilities. In addition, when the new staff were onboarded, their skills would be required to train and develop them. It was estimated that it would take circa six months until the new Clerks would be able to add value to the team. This impact was exacerbated by member recruitment as new members would also require training and development.

Smarter ways of working were being investigated to try and maintain levels through reducing the number of hearings required. There was a high volume of NDR appeals which did not require hearings, so engagement was taking place with these parties to see if settlements could be reached. A reduction in hearings would provide some respite for Clerks and allow them to focus on developing new members of staff. A negative impact on appeal numbers was not anticipated.

A dip in satisfaction in the user survey had been seen, it was believed this was as a result of trying to maintain a higher level of work with insufficient resources. Therefore, it was suggested to the Board that the planned number of hearings should be reduced to an average of 60 per month over the remainder of 2025-26, to avoid over-stretching the clerking team at a time of vulnerability. It was hoped that by reducing the number of hearings, benefits would be created elsewhere:

- Ease the overburdening on existing Clerks in Q3 and Q4
- Allocate suitable resources to provide capability to onboard and train new Clerks effectively
- Support the continued delivery of appeal throughput in line with Business Plan targets through smarter listings

Lee Anderson added that the 25% reduction in Clerks was a conservative count which did not take into account the day-to-day issues and resources required for training, which were not included in the figures. The Board was asked to note the challenges faced by staff and the impact of these, and the planned approach to mitigate them. The Board noted the planned approach to deal with the resource issues.

Tribunal User Survey Report (Q1). The user survey headline results for Q1 had been previously circulated. Lee Anderson explained that the impact of discussions regarding reducing to an average of 60 hearings per month was not shown in these findings as there was a three-month gap before this would be reflected. He had recently met with Beehive Research, and it was recognised that satisfaction had dipped due to clerking availability, and it was likely that this would also be reflected in the results for Q2.

Beehive Research had confirmed that irrespective of the decline in Q1 satisfaction levels, some positive comments emerged from user feedback. The not so positive comments were actions to be taken forward as improvements. The next update would be at the end of Q2 when a whole year's data would be available. The report would be discussed at the Performance Committee's meeting in November, before being submitted to the Board.

Audit & Risk Assurance Committee

Update of the Audit & Risk Assurance Committee (including draft Minutes of 23 June 2025). In Kevin Everett's absence, Stephen Chappell provided an update to the Board on the matters discussed at the ARAC meeting on 23 June. He referred in particular to the updates from both the internal and external auditors, during which reports and assurances were received. The narrative within the Strategic Risk Register had also been discussed. Keung Wong had reported on the pension valuation and the impact of the asset ceiling being reduced, thus reducing the overall pension value. The draft minutes had not yet been approved by the Committee but were circulated to the Board for information.

Draft VTS Annual Report & Accounts 2024-25. The draft Annual Report & Accounts had been reviewed by ARAC in June. The Board Chair explained she had made some comments and had submitted a *Chair's Statement* which had yet to be added. Keung Wong advised that some statistical figures from payroll had yet to be confirmed and finalised, and the *Financial Statements* required further review. The updated report would be sent to NAO and MHCLG for comment, it would then be re-submitted to the Board in September. It was planned to lay the accounts in November.

Risk Management

Strategic Risk Register & Assurance Map. The register was presented by Tony Masella who referred the Board to the ten live risks categorised as eight amber and two yellow. The register incorporated comments made at the ARAC meeting in June and had been reviewed by the Executive Management Team on 14 July.

The Assurance Map showed the assurance around each risk and the risk owners. The Board noted both documents.

Matters for Approval

Intelligent Automation (IA) Business Case. Lee Anderson explained the benefits of moving forward the proof of concept for evidence summaries into the production environment for development, but further work was required in respect of drafting decisions. He clarified that the business case had been approved last year, the paper circulated today was supplementary information to a decision the Board had made previously. If the Board approved the request for £40k to implement the IA solutions outlined, the request would be submitted to the Department for the capital funding. **The Board approved the request.**

Renewal of Ceox Contract under G-Cloud 14. The call-off contract under which the VTS engaged Ceox Services Ltd (IT Partners) had expired. Following a review of suitable providers listed within the Crown Commercial Services (CCS) framework, Ceox Services Ltd remained the preferred provider under a new G-Cloud 14 contract due to the specific requirements of the VTS. The Board was assured that by engaging through the CCS, all costs were determined under the framework which took away the need for a separate tendering process by the VTS. This was an overarching contract, within which

there were different proposals and terms for individual work. **The Board approved the continuation of Ceox Services Ltd as an IT Partner and the acceptance of the G-Cloud 14 contract for this.**

Chair's Report

The Chair has a meeting with Baroness Taylor on 15 September where she hopes to discuss the VTE/VTs review, workload matters, as well as Board appointments.

The Chair informed that Stephen Chappell would be appointed Chair of ARAC to replace Kevin Everett, with effect from 31 August 2025. **This was agreed by the Board.**

The Chair was hopeful Alison Griffiths' and Stephen Chappell's respective terms as Board Members would be extended beyond 1 February 2026.

The Chair advised that she would be conducting individual discussions with all Board Members in September. This would be in conjunction with a Board Effectiveness Survey that would be circulated to Members shortly. The results of the discussions and the survey would be discussed at the September Board meeting.

On behalf of the Board, the Chair congratulated Joanne Hadley on her appointment as a District Judge to the First Tier Tribunal. Joanne would be leaving the Board in January 2026. The Chair hoped it would be possible to recruit four VTE Senior Members to the Board, two to start in early 2026 and two to start in early 2027.

Kevin Everett had been unable to join the meeting today, but in his absence the Chair expressed her gratitude for his contribution to the Board; and his membership and chairmanship of ARAC. She was grateful that Kevin would continue in his role as a Senior Member of the VTE.

VTE President's Report

The President was pleased to report that he was not aware of any complaints about tribunals, possibly because virtual hearings provided a more comfortable hearing environment for users. A preliminary induction session for the latest cohort of VTE Members would be held in London during September/October.

Gary Garland announced his decision to retire as the President of the VTE. He planned to leave either at the end of the calendar year, or the end of the financial year at the latest. Tony Masella added that the appointment of a VTE President needed to be included into the judicial recruitment programme by MHCLG as the sponsoring body.

Date of next meeting: Wednesday 24 September 2025.