# THE VALUATION TRIBUNAL SERVICE

## ANNUAL REPORT AND ACCOUNTS 2024 - 2025

VALUATION TRIBUNAL SERVICE

HC 1392

# The Valuation Tribunal Service

Annual report and accounts 2024-2025
For the period 1 April 2024 to 31 March 2025

Presented to Parliament pursuant to Schedule 4, paragraph 20 (4)(b) to the Local Government Act 2003

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# Contents

# Overview

## Chief Executive's report

We are at the heart of the local taxation appeals system in England and provide an independent service, maintaining our independence from the bodies whose decisions are being challenged. Although two separate statutory bodies, the Valuation Tribunal Service (VTS) and the Valuation Tribunal for England (VTE) work in partnership to deliver the end-to-end process from registration of an appeal received by the VTS to the issuing of a decision by the VTE. What this synergy means for tribunal users is that even those whose appeals are not successful should feel that they have received a good administrative service from the VTS.

User expectations change so being flexible to adjust quickly to changing demands is important to us in delivering our service to the public and in supporting the VTE. Our focus this year has been on strengthening the delivery of a high-quality service that our users expect and value.

A significant risk for us over some time has been VTE Member engagement. We recognise that in balancing work/life commitments VTE Members providing the expected commitments to the VTE can be challenging. We have further enhanced their engagement with the introduction of a digital platform to self-manage their sitting commitments. Launched in April this year, the early signs are very promising, and we will be looking for feedback in how best to take this digital platform to the next stage.

Following the implementation of an engagement strategy, the level of engagement by VTE Members has shown improvements this year. This improved engagement has facilitated the convening of 919 hearing days (807 in 2023-24) to which 8,360 appeals were listed (8,668 in 2023-24). A total of 3,580 determinations were given by hearing panels in this financial year (2,623 in 2023-24).

The VTE sits outside the wider Ministry of Justice (MoJ) tribunals. VTE appointments are made by the Lord Chancellor, whilst the tribunal itself is a non-departmental body of the Ministry of Housing, Communities & Local Government (MHCLG). This dual involvement can be confusing to new appointees as they enter a non-paid, non-legal post, that is heavily reliant on voluntary commitment. Our sponsoring Department's internal review in examining our role and structure as a tribunal that sits outside the MoJ will hopefully provide some direction in this regard. We have been proactively working with our sponsoring Department on this.

We have also researched Intelligent Automation and looking at how machine learning can add further value to what we do. This has been a positive experience leading to a proof of concept. We will be taking this forward to implementation this year, subject to capital approval.

Our expected move to 2 Marsham Street, London (Home Office), as part of our matured plan to move into the Crown Estate in anticipation of the expiry of our office lease on 31 October 2025 has happened, and we have been adjusting to our new environment since 1 September 2025.

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.

**Antonio Masella**
Chief Executive and Accounting Officer
Valuation Tribunal Service

# Chair's statement

Having served first as a lay member of the Valuation Tribunal Service's (VTS) Board, then as its interim Chair, and from 1 February 2025 as Chair, I have witnessed how the organisation, both Executive and Board, over the years has engaged with and strived to meet the challenges in ensuring the Valuation Tribunal for England (VTE) continues to function well and be ably supported.

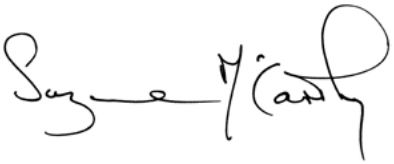
The Board has an important governance role in approving the VTS's strategy and Business Plan, and in monitoring the delivery of its Key Performance Indicators (KPI) and objectives applying a robust risk management approach. I was delighted this year to welcome five new members to the Board – Joanne Hadley and Chiew Yin Jones (both VTE Chairs) and lay members Sarah Guerra, Clive Quantrill and Kevin Sadler. It is crucial that the Board continues to be constituted as required by statute (no more than 10 and not less than six) comprising a majority of VTE Chairs. We are working with the Department to ensure that this requirement remains met as ministerial terms of appointment come to an end.

The Chief Executive has referred to the significant risk posed to the successful delivery of appeal decisions regarding lack of VTE engagement. During the year the Board has actively supported the Chief Executive in taking forward various initiatives to encourage greater VTE Member engagement. The Board is pleased that these are beginning to show positive results. The Board is also very aware that the loss of several experienced Clerks has placed real strain on resourcing the levels of possible hearings. The Board has welcomed the work being taken forward on seeking uses for Intelligent Automation and the introduction of several technological improvements. Hopefully these will alleviate some of the pressures.

During the year we have made changes to the Terms of Reference (TORs) of Board sub-committees. The Performance Committee is a new Committee whose TORs were approved by the Board at the end of the financial year. Its purpose is to support the Board and Chief Executive by ensuring oversight and guidance on setting operational performance measures. These in turn should support the VTS's strategic, business and forward plans while considering risk to delivery and evaluating the organisation's operational performance at both mid and year end. The Finance Committee's TOR have been refocused to encourage that Committee to do more in monitoring financial performance with the aim of efficiently maximising budget spending and, in particular, the identification of areas where spending can be best utilised. The Remuneration Committee's TORs have also been updated to reflect clearly its primary role in relation to the Chief Executive's remuneration.

Now, as we look into what the next financial year will bring, the Board expects that the outcome of the internal review of the organisation undertaken by our sponsoring Department may identify efficiencies in regulatory processes regarding local taxation appeals. I am confident that the Board and the Executive will navigate any change.

Finally, I want to thank Kevin Everett, a VTE Chair, for his long service as a member of the Board. Kevin's contributions and insights have always been welcomed. He will be missed.



**Suzanne McCarthy**
Chair
Valuation Tribunal Service

# Our services and what we do

The statutory purpose of the Valuation Tribunal Service (VTS)[1] is enshrined in the Local Government Act 2003 and the organisation was created on 1 April 2004. Our function at the VTS is to support the Valuation Tribunal for England (VTE)[2] and to provide the most effective service we can to those involved in local taxation appeals.

The VTE's jurisdiction covers appeals on:

- business (Non-domestic) rates
- council tax (liability, valuation and support)
- completion notices
- penalty notices for failure to provide requested information

The VTS is a non-departmental public body (NDPB), sponsored by the Ministry of Housing, Communities & Local Government (MHCLG). The VTE is a tribunal NDPB also sponsored by MHCLG.

In supporting the VTE, the VTS's statutory role includes arranging and administering hearing days, training VTE Members, providing general advice and assistance to appellants and their representatives, and issuing statutory notices. The VTS also provides hearing clerks to advise the lay panels at hearings on practice, procedure and any legal issues, and to draft the decisions arrived at by the panels for their approval.

The President of the VTE has a statutory duty to ensure that arrangements are made for appeals to be determined in accordance with the Regulations.[3]

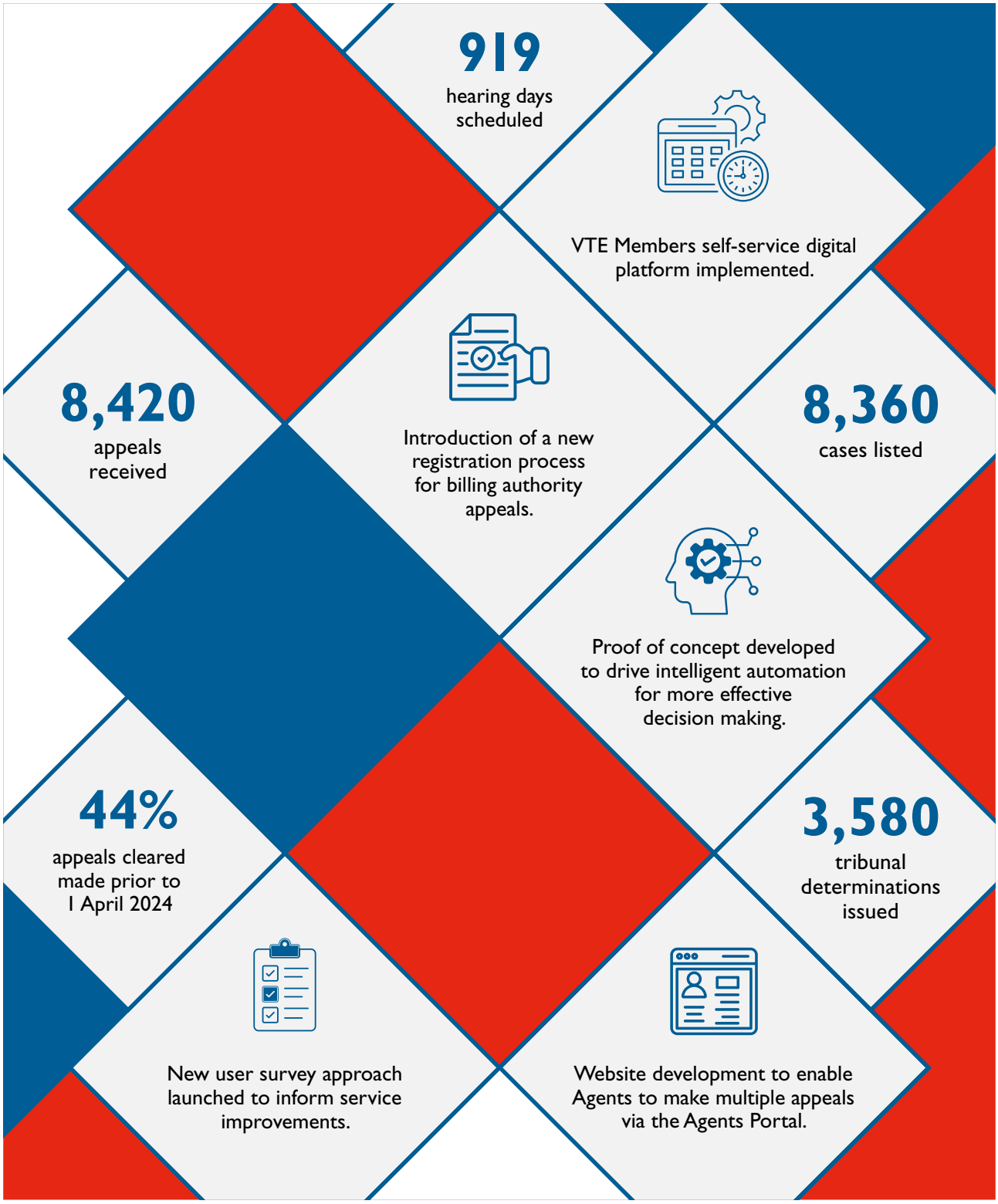
An appeal arises when the Valuation Office Agency (VOA in the case of business rates or council tax valuation) or the council (for other council tax matters) does not agree with a ratepayer's or council taxpayer's contention and the ratepayer or council taxpayer seeks an independent resolution to the matter.

1 The VTS was established under the Local Government Act 2003 and created on 1 April 2004
2 The VTE was established by the Local Government and Public Involvement in Health Act 2007, which amended the 2003 Act; it came into being on 1 October 2009
3 Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009 SI 2009 No 2269 as amended

## Our Values


Impartial
We act with integrity, honesty and openness in exercising our statutory functions, to maintain confidence in us as a public service.
Professional
We deliver on our commitments by applying high levels of expertise, conduct and personal responsibility and developing our skill base.
Our Values
Efficient
We actively embrace change and bring new ideas to deliver excellent, value for money services for our users, demonstrating agility and flexibility in our approach.
People focussed
We are responsive to the needs of our users in taking care to get things right.

## Our year's highlights



# Key risks and issues

Our key risks are:

- Recruitment of VTE Members – The current recruitment process is not the ideal model for recruiting to voluntary, non-paid, non-legal posts. The end-to-end recruitment process can take from 12 to 18 months to conclude with named appointments. We continue to work with our sponsoring Department in finding a better way forward.
- VTS staff resources – We have a proud reputation of retaining staff, many with long service. The skill set of our front-line staff is essential in the delivery of our service. We introduced a successful Clerk training programme during this financial year, and we are expanding to another trainee programme in 2025-26. This ensures that we develop the technical knowledge of our future Clerks' needs in supporting hearing panels and providing a flow for the future as our long-serving staff consider potential retirement options.
- Workload expectations – As an appellate body, we are the last resort to what, for many, can feel like long-running disputes met by various obstacles along the way, possibly adding to levels of frustration. 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. From experience, we receive a flood of appeals in the first four months of the financial year as bills start hitting doormats. Our aim is to prioritise the listing of these appeals at the earliest opportunity given that the appellants are largely unrepresented and that an outcome can impact on them financially. Business rates appeals are predominantly lodged by represented rating firms and due to valuation approaches adopted often require a longer lead time for listing.
- Impact of MHCLG internal review – It is common practice for sponsoring departments to revisit the functions provided by their arms-length bodies to ensure that in the passage of time such bodies continue to be the most efficient way of exercising their function. We have been working with our sponsoring Department on such a review to ensure that local taxation appeals continue to be administered and dealt with in the most efficient manner possible.

# Going concern

The Valuation Tribunal Service (VTS) is a statutory body under the Local Government Finance Act 2003 and established by Parliament. The organisation continues to be a statutory body and remains an ongoing concern. In common with other non-departmental public bodies (NDPBs), the future financing of the organisation's liabilities is to be met by GIA and has already been included in the sponsoring Department's Parliamentary estimates for 2025-26, and therefore the continued provision of service assumption is appropriate.

The Accounting Officer has a reasonable expectation that the Department has adequate resources to continue in operational existence for a period of at least 12 months from the date the financial statements are authorised for issue.

The financial statements are prepared on the assumption that the VTS is a going concern and will continue in operation for the foreseeable future.

The Statement of Financial Position shows a net deficit of £0.701m at 31 March 2025 (a net surplus of £5.523m at 31 March 2024). This reflects the inclusion of pension liabilities falling due in future years which, to the extent that they are not to be met from the VTS's other sources of income, may only be met by future grants or grants in aid from the sponsoring Department. This is because, under the normal conventions applying to parliamentary control over income and expenditure, such grants may not be issued in advance of need.

# Performance summary

The VTS completed 11 of the 16 objectives published in our Business Plan, four were partly met and one has not been met. The objective that has not been met refers to a review of operational staffing. However, this work was overtaken with recent retirements and a need to maintain front-line resources. A recruitment exercise for the clerking workforce is in process and this particular objective will be revisited as part of 2025-26 priorities.

Further details appear in the performance analysis section from page 13.

Of the 14 key performance indicators (KPIs) identified for 2024-25, the VTS achieved or exceeded the targets for 12 of them (see page 19).

As a service delivery body created by statute with the purpose of supporting the Valuation Tribunal for England (VTE), our strategic objectives remain static, whilst our aims and priorities will change to reflect areas of improvements identified. We will continue to ensure that we are able to respond positively to any regulatory changes introduced within the non-domestic rating and council tax environment to enable us in continuing to deliver our statutory functions required from us within the Local Government Act 2003. This we will do whilst contributing to public sector finance initiatives and continuing to operate within the financial envelope delegated to us by our sponsor.

Our plan for the coming financial year is to continue to be the best we can as experts within our field and continue in being flexible in meeting any challenges head on. We periodically review our staffing structure to ensure we are aligned to our business aims and that we continue as a forward-thinking organisation, presenting solutions to challenges.

# Performance analysis



## Volumetrics

Over 4,700 appeals were brought forward in April 2024 and over 8,000 were received in the year. The table below shows the details of these figures by appeal type:

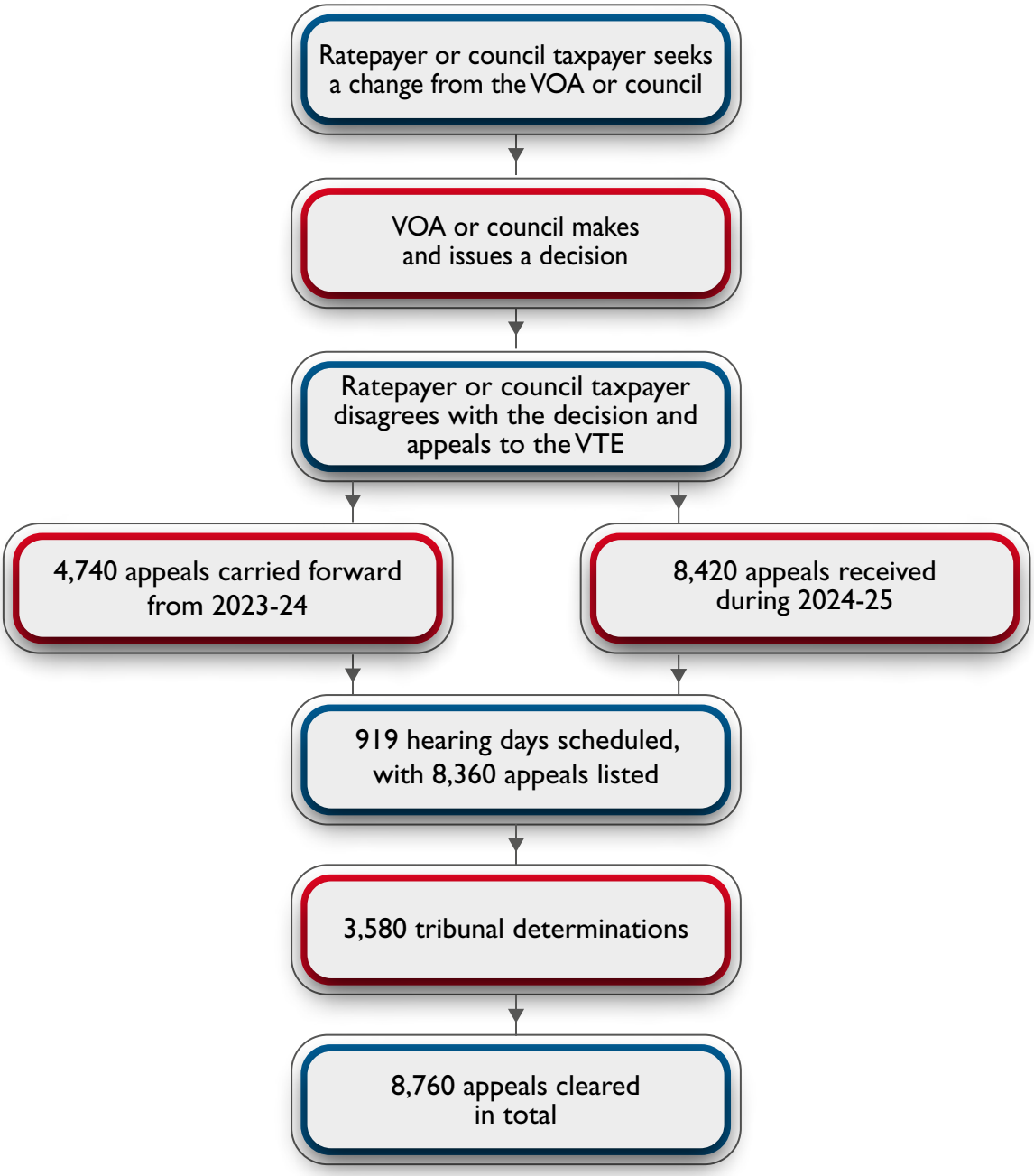
**Table 1**

| Appeal Type | Brought forward 1 Apr 2024* | Received 2024-25 | Cleared 2024-25 | Carried forward 31 Mar 2025 |
|---|---|---|---|---|
| Council Tax: Completion Notice | 120 | 600 | 700 | 20 |
| Council Tax: Penalty Notice | 0 | 30 | 30 | 0 |
| Council Tax: Liability | 500 | 1,190 | 1,230 | 460 |
| Council Tax: Notice of Invalidity | 20 | 30 | 50 | 0 |
| Council Tax: Reduction | 430 | 720 | 890 | 260 |
| Council Tax: Valuation | 1,780 | 2,450 | 3,350 | 880 |
| Non-domestic: Completion Notice | 30 | 340 | 330 | 40 |
| Non-domestic: Penalty Notice | 0 | 70 | 40 | 30 |
| Non-domestic: Transitional Certificate | 10 | 50 | 40 | 20 |
| Non-domestic: Rating List 2017 | 1,830 | 2,580 | 2,010 | 2,400 |
| Non-domestic: Rating List 2023 | 20 | 360 | 90 | 290 |
| **Total** | **4,740** | **8,420** | **8,760** | **4,400** |

* Note: Figures in the table are rounded to the nearest 10. Some "Brought forward" figures differ slightly from the "Carried forward" figures reported last year due to the rounding, added to the fact that the statistics are based on a "snapshot" of data at a fixed point in time. This can change over the course of a day, because of reinstatements or clearances of appeals.

During the year, 919 hearing days were scheduled to which we listed 8,360 appeals and issued 3,580 tribunal determinations. In line with VTE protocols, 99.9% of hearings were held remotely using video or telephone conferencing facilities. Five hearings were scheduled in person due to exceptional reasons.

**Chart 1**
Appeals process and headline workload figures



## Achievement of business objectives and key performance indicators

The VTS Business Plan for 2024-25 sets out the objectives for the organisation. The Board and our sponsoring team receive a performance report quarterly. This report is aligned to our objectives and details our performance in each of the key strategic areas, as shown below in Chart 2 and Table 2.

**Chart 2**
Our Strategic Objectives

**Table 2**

| Business Plan Objective | Achievement | Comments |
|---|---|---|
| Review Tribunal requirements for submission of evidence regarding Section 16 appeals. | **MET** | The VTE Consolidated Practice Statement sets the VTE operating framework. Changes were made this year to reflect the prerequisite to active case management, introduced in October. |
| Implement active case management protocols that improve efficiency in Section 16 appeals management. This includes developing and implementing processes for triaging appeals from receipt to listing. | **MET** | Introduced in October, this has created a triage approach in assisting to progress Section 16 appeals and in engaging with billing authorities in a more meaningful way. |
| Develop and implement a standardised process that facilitates the exchange of meaningful information between Clerks and VTE Panel Members prior to the hearing so that 'approved duty' time is used effectively and efficiently at all times. | **MET** | This has produced standardised approaches, saving time in reviewing evidence packs producing more effective decision-making. |
| Review and redesign VTE Member booking/scheduling to consider how hearings are scheduled to best align with VTE Member availability. | **MET** | The VTE Members self-service digital platform has been launched allowing self-management of members' sittings. |
| Review the various notices sent to parties and implement changes that make our notices easier to understand and reflect post remote hearing changes. | **MET** | All statutory notices have been reviewed and implemented to introduce Plain English and remove legal jargon for greater understanding by users. |

| Business Plan Objective | Achievement | Comments |
|---|---|---|
| Research and develop artificial intelligence (AI) in areas that can benefit the delivery of our service. | PARTLY MET | Research in Intelligent Automation (IA) has led to a proof of concept to develop IA in the hearing environment. |
| Improve user experience by reviewing machine learning, including integration into VTS platforms, e.g. Dynamics and website. | PARTLY MET | The developed proof of concept has set the scene for development work for 2025-26, subject to ratification of the capital business case. |
| Establish an internal Member Delivery Group to provide a forum to discuss VTE Member engagement issues and provide a better cohesive volunteering experience. | MET | This forum has instigated changes regarding member engagement issues, including introduction of half-day hearings to maximise the clearance of appeals. |
| Implement a plan to improve membership engagement that builds on research carried out in 2023-24. | MET | This became part of our project management aims on VTE Member engagement which has increased engagement. |
| Investigate and develop management standards and internal KPIs for aspects of recruitment. | MET | This resulted in Gantt charts being developed to better manage staff recruitment. |
| Explore and commission a more user-friendly Learning Management System (LMS). | MET | Implemented Articulate 360 for module development and a new LMS contract is in place. |
| Review the operational staffing structure to ensure it remains fit for purpose in a changed environment. | NOT MET | This started with secondment opportunities being advertised. However, front-line resource pressures meant that this could not be taken forward and is a priority for 2025-26 once front-line staff are recruited. |

| Business Plan Objective | Achievement | Comments |
|---|---|---|
| Review and implement ways of achieving regular 'get together' days for homeworking staff that addresses areas of isolation, physical and mental wellbeing. | **MET** | A number of 'get together' days have been held creating an office day effect for homeworkers. This has proved positive in sharing views and experiences among the team. |
| Conduct a 360 review of key finance processes including updating process notes and streamlining so that they remain relevant, appropriate and proportionate for the organisation. | **PARTLY MET** | A review has started, and cash flow processes have been automated. This remains a key objective within the Finance department. |
| Enhance the SAP reports, including the creation of new reports, to provide continuous improvement in reporting. | **PARTLY MET** | This forms part of an ALB MHCLG family project led by Financial Shared Services Division (FSSD) to develop, enhance and introduce a new reporting structure as part of MHCLG's SAP upgrade. This remains ongoing work. |
| Maintain the financial stability by reviewing and reporting on elements of our admin budget allocation to ensure funding expectations continue to meet our statutory aim in light of the changing environment. | **MET** | The Finance Director has introduced quarterly budget holder meetings to engage all budget holders in providing a holistic view of forecast and spend. This will be developed further in 2025-26 to provide a greater reassurance on organisational forecasting and budget expenditure. |

## Key performance indicators

We published 14 key performance indicators (KPIs) in our Business Plan for 2024-25, Table 3 reflects the outcome of these KPIs at year-end. Twelve were exceeded or met with two falling short of our targets. The KPIs falling short relate to a timeframe of determination within six months of receipt as certain types of appeals have necessitated further discussion between the parties before they could reasonably be listed. The past 12 months has shown an improvement in our measures.

In order to enable more effective monitoring of our performance, we adopt a more granular detail to measure performance spread over a period covering seven, eight, nine and 12 months of receipt to listing (see Table 3a).

**Table 3**
Business Plan KPIs

| Performance measure | Target in 2024-25 | Achieved | Comments |
|---|---|---|---|
| Support the VTE by administering a fair, efficient and accessible appeals system | | | |
| Council Tax (CT) appeals determined within 6 months of receipt | **80%** | **58%** | We have improved from 37% to 58% during the past 12 months and expect the improvement to continue moving forward. |
| Council Tax (CT) decisions issued within 1 month of the hearing | **92%** | **95%** | 2,527 of the 2,655 CT decisions issued during the year were issued within 1 month of the hearing. We continue to ensure that once an appeal is heard a decision is issued within one calendar month. |
| Council Tax (CT) appeals resolved at first time of listing | **80%** | **88%** | 5,328 out of 6,059 appeals were resolved at the first listing. |
| Non-domestic Rating (NDR) 2017 appeals determined within 6 months of receipt | **86%** | **77%** | We have improved from 56% to 77% during the past 12 months and expect the improvement to continue moving forward. |
| Non-domestic Rating (NDR) 2017 decisions issued within 1 month of the hearing | **95%** | **96%** | 679 of the 704 NDR decisions issued in the year were issued within 1 month of the hearing. |
| Non-domestic Rating (NDR) 2017 appeals resolved at first time of listing | **80%** | **82%** | 1,001 out of 1,226 appeals were resolved at the first listing. |

| Performance measure | Target in 2024-25 | Achieved | Comments |
|---|---|---|---|
| **Enhance the quality and consistency of our service to all stakeholders** | | | |
| Complaints resolved at stage 1 with no further escalation | **82%** | **98%** | We received 17 complaints during the year, of which 15 were resolved at stage 1. |
| Tribunal notices issued electronically | **92%** | **99%** | 53,889 out of 54,647 hearing notices were issued electronically. |
| NDR appeals lodged using our online appeal service | **92%** | **100%** | 100% of NDR appeals received since 1 April 2024 were received through the online portal. |
| Convened hearings result in 2 or more appeals being heard on the day | **84%** | **92%** | We maintain a focus on using hearing time as effectively as possible. 768 out of 831 convened hearings resulted in 2 or more appeals being determined. |
| Customers surveyed satisfied with the overall service (pre-hearing) | **65%** | **72%** | Over two-thirds of our users have indicated satisfaction with the pre-hearing service provided by the VTS. We continually review feedback from our annual user survey to build in further improvements in our processes and approach. Satisfaction level has increased from 70% in 2023-24. |
| **Build capacity and capability in our staff, learning from their experience and from their feedback** | | | |
| Short-term sickness absence maintained at or less than the previous years | **3.6** days or less | **2.94** days | Short-term sickness levels have fallen from 3.08 days last year. |
| On average staff to receive 5 days or more training and development in the year | **5** days | **6.5** days | Overall staff received on average 6.5 days training in 2024-25. |
| **Operate with financial and organisational initiative and efficiency** | | | |
| Undisputed invoices are paid promptly within 5 days of receipt | **92%** | **92%** | 441 out of 481 undisputed invoices processed over the 12-month period, were paid within 5 working days. |

**Table 3a**
Granular performance data

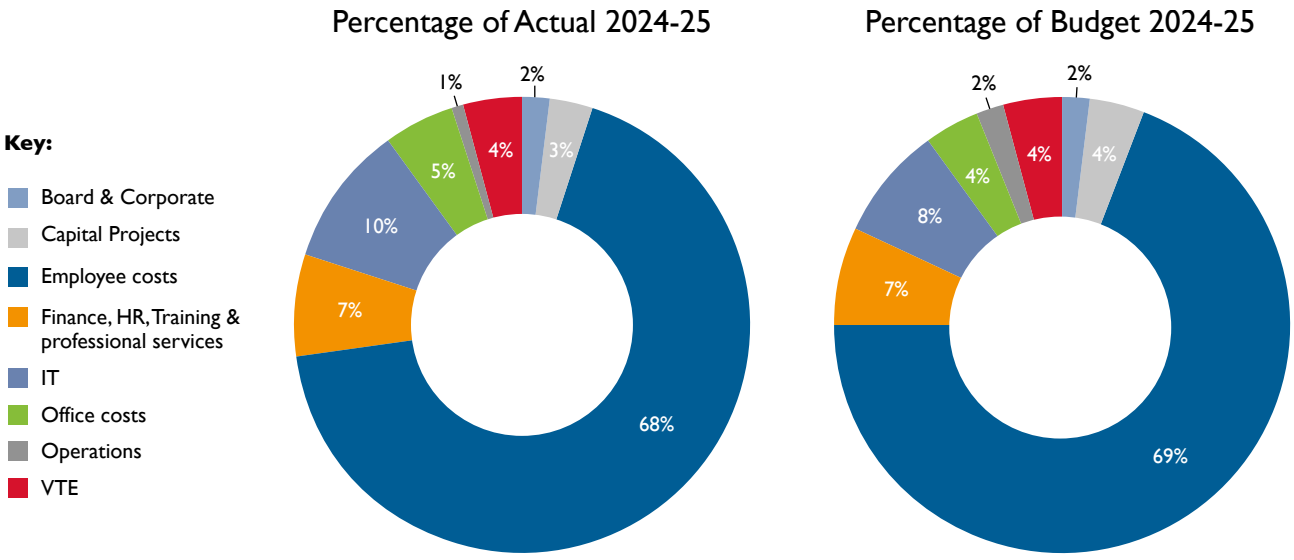
| Performance measure | Achieved | Comments |
|---|---|---|
| Council Tax (CT) appeals determined within 7 months of receipt | **69%** | 4,202 out of 6,059 appeals were determined within 7 months. |
| Council Tax (CT) appeals determined within 8 months of receipt | **77%** | 4,683 out of 6,059 appeals were determined within 8 months. |
| Council Tax (CT) appeals determined within 9 months of receipt | **89%** | 5,418 out of 6,059 appeals were determined within 9 months. |
| Council Tax (CT) appeals determined within 12 months of receipt | **95%** | 5,786 out of 6,059 appeals resolved in the year were dealt with within 12 months. |
| Non-domestic Rating (NDR) 2017 appeals determined within 7 months of receipt | **81%** | 994 out of 1,226 appeals were determined within 7 months. |
| Non-domestic Rating (NDR) 2017 appeals determined within 8 months of receipt | **83%** | 1,023 out of 1,226 appeals were determined within 8 months. |
| Non-domestic Rating (NDR) 2017 appeals determined within 9 months of receipt | **86%** | 1,056 out of 1,226 appeals were determined within 9 months. |
| Non-domestic Rating (NDR) 2017 appeals determined within 12 months of receipt | **92%** | 1,122 out of 1,226 appeals were determined within 12 months. |

## Financial Performance

The financial statements, as set out on pages 68-71, have been prepared in accordance with the Government's Financial Reporting Manual (FReM).

The operating expenditure for the financial year remained within the allocated budget, was £5.2m (2023-24: £5.2m). The largest area of expenditure was staffing costs and accounts for 68% of the total operating expenditure (2023-24: 65%). The below chart provides a breakdown of how we have utilised our resources.

**Chart 3**




The defined benefit pension fund closing position is net liability of £1.062m (the fund position for 2023-24 was net asset of £4.814m), an overall loss of £5.876m from the previous financial year after applying a Net Asset Ceiling of £15.802m. This is primarily due to changes in financial assumptions, changes in demographic assumptions and interest on assets and partly offset by the loss from invested assets and changes in the projected benefit obligations.

The overall loss in the pension fund reduced the Statement of Financial Position from Net Asset of £5.523m (2023-24) to £0.701m (2024-25) Net Liability.

## Training

### Staff

Our commitment to investing in staff learning and development remained a key priority during the year, averaging 6.5 days of training per member of staff. This training focussed on both personal and professional growth. This year, we introduced a refreshed approach to the programme, placing greater emphasis on both knowledge, skills and holistic staff wellbeing.

We launched a new initiative this year comprising a series of workshops designed to reinforce essential skills and knowledge needed for day-to-day work, such as practical workshop sessions on better use of key tools and systems.

We also launched a series of Safe Space Talks comprising a series of webinars focussed on both physical and mental wellbeing (neurodiversity, men's health and the female menopause) facilitated by external speakers to embed a wellbeing culture among our staff for learning, awareness and support.

To complement our workforce of home working and office-based staff, we held two all staff events, with external facilitators, bringing together the two groups of staff designed to team build and to emphasise a one team approach. We also held a Sexual Harassment Awareness training session ahead of the legislation introduced in September 2025 and provided a refresher session on Equality, Diversity & Inclusion.

During the year, we launched online HR Workshops for Managers as a space for line managers to discuss challenges and learn about key people-management policies and putting these into practice.

### Valuation Tribunal for England (VTE) Members

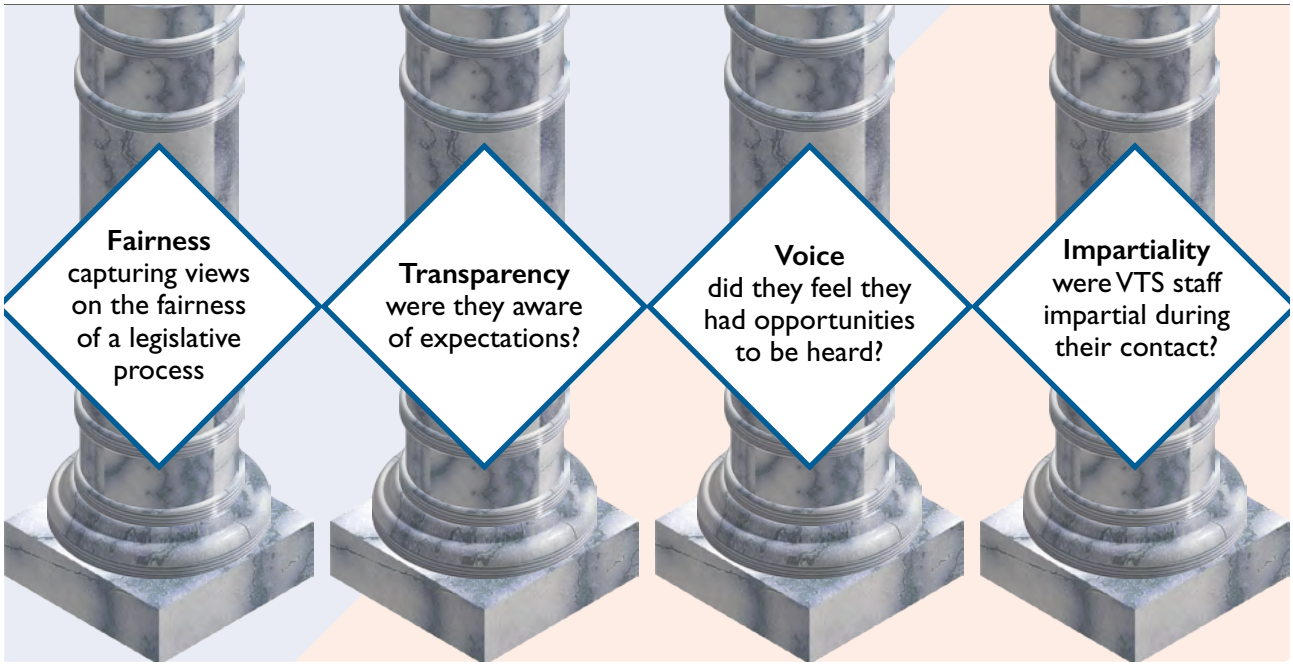
A key function of the VTS is to deliver training to the cohort of VTE Members and to ensure that they have the necessary tools to be effective at hearings. During the year, we have provided seven training events, both online and face-to-face, as a flexible way in engaging members that best suits their individual requirements and learning experience.

The 2024-25 training programme featured a balanced mix of refresher sessions, designed to reinforce key knowledge and skills, as well as insights from guest speakers across the wider tribunal landscape.

70% of VTE Members took advantage of attending at least one training session during the year which reflects members' commitment in developing and strengthening their knowledge and skills in tribunal hearings.

## Our user survey

User feedback helps us to improve the service we provide and is important to us. During the year, we engaged the services of Beehive Research to take forward a new way of conducting our user research. Following initial in-depth interviews with staff and users to fully understand what they felt was important to them, we replaced the previous pre-hearing and post-hearing surveys with a single survey. We launched this in October 2024. Our survey draws out feedback on the four pillars of the Procedural Justice Theory (see below).




The findings between October 2024 and September 2025 (12 months) have shown an increase in pre-hearing satisfaction levels of 72% (70% for 2023-24). This increase reflects the user improvements to our website, information leaflets (Plain English) and process changes.

We continue to learn from our survey findings, and this helps us to make further improvements moving forward.

## Complaints

The VTS maintains a register of complaints received. Our Customer and Service Charter and Complaints Policy documents are reviewed annually and are readily available on the VTS website.

During the year, we registered 17 formal complaints about the administration (10 in 2023-24), six of which were upheld (two in part). In all, 15 of the complaints were resolved at the first stage of our two-stage complaints process.

No complaints were investigated by the Parliamentary and Health Service Ombudsman (PHSO) during the year.

## Estate matters

We occupied a single London based office until its lease expiry on 31 October 2025. We have migrated to a new location within the Crown Estate at 2 Marsham Street, London.

## External venues for hearings

The introduction of remote hearings has significantly reduced the number of external venues previously hired to conduct hearings. We now limit any external hire to situations where appellants are unable to participate in remote hearings, and where such applications have been approved by the VTE President. During the year, we have hired five venues outside of our estate (12 in 2023-24).

## Health and safety

There were no accidents reported in 2024-25. One minor "near miss" incident was recorded, which was resolved immediately.

Four meetings of the Health and Safety Committee were convened during the 2024-25 financial year. These are held quarterly to monitor health and safety across the organisation.

Fire risk assessment and overall office health and safety audits were carried out in the Leman Street office in October 2024. No major issues were reported for the VTS. Some minor "housekeeping" corrections were taken on board and addressed.

## Sustainability reporting and environmental impact

The "VTS is dedicated to integrating sustainable practices into every level of our operations, ensuring long-term value for our stakeholders and the planet". As a small non-departmental public body, we recognise the importance of playing our part in contributing to sustainability and the wellbeing of our environment. As a statutory body supporting a judicial tribunal, we operate an online hearing process which has eliminated the need to travel to a hearing.

We have established clear Key Performance Indicators (KPIs) to track our progress in these areas.

### Paper use and recycling responsibly

Our continuing campaign of 'Reduce, Reuse and Recycle' paper both in the office and home environment has greatly contributed to modified staff behaviour. We now champion a paperless office and over the years have reduced the volume of paper purchased, which now stands at a 90% reduction on our 2019-20 baseline.

| Year | Paper usage (reams) |
|---|---|
| 2019-20 | 470 (baseline) |
| 2022-23 | 75 |
| 2023-24 | 0 |
| 2024-25 | 30 |

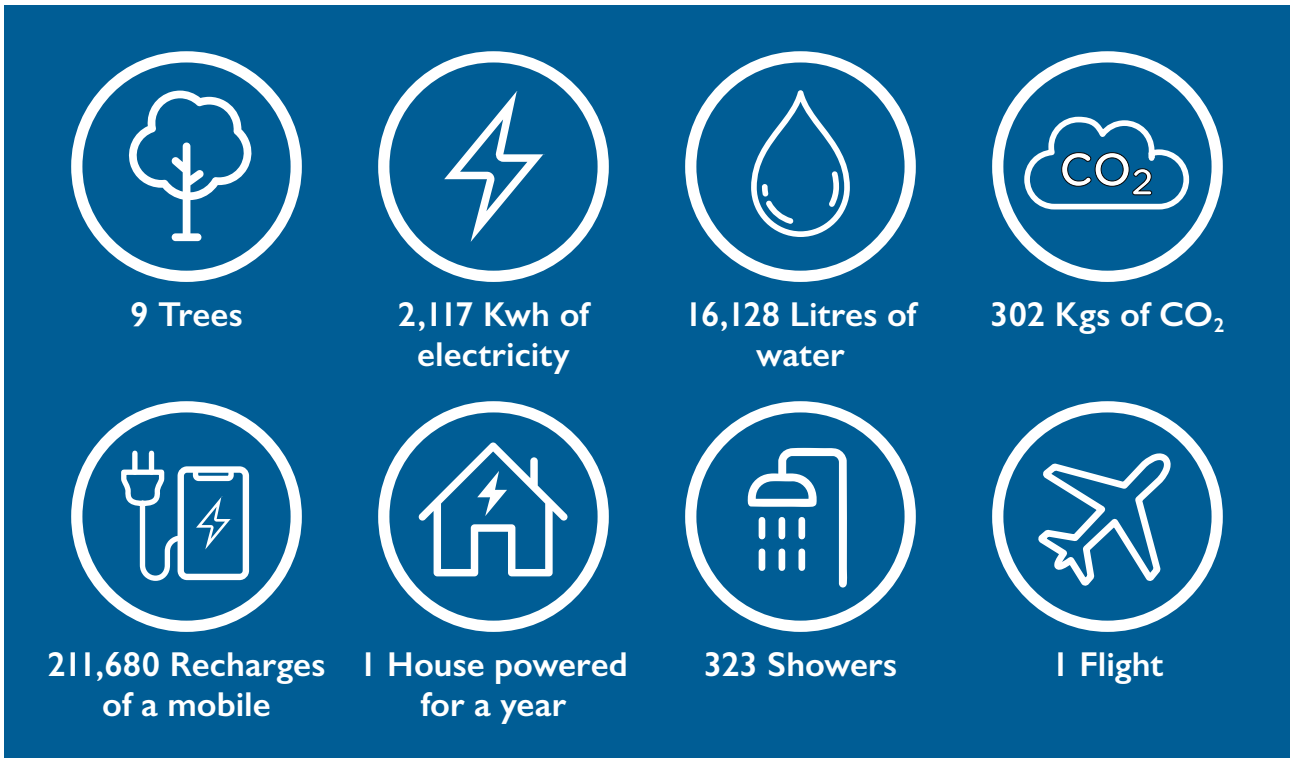
As a statutory administrative body supporting a judicial body, printing is sometimes a necessity. However, we remain part of a recycling programme with Hewlett Packard's (HP) Planet Partners regarding toner cartridges. Together the collective behaviour has created a more effective change than individual action in helping the planet, people and community. According to the HP website more than 875 million original HP ink and toner cartridges have been recycled by customers with HP Planet Partners.

As our staff are split between office-based and home-based working, recycling plastics, paper and other forms of waste are also encouraged.

## Confidential waste disposal

Confidential waste has been collected from the VTS office for several years.

During the year, we saved 504kg of paper which is equivalent to:




## Digital solutions

Sustainability has been a key feature for our Programme Management Board over a number of years and continues to be a driving factor when developing digital solutions. We have eliminated paper bundles from the appeal process relying solely on electronic submissions.

## Office premises

During 2024-25, we were an occupier in a non-government managed building located in London (Leman Street) and were not in direct control of utility providers nor did we have the authority to make changes to the building that would champion greater environmental benefits. As such, recording and maintaining Greening Government Commitments data was limited. However, we maintained a focus on the elements that were within our control in supporting government's agenda on this.

## Energy indirect GHG emissions – purchased electricity from suppliers

| | 2023-24 | 2024-25 |
|---|---|---|
| Total electricity consumption (kWh) | 62,570 | 56,130 |

Total electricity consumption during 2024-25 decreased by 10% compared to 2023-24.

## Working with environmentally conscious suppliers

We have selected to work with suppliers who are environmentally conscious. We also use suppliers approved by the Civil Service Contracts (Framework Agreements), which have undergone central government scrutiny. An example of such a contract is Banner, our stationery provider.

## Reduction in car usage

Our staff rely on different modes of transport to travel to the London office, or to places to carry out their duties. This can range from walking, driving, trains, buses, or a mixture of these. We have over the years moved away from the designation of staff having specific access to a vehicle in order to attend hearing venues and receive an allowance, to now using public transport wherever possible as the mode of transport. This policy change has reflected a general reduction in car usage.

## Reduction in Business Travel

Our move to online hearings has greatly reduced the need for travelling.

The below tables show business travel in 2024-25 via the Corporate Travel Management (CTM) contract, broken down by number of trips and the carbon emissions generated in total, per trip, per traveller and by month.

| Mode of transport | Railway |
|---|---|
| Number of trips | 465 |
| Carbon Emissions (kg $CO_2$) in total | 7,000 |
| Carbon Emissions (kg $CO_2$) per trip | 16 |
| Carbon Emissions (kg $CO_2$) per traveller | 44 |

Carbon emissions by month

| Month | $CO_2$ Emissions |
|---|---|
| April 2024 | 394 |
| May 2024 | 178 |
| June 2024 | 766 |
| July 2024 | 541 |
| August 2024 | 50 |
| September 2024 | 922 |
| October 2024 | 780 |
| November 2024 | 493 |
| December 2024 | 903 |
| January 2025 | 310 |
| February 2025 | 631 |
| March 2025 | 507 |

On 1 September 2025 we relocated our office to 2 Marsham Street, London. Being part of a central government managed building, we look forward to contributing to the overall reduction in emissions moving forward and making a more direct contribution to the overall building's investment in energy-efficient facilities.

As an organisation, and reflecting what is within our control, we remain focussed in maintaining the following key areas:

### Greenhouse gas emissions

- Contribute to the reducing of our overall footprint by continuing to hold online hearings
- Conduct the majority of our training online (for both staff and VTE Members)
- Investigations into further staff moving to home-based contracts

### Reducing waste sent to landfill

- Raising awareness and championing the importance of shredding and recycling of our paper waste
- Continue to recycle toner cartridges via Hewlett Packard's (HP) Planet Partners recycling programme
- Continue to utilise catering companies who share our sustainability commitments

### Water

- Hybrid working has produced a lower office occupancy level and this has resulted in reduced water consumption

### Paper

- Continued investment in technology, such as the business-to-business API solution, has contributed to the elimination of paper bundles from the appeal process
- Continue to maintain a focus on paperless when investigating new IT/digital solutions

### Travel

- Staff and VTE Members are now carrying out much of their training online via the Learning Management System rather than travelling to training venues

## Focus for the coming year

From 2025-26, the VTS will be able to improve their arrangements for the collection and reporting on sustainability data.

## Climate change adaptations

Our London office continues to be risk assessed for exposure to flooding and such factors are taken into consideration within our business continuity plan.

## Equality, Diversity and Inclusion

Our diverse VTS workforce brings a range of different skills and life experiences to help enhance the work we do. During 2024-25 we looked at further ways of encouraging diversity awareness and inclusion to ensure appreciation of the positive benefits such an approach brings. We did this in various ways from reviewing our policies to enhancing our training to ensure that we met (and continue to meet) our statutory obligations regarding Equality, Diversity and Inclusion (EDI) as an employer and as a public body.

During the past year, we worked towards delivering the EDI objectives we set ourselves as part of our three-year EDI Action Plan, launched as part of our overarching EDI Framework in 2020-21 to promote EDI within the workplace and is updated periodically to ensure it remains both relevant and stretching for the VTS.

During 2024-25, we established the EDI Strategy Group - a standing group of employees charged with developing new initiatives, providing an organisational focus for EDI, and establishing an appropriate forum for challenging colleagues constructively to improve EDI. This Strategy Group, with clear terms of reference and a requirement to meet a minimum of three times each year, is made up of representative staff members from across the VTS to ensure that collective ownership is emphasized across all organisational groups. Advising on the development of policy is also part of the Group's remit.

During 2024-25 the Strategy Group met six times. This has allowed us to maintain momentum on EDI by developing and augmenting training on EDI issues, cascading down EDI conversations within the wider workforce and implementing internal champions of EDI. We provided EDI refresher training for members of the group using both our Learning Management System (LMS) and external training from ACAS in December 2024. An all staff event took place in February 2025 which provided the opportunity of having a very clear focus on EDI awareness for all staff, highlighting the reasonable steps we have taken as an organisation to support the requirements of the updated protection from sexual harassment legislation introduced in October 2024 [Worker Protection (Amendment of Equality Act 2010) Act 2023].

Membership of the Strategy Group is regularly reviewed to ensure that it continues to comprise individuals with a keen interest in promoting a positive environment for EDI, for championing EDI initiatives within their local teams, and for being willing to make their voice heard.

We raise staff awareness of EDI using LMS modules to help broaden their knowledge. We continue to enhance the delivery of EDI material, including a range of one-hour webinars covering work-related issues such as unconscious bias awareness and communicating in a remote environment.

Furthermore, we have progressed the following initiatives:

- created a more distinct EDI section and archive on IRIS (intranet), regularly updated with topics that are being discussed, upcoming events, mental health etc., to assist in staff becoming more aware about EDI
- EDI has become a standing item on team meeting agendas
- we introduced management development opportunities/Chartered Management Institute (CMI) training to grow our future managers from our existing talent pool
- we assessed (and will continue to assess on an ongoing basis) the impact of changed working patterns on both EDI and any impact on recruitment and retention

We continue to offer the service of translating our guidance booklets and VTE decision documents into other languages, Braille or large print. Two requests for large print were received during the year.

During the year we received no requests for a British Sign Language interpreter. There were 15 requests for interpreters (five in 2023-24) to assist appellants. During the year under review, we arranged interpreters for Mandarin, Arabic, Cantonese, Spanish, Lebanese, Slovakian, Albanian, Persian, Farsi and Polish speakers to assist at tribunal hearings.

Our website includes a link enabling the public to download, free of charge, Reachdeck software. This reads out the contents of any webpage, PDF file or Word document. In addition to reading the contents of the website in a variety of languages and accents, this software contains a facility that explains the meaning of any word for the user and enables MP3 files to be created. This year, we logged around 5,770 toolbar loads and 287 speech requests for Reachdeck.

## Freedom of information and data protection

In 2024-25 there were 75 requests (55 in 2023-24) under the Freedom of Information Act for information not readily available.

Nine subject access requests were received (22 in 2023-24). None were referred to the Information Commissioner's Office (ICO) as complaints regarding our handling of these requests.

**Antonio Masella**
Chief Executive & Chief Operating Officer
Valuation Tribunal Service

6 November 2025

# Accountability report

The Accountability report gives details of the governance arrangements in place in the Valuation Tribunal Service (VTS), that underpin the organisation's strategy and decision-making process. The Directors' report lists those responsible for making decisions and includes a report from the Senior Information Risk Owner (SIRO). Risk management and the significant risks and issues form a key part of the Accounting Officer's governance statement.

## Corporate governance report

### The Directors' report

VTS Chair – **Suzanne McCarthy** (Interim Chair 10 May 2024, appointed VTS Chair 1 February 2025). Suzanne McCarthy replaced Harry Rich as VTS Chair following his end of term on 9 May 2024.

VTS Chief Executive & Chief Operating Officer and Accounting Officer – **Antonio Masella**.

In 2024-25 the Board comprised:

- **Stephen Chappell**
- **Kevin Everett** (reappointed to 31 August 2025)
- **Gary Garland** (Valuation Tribunal for England (VTE) President, *ex-officio* Member) (retiring on 28 February 2026)
- **Alison Griffiths** (resigned on 19 October 2025)
- **Sarah Guerra** (appointed 2 December 2024 for a three-year term ending 1 December 2027)
- **Joanne Hadley** (appointed 2 December 2024 for a three-year term ending 1 December 2027) (notified of resignation, intended leaving date of 31 January 2026)
- **Chiew Yin Jones** (appointed 2 December 2024 for a three-year term ending 1 December 2027)
- **Suzanne McCarthy** (appointed as Board Chair on 1 February 2025 for a three-year term ending on 31 January 2028)
- **Clive Quantrill** (appointed 2 December 2024 for a three-year term ending 1 December 2027)
- **Harry Rich** (retired 9 May 2024)
- **Kevin Sadler** (appointed 2 December 2024 for a three-year term ending 1 December 2027)

A register of Board Members' interests is maintained, reviewed annually and is available for inspection; a summary appears on our website at: https://valuationtribunal.gov.uk/about-vts/vts-board-management-and-team/register-of-interests/

### Data security and information risk

Data handling and information security meetings take place quarterly, chaired by the Board's SIRO and attended by all VTS Information Asset Owners (IAO) and the Data Protection Officer (DPO). This provides a forum for promoting compliance with information risk policy and process, promotes

discussion on information risk issues and effective management across all VTS operational and head office functions.

We continue to be proactive in raising awareness and providing guidance to staff on data security and information risk. We have mandatory online training modules in cyber security, data protection and fraud prevention for all staff to complete.

All security and information risks have been recorded in our risk register and evaluated, with proportionate controls and mitigations in place. Any non-compliance with guidelines or instructions has been captured in the Data Protection and Information Security Events and Actions log. Where necessary, controls are strengthened to prevent reoccurrence.

With effect from 1 April 2025, the role of Board SIRO has transferred from Keung Wong, Finance Director, to Lee Anderson, Director of Operations & Development.

## Statement of Accounting Officer's responsibilities

Under the Local Government Act 2003, Schedule 4, the VTS is required to prepare for each financial year a statement of accounts giving a true and fair view of the state of affairs and the use of funds delegated to the VTS (see Accounts Direction page 93). The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual (FreM) and in particular to:

- observe the Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the FReM have been followed, and disclose and explain any material departures in the accounts
- prepare the accounts on a going concern basis and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable

The VTS Chief Executive is also the appointed Accounting Officer. Funding is delegated to the VTS Accounting Officer by the Principal Accounting Officer of Ministry of Housing, Communities & Local Government (MHCLG). The responsibilities of the Accounting Officer include the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding VTS assets, as set out in *Managing Public Money* published by HM Treasury.

As the Accounting Officer, I have taken all the necessary steps to make myself aware of any relevant audit information and to establish that VTS auditors are aware of that information. So far as I am aware, there is no relevant audit information of which auditors are not aware.

I confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and that I take responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of VTS and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

## Governance statement

The purpose of my governance statement is to provide a clear and honest review of the financial year, highlighting risks and issues, providing assurance, and to demonstrate to our sponsor and users of our service how I, as Chief Executive & Chief Operating Officer and Accounting Officer for the VTS, have discharged my responsibilities in managing and controlling the resources under my remit. I am fully responsible for the day-to-day management of the VTS, and for having in place effective systems of governance, risk management and internal control. I share responsibility with the Board for complying with the Framework Agreement agreed with MHCLG, our sponsor. This sets out our relationship and how the VTS and MHCLG intend to operate and, in particular, ways in which the VTS provide the necessary assurances on the adequacy, effectiveness, efficiency, control and governance of our systems and processes. This governance statement reflects and reports this assurance.

In light of all the assurances provided to me across the organisation, I am able to conclude that the VTS is operating effectively and that there are no significant issues or weaknesses.

## Governance framework, Board structure, attendance and coverage

Established under the Local Government Act 2003 and created on 1 April 2004, the VTS provides or arranges for the provision of the services required for the general discharge of the VTE's functions and gives general advice about procedure relating to proceedings before the tribunal. The Act requires the VTS to do anything which it considers is "*calculated to facilitate the carrying out of its functions*" and that it shall carry out its functions "*in the manner it considers is best calculated to secure the VTE's efficient and independent operation*". In providing this support, the VTS must ensure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively at all times. The VTS is assisted in this aim by the Finance Director.

Under its governing legislation the VTS has a non-executive Board, the majority of whom must be Senior Members (serving chairmen) of the VTE. This majority is currently made up of five VTE Senior Members and the VTE President, who is an *ex-officio* Member of the Board. The Chair and Members of the Board (other than the VTE President) are appointed by the Secretary of State for MHCLG, in accordance with the Code of Practice of the Commissioner for Public Appointments.

The recruitment process for Board Members falls under the remit of the Office of the Commissioner for Public Appointments (OCPA). On 9 May 2024, Harry Rich retired as Chair of the Board. The following Board Members were reappointed to a further term of office:

- Suzanne McCarthy (Deputy Chair) was reappointed for a further term of office expiring 31 December 2024. Following the vacancy created by the retirement of Harry Rich, Suzanne McCarthy took up the role of Interim Chair on 10 May 2024, and was appointed Board Chair on 1 February 2025.
- Kevin Everett was reappointed for a year from 1 September 2024 to 31 August 2025.

The term of appointments for all Board Members are set out in Table 4 below.

The Framework Document, agreed in December 2018, sets out the relationship between the VTS and our sponsoring Department and will be updated during 2025-26. MHCLG schedule Accounting Officer meetings during the year where financial progress against allocated budgets, issues impacting on service delivery, the risk register, key performance indicators (KPIs) and achievement of objectives against our Business Plan are reviewed and discussed. Our sponsoring team receives all Board minutes and papers and has a standing invitation to attend all scheduled Audit & Risk Assurance Committee (ARAC) and Board meetings as observers.

Our relationship with our sponsoring team is one that acknowledges our respective roles and pressures and risks faced by our respective organisations, recognising the impact any may have on ministerial and government priorities and the achievement of our aims and objectives as a statutory body.

The Board is collectively responsible for setting out the strategic direction of the organisation and monitoring delivery against its approved Business Plan. My Chief Executive's Report, together with other papers prepared for each Board meeting, provides information and updates on key activities and outcomes and is an important source of information and assurance. I attend all meetings of the Board, except for those Part 2 meetings when matters of my employment are considered.

The separate statutory positions of the VTS and the VTE are set out by legislation, but our working relationship is set out in a protocol document and forms the basis of our relationship and our respective governance arrangements. The VTE President and I collaborate in the consideration of judicial and administrative matters and this assists in providing a single focus and direction for the two separate organisations.

## Board performance, assessment and effectiveness

The Board met formally on eight occasions during the year.

Board agendas are structured to differentiate between reports for information and those for decision. The Board receives prompt, regular and meaningful management information on costs, efficiency, quality and performance to track progress and value for money. This information is of a quality that enables the Board to determine whether the VTS is on track to meet its strategic objectives and is acting within its risk appetite. Standing items include reviews of the management accounts, strategic risk register and reports from the Chair, the VTE President, the Chairs of the various Board Committees and myself. The Board receives quarterly reports on performance against objectives, KPIs and workload data.

During the year, the Board also discussed:

- April 2024: Draft budget 2024-25; Capital requirements for 2024-25; Board Standing Orders; Board Ways of Working; Code of Conduct; Intelligent Automation (IA) Solutions Draft Business Case; System Enhancements Draft Business Case; VTE Member Engagement; Draft Business Plan 2024-25; VTE Consolidated Practice Statement
- June 2024: Review of Business Plan Achievements 2023-24; Data Protection & Security Annual Report 2023-24; Health & Safety Statement 2024-25; Stakeholder Engagement Strategy; VTE Member Engagement; Contracts Register; Complaints Annual Report 2023-24; Customer Survey Annual Report
- July 2024: Business Plan Achievements Q1; Public Body Review; VTE Member Engagement; Staff Survey
- September 2024: Public Body Review; Spending Review 2025 Commission; Draft VTS Annual Report & Accounts 2023-24; Incident Response & Business Continuity Plan
- November 2024: VTS Annual Report & Accounts 2023-24; Business Plan Achievements Q2; Public Body Review; Supplementary Estimates Return; VTE Member Engagement Business Case; VTE Member Engagement update; Intelligent Automation (IA) update; Stakeholder Engagement Strategy
- January 2025: Business Plan Achievements Q3; Business Plan Priorities 2025-26; Public Body Review; Draft VTS Budget 2025-26; Standing Financial Instructions; Intelligent Automation (IA) update
- March 2025: Draft Business Plan 2025-26; Public Body Review; Draft VTS Budget 2025-26; Capital requirements for 2025-26; Board Standing Orders; Board Ways of Working; Code of Conduct

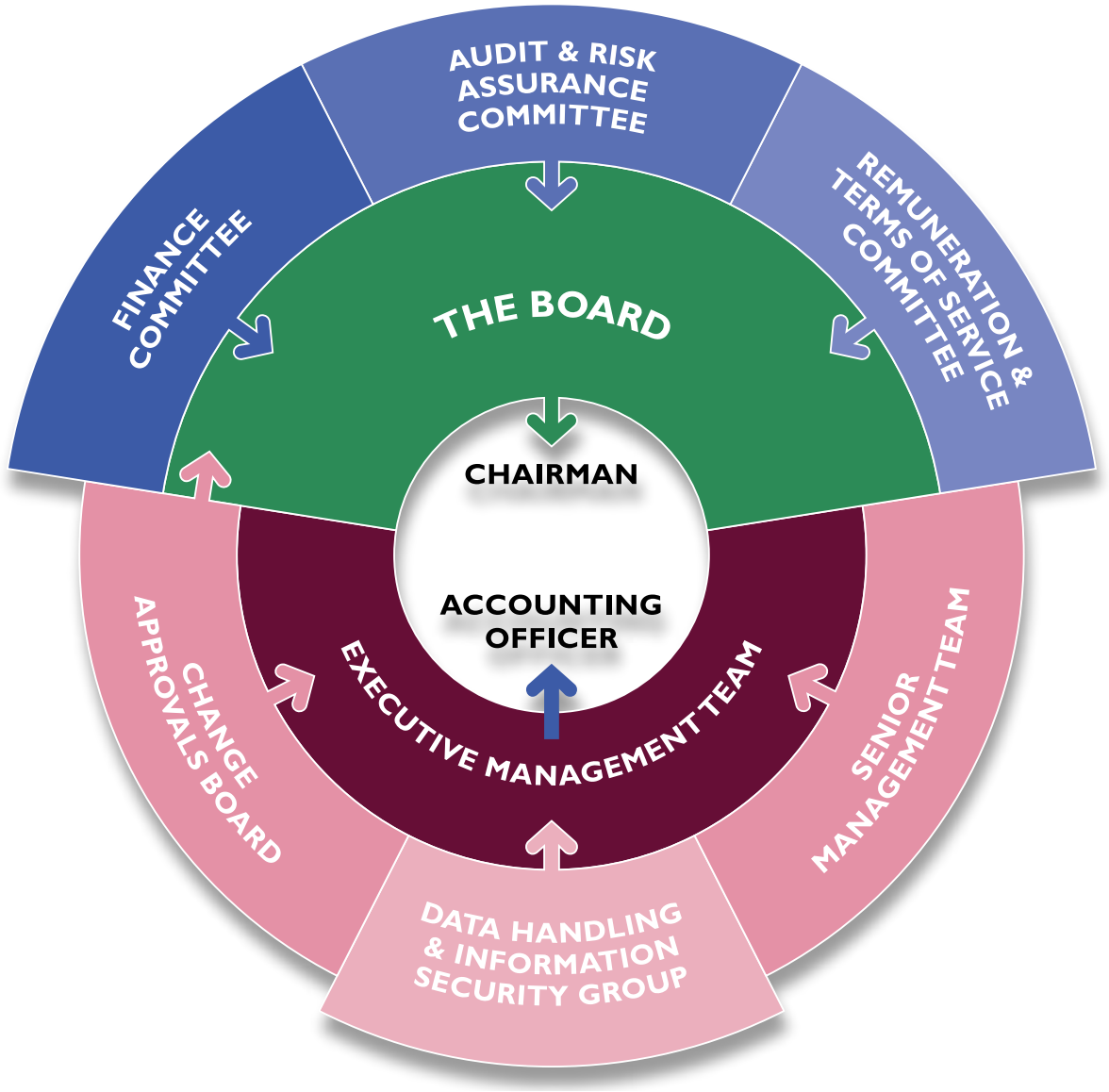
**Table 4**
Board Members' dates of expiry of appointment, Committee membership and attendance

| | Date of expiry of appointment | Attendance at Board meetings (8 Board meetings in 2024-25) | Attendance at Audit & Risk Assurance Committee (ARAC) meetings (4 in 2024-25) | Attendance at Finance Committee meetings (1 in 2024-25) | Attendance at Remuneration & Terms of Service Committee meetings (1 in 2024-25) |
|---|---|---|---|---|---|
| Harry Rich | 9 May 2024 | ■ 1 (1) | | | ■ 1 |
| Kevin Everett | 31 August 2025 | ■ 7 (8) | ■ 4 | | |
| Gary Garland | n/a | ■ 7 (8) | | ■ 1 | |
| Suzanne McCarthy | 31 January 2028 | ■ 6 (8) | ■ 0 (1) | ■ 1 | ■ 1 |
| Stephen Chappell | 3 February 2026 | ■ 7 (8) | 4 | | |
| Alison Griffiths | 3 February 2026 (Resigned on 19 October 2025) | ■ 5 (8) | | | ■ 1 |
| Sarah Guerra | 1 December 2027 | ■ 1 (2) | | | |
| Joanne Hadley | 1 December 2027 | ■ 2 (2) | | ■ 1 | |
| Chiew Yin Jones | 1 December 2027 | ■ 2 (2) | | | |
| Clive Quantrill | 1 December 2027 | ■ 1 (2) | | ■ 0 (1) | |
| Kevin Sadler | 1 December 2027 | ■ 2 (2) | | | |
| Joanne Kennedy-Reardon (independent member of the ARAC) | 31 August 2027 | | ■ 4 | | |

■ Chair

■ Member – Where a number is shown in brackets, this indicates the maximum number of meetings the member could have attended during their period of appointment.

**Chart 4**
Our Corporate Governance Structure




Three committees support the Board in the effective governance of the VTS:

**The Audit & Risk Assurance Committee (ARAC)** provides the Board with an independent view of the assurance framework, overseeing the risk management strategy through scrutiny of the various risk registers to ensure that processes in place are effective and robust. I attend the Committee's meetings to provide an update to the strategic risk register and present various reports. The Finance Director and Director of Operations & Development also attend. The Committee met four times during the year. It comprised two Members of the Board, one of whom is appointed by the Board as the Committee Chair, and an independent member.

External and Internal Auditors also attend meetings, and representatives from our sponsoring team have an open invitation to attend meetings. At the end of every meeting, the Committee has a private session with the auditors, without staff. The Chair has confirmed to me that no matters of concern were raised at these meetings.

Our audited 2023-24 statutory accounts were laid before Parliament on 18 November 2024, with an unqualified audit opinion.

In addition to recommending to the Board the adoption of the 2023-24 year end financial statements and the audit completion report, this Committee has reviewed and approved revised policies on Risk Management, Procurement, Data Handling, Whistleblowing and Fraud. It also reviewed the VTS Assurance Map and considered all internal audit reports and monitored progress against management responses to action plans for the various recommendations. The Committee also reviewed its Terms of Reference.

**The Finance Committee** monitors the financial aspects of the VTS and supports me, as the Accounting Officer, and provides assurance to the Board on financial planning, management and strategy. In addition to reports on the management accounts and finance risks, the Committee also discussed the draft budget for 2025-26. This Committee comprises of three Board Members and met once during the year under review. The Finance Director attends these meetings with me.

During the year the Finance Committee reviewed its Terms of Reference on 21 March 2025 in the light of new membership and to provide a greater focus and expectations in financial management of the VTS.

**The Remuneration & Terms of Service Committee** determines policy on executive remuneration and terms and conditions of service. This Committee of three Board Members exercises oversight on matters relating to my performance and pay. During 2024-25 the Committee met once and recommended to the Board and the sponsoring Department the level of performance considered appropriate for the Chief Executive. A revised and updated Terms of Reference for the Committee was agreed.

In January 2025 the Board decided to create a Performance Committee, but it did not become operational until June 2025.

There are three management committees that have provided me with additional support during the year:

- **Executive Management Team** (EMT) – This group is made up of the Directors and me. Its role is to assist and share in my decision-making by providing accurate information, to advise in the delivery of the VTS's aims and to provide strategic direction to staff. The EMT met on 11 occasions during the year.

- **Senior Operational Management Team** (SOMT) – This management group comprises the Director of Operations & Development (as Chair), Registrar & Chief Clerk, Planning Manager and the Performance Manager, and is responsible for reviewing operational activity and for improving business processes to enhance service provision. I attend these meetings as appropriate. The SOMT met on 10 occasions during the year.
- **Valuation Tribunal Interface Group** (VIG) – This forum comprises the Director of Operations & Development, the President of the VTE, the Registrar & Chief Clerk and myself to provide a more focussed interface between the operational and judicial aspects of the Service. This forum also informs the VTE Risk Register. I chair these quarterly meetings as Chief Executive.

For the purpose of ensuring that any business-related process changes identified by VTS staff and/or the VTE President may be discussed, costed, evaluated and benefits analysed prior to implementation through projects, a Change Approvals Board (CAB) is in place. The CAB comprises the Director of Operations & Development (as Chair), the Business Engagement Lead, the Business Development Analyst, the Business Development Officer and Finance Director. I also attend any meetings where my engagement may be of assistance, or I require more detailed information to make an assessment.

During the period of absence of the Director of Operations & Development between June and December 2024, my role extended to encompass these functions during this six-month period.

On my behalf, the Finance Director prepares and submits an annual budget to the Board for approval prior to the start of the new financial year. Financial performance against budget is monitored at every Board meeting. The Finance Director is also responsible for the detailed finance protocols, procedures, guidance and training to budget holders and other staff, and is responsible for maintaining and reviewing a contracts register. The VTS's budget is devolved to individual budget holders under written and signed delegated authority.

## Corporate governance compliance

The Board observes *Corporate governance in central government departments: Code of good practice* and its principles insofar as they are relevant to a small non-departmental public body (NDPB). There are no material departures. It complies with the Code's requirements for the Board, though the Board's particular composition is set out in the Local Government Act 2003, and the VTS Board does not have a nominations and governance committee because of its size. It directs the business of the VTS in as effective and efficient way as possible with a view to the long-term health and success of the VTS and VTE. Board Members are aware that they should not stray into the executive management of the VTS.

The Board supports the Accounting Officer in the discharge of obligations set out in *Managing Public Money* and its Standing Orders and Scheme of Delegations show those matters reserved for Board decision. The Board acts corporately and objectively when discharging its responsibilities, and Board Members act in the public interest in keeping with the Nolan principles of public life. Its meetings are recorded, and summary minutes are published on the VTS website. At the beginning of every Board and Committee meeting, members are asked to declare any potential conflicts of interest, which are

then noted in the minutes along with any action necessary to address them. An annual declaration of Board Members' interests is required and made available for inspection.

The Board reviews its corporate governance framework annually to ensure it remains robust. It includes the Standing Orders and Scheme of Delegations, Standing Financial Instructions, the Board Code of Conduct and its Ways of Working.

Board Members, with the exception of the VTE President, are appraised by the Chair, who is appraised by the sponsoring Department. These appraisals assess individual performance, which in turn translate into the collective effectiveness of the Board.

## Risk management and risk profile

We maintain a culture where risk management is not just a process but is integral to the decisions we make. Risks are identified in a variety of ways, including the continuous review of operations and the evaluation of new challenges and opportunities. All reports to the Board include a section on risk implications. The Risk Management Policy, which is published on our intranet and website, sets out the key features of risk management and provides guidance for staff on their role in the process. I am responsible to the Board for ensuring that risks are managed effectively. There are a number of more detailed operational risk registers underpinning the strategic risk register. Each risk register owner takes responsibility for their own area of operation and reports on the processes of risk assessment, management actions to mitigate risk and highlights the possibility of risk failure. The registers clearly identify risk owners and mitigating strategies. Risk registers are submitted to me quarterly. I carry out my assessment of the overarching strategic risk register with the EMT at each of its meetings.

The review of the strategic risk register is a standing agenda item at Board and ARAC meetings, with the ARAC maintaining an overview of risk management. The Committee receives presentations in respect of other departmental risk registers as an assurance that the risk management process is universal throughout the VTS.

We use an assurance map alongside the register that identifies whether we have controls in place at the appropriate level (operational management; governance and oversight; independent/external) to monitor and mitigate risks. This is reviewed by the ARAC and the Board quarterly.

During the period of absence of the Director of Operations & Development, the Finance Director took on the role of Senior Information Risk Owner (SIRO) from 4 June 2024 until 31 March 2025. This role is now being filled again by the Director of Operations & Development. The SIRO apprises me of any matters which may affect information assurance and data security. The SIRO provides me with an assurance statement, which is drawn from similar assurances confirmed by each Information Asset Owner (IAO). Whilst much of the data the VTS produces and manages is in the public domain, the VTS operates within the demands of the Cabinet Office's security policy framework and the requirements of the data protection legislation, as well as respecting the public access rights in the Freedom of Information Act. One incident was escalated to the Information Commissioner's Office (ICO) during the year by the VTS. We have annual mandatory online awareness training on data protection for all staff.

The VTS Data Protection Officer (DPO) provides a focus in ensuring staff understand their responsibilities and that the VTS is compliant with the 2018 legislation and any new regulations and guidance issued.

As Accounting Officer, I also receive an annual assurance statement from the Finance Director providing assurance to me over the effectiveness of finance systems and adherence to procedure to identify and report fraud.

No incidents of data security were reported to me during the year.

The VTS has a Whistleblowing Policy and I have not been notified of any whistleblowing incidents, nor have I been made aware of any such reports being raised in 2024-25.

## Sources of assurance

Throughout the year I also gain assurance regarding the performance of the VTS through a number of other sources:

**Internal Audit:** TIAA is the Internal Audit provider appointed from 1 April 2023. The Head of Internal Audit provides me with assurance on the systems of internal control. All audit reports are reviewed at the ARAC meetings to ensure appropriate challenge. All agreed audit recommendations are logged and progress against implementation is monitored and reported at every EMT and ARAC meeting.

During the year, Internal Audit conducted audit work totalling 38 planned days based on the 2024-25 plan. The ARAC received a total of four reports: Risk Management Framework (Substantial Assurance), Key Financial Controls (Substantial Assurance), Human Resource Policies (Substantial Assurance) and Additional Financial Controls Review (Substantial Assurance) which produced five recommendations and two Operational Effectiveness Matters (OEMs) which have all been implemented. The overall audit opinion for the year was reasonable assurance.

**Working with the Board:** I maintain a very transparent style of working. I ensure the Board remains up to speed on any significant issues and developments. Board meetings are structured so that members are able to provide appropriate challenge as well as support.

**Accounting Officer meetings:** I meet with the sponsor team at such scheduled meetings to discuss a variety of matters, including a review of the strategic risk register and performance against KPIs, as well as carrying out 'deep dives' in a number of areas. For each meeting I provide the risk register, management accounts and performance reporting to assist our discussions. In 2024-25 we met on four separate occasions with our sponsors; one occasion was specifically focussed on appeal performance matters.

**Executive Management Team (EMT):** The EMT is presented with performance reports at each meeting and considers the risk implications of all proposals that are brought before it.

I encourage and expect members of the EMT to keep lead staff briefed on significant issues and developments, and to seek feedback.

**Data Handling & Information Security Group:** This Group, under the chairmanship of the SIRO, maintains an overview of data and security matters, compliance with statutory requirements and risks across our information assets, projects and communications.

**Personal assurance:** I gain personal assurance by speaking informally and directly with front-line staff, enabling me to keep in touch with operational delivery.

## Significant risks and issues

### VTE Members

The most significant risk continues to centre around the recruitment process for VTE Members and the end-to-end timescale from interview to appointment, which has taken on average over 12 months to complete.

We experience around 20 losses per year and having a more responsive recruitment process would assist in mitigating these losses. I have again successfully submitted a business case for further recruitment, and this is expected to start around October 2025.

### VTS staff resources

The skill set of our front-line staff is essential in the delivery of our service, and this requires a good technical knowledge in rating and council tax law. Succession planning to these posts is not straight forward as this skill set is not easy to find. We build this knowledge by recruiting to Trainee Clerks and placing them on a Trainee Clerk training programme. This provides a route for successful applicants to this scheme to build up knowledge through classroom and practical experience in this specialist area of work and develop their knowledge to professional qualification standard. This ensures that we develop the technical knowledge our future Clerks need in supporting hearing panels and provide a flow for the future as our longer serving staff consider potential retirement options.

### Workload expectations

As an appellate body, our workload is dictated by our users. We are still receiving 2017 Rating List appeals due to regulatory changes on close of list amendments on 31 March 2023. 2023 Revaluation appeals are still to mature and current receipts remain low, but this is likely to change as we near the 2026 Revaluation.

### Sponsorship Departments Internal Review of the functions of The Valuation Tribunal Service

It is common practice for the functions of arms-length bodies to be periodically reviewed by their respective sponsor to ensure that the organisation continues to be best placed to deliver its functions. We have been working with our sponsoring Department to assist in this review.

# Remuneration and staff report

## Remuneration

### Board Members' emoluments and expenses

Board Members are appointed by the Secretary of State and receive an annual fee based on the fixed number of days in attendance at Board and other Board-approved meetings. All member posts are non-executive, and all members' emoluments are non-pensionable.

The VTE President is an *ex-officio* Member of the Board and is in receipt of a salary for up to three days per week but is not an employee of the VTS.

### Chair's term of office

Harry Rich retired on 9 May 2024.

Suzanne McCarthy was appointed interim Chair from 10 May 2024 and was appointed VTS Chair on 1 February 2025.

### Deputy Chair's term of office

Following the appointment of Suzanne McCarthy as VTS Chair, this position has been vacant since 1 February 2025.

### Senior executives

The salary of the Chief Executive is set by the Board in line with guidance provided from the sponsoring Department. The postholder is also subject to a contractual consideration of performance award/bonuses recommended to the Board by the Remuneration Committee. Any such award has also been subject to consultation with the sponsoring Department.

There are no performance award/bonus schemes in place for Directors.

### Proportion of remuneration subject to performance

The Remuneration & Terms of Service Committee considers the performance of the Chief Executive annually, against the objectives set for the year.

## Directors' contracts

| | |
|---|---|
| Chief Executive | Permanent contract<br>Commenced on 1 February 2010<br>3 months' notice for employee to provide; 12 weeks' notice for employer – in line with s.86 of the Employment Rights Act 1996 (hereafter, ERA 1996) |
| Director of Operations & Development | Permanent contract<br>Commenced on 1 January 2015<br>3 months' notice for employee to provide; 12 weeks' notice for employer – in line with s.86 ERA 1996 |
| Finance Director | Permanent contract<br>Commenced on 1 February 2018<br>3 months' notice for employee to provide; minimum 7 weeks' notice for employer to provide – in line with s.86 ERA 1996 (figure is due to lower level of continuous service) |

## Audited information

The information below on fees, emoluments and pensions for non-executive Members of the VTS Board and the Directors, together with the disclosure of the ratio of the remuneration of the highest paid Director and median remuneration in the accompanying pages, is audited.

## Remuneration (salary, benefits in kind and pensions)

**Table 5**
Single total figure of remuneration (subject to audit)

| | Salary (£'000) | | Pension benefits (£'000) | | Total (£'000) | |
|---|---|---|---|---|---|---|
| **Board Members** | **2024-25** | **2023-24** | **2024-25** | **2023-24** | **2024-25** | **2023-24** |
| Harry Rich** | 0-5 (FYE 5-10) | 5-10 | – | – | 0-5 | 5-10 |
| Lola Moses | – | 0-5 (FYE 5-10) | – | – | – | 0-5 |
| Gary Garland****+ | 80-85 | 75-80 | 52 | 40 | 130-135 | 115-120 |
| Neil Buckley | – | 0-5 (FYE 5-10) | – | – | – | 0-5 |
| Suzanne McCarthy* | 5-10 | 5-10 | – | – | 5-10 | 5-10 |
| Kevin Everett | 5-10 | 5-10 | – | – | 5-10 | 5-10 |
| Stephen Chappell | 5-10 | 5-10 | – | – | 5-10 | 5-10 |
| Alison Griffiths | 5-10 | 5-10 | – | – | 5-10 | 5-10 |
| Sarah Guerra*** | 0-5 (FYE 5-10) | – | – | – | 0-5 | – |
| Joanne Hadley***# | 0-5 (FYE 5-10) | – | – | – | 0-5 | – |
| Chiew Yin Jones*** | 0-5 (FYE 5-10) | – | – | – | 0-5 | – |
| Clive Quantrill*** | 0-5 (FYE 5-10) | – | – | – | 0-5 | – |
| Kevin Sadler*** | 0-5 (FYE 5-10) | – | – | – | 0-5 | – |

* New Chair – Suzanne McCarthy 01/02/2025

** Leaver – Harry Rich 09/05/2024

*** New Board Members joined on 02/12/2024

**** The President is appointed by the Lord Chancellor and paid by the VTS; he is neither an employee of the VTS nor accountable to it. He is an *ex-officio* Member of the Board and was appointed from 12 September 2016. During 2024–2025 £51,830 (2023-24: £40,211) was paid by the VTS into the Judicial Pension Scheme (JPS). Please note that the Employer contribution rate under the JPS was uprated during this time, which led to an increase in the value of the contribution. This change applied universally to all individuals enrolled in the JPS.

\# Notified of resignation, intended leaving date of 31/01/2026

\+ Notified of resignation with intended leaving date of 28/02/2026

# Remuneration of Directors

**Table 6**
Single total figure of remuneration (subject to audit)

| | Salary (£'000) | | Bonus payments (£'000) * | | Pension benefits (to nearest £'000) ** | | Total (£'000) | |
|---|---|---|---|---|---|---|---|---|
| **Officials** | **2024-25** | **2023-24** | **2024-25** | **2023-24** | **2024-25** | **2023-24** | **2024-25** | **2023-24** |
| **Antonio Masella** Chief Executive & Chief Operating Officer | 115-120 | 110-115 | 10-15 | 10-15 | 72 | 70 | 195-200 | 190-195 |
| **Lee Anderson** Director of Operations & Development | 85-90 | 85-90 | – | – | 50 | 18 | 135-140 | 105-110 |
| **Keung Wong** Finance Director | 85-90 | 85-90 | – | – | 40 | 33 | 125-130 | 120-125 |

* Bonus is usually paid one year in arrears. Bonus for 2024-25 was initially accrued and has now been paid in July 2025.

** The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

## Salary

'Salary' includes gross salary, bonus, overtime, any inclusion (where appropriate) of London weighting or London allowances, recruitment and retention allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments by the VTS and thus recorded in these accounts.

Salaries for senior executives are kept under review and any changes are subject to potential approval by the Board.

## Bonuses

Consideration of the Chief Executive's bonus is contractual and is up to a maximum of 10% of gross salary. The Remuneration Committee recommends the level of the Chief Executive's performance award to the Board. The Board's decision regarding the amount of the performance award must be subject to consultation and approval of the sponsoring Department before any implementation.

# Pensions

The VTS is a Schedule 2 body within the Local Government Pension Scheme (LGPS) Regulations. Administration of the LGPS is carried out by a range of bodies, of which the London Pension Fund Authority (LPFA) is one.

All new VTS employees are entitled to become members of the LPFA administered scheme and are auto-enrolled on appointment. Four members of VTS staff do not belong to the scheme. The last triennial re-enrolment exercise (automatic enrolment of all staff into the pension scheme) was carried out in June 2023.

From 1 April 2014, the LGPS changed from a contributory defined benefit final salary scheme to what is known as a career average revaluated earnings defined benefits scheme (i.e. a CARE scheme). In effect, the final salary element was removed from that date onwards but with some protections for those already in the scheme at that point.

## Pension benefits

**Table 7** (subject to audit)

| Officials | Accrued pension at pension age as at 31 March 2025 and related lump sum £'000 | Real increase in pension and related lump sum at pension age £'000 | CETV at 31 March 2025 £'000 | CETV at 31 March 2024 £'000 | Real increase in CETV £'000 |
|---|---|---|---|---|---|
| **Antonio Masella**<br>Chief Executive & Chief Operating Officer | 75-77.5 plus lump sum 105-107.5 | 2.5-5 plus lump sum 0-2.5 | 1,631 | 1,523 | 82 |
| **Lee Anderson**<br>Director of Operations & Development | 52.5-55 plus lump sum 67.5-70 | 2.5-5 plus lump sum 0-2.5 | 1,067 | 986 | 64 |
| **Keung Wong**<br>Finance Director | 12.5-15 plus lump sum 0 | 0-2.5 plus lump sum 0 | 218 | 175 | 40 |

# Fair pay disclosure (subject to audit)

In line with FReM 6.5.25, the change in pay ratio is in accordance with our usual pay and reward arrangements, with variance from one year to the next affected by the level of pay settlements as well as the application of our other established reward mechanisms.

The VTS is required to disclose the relationship between the remuneration of the highest paid Director in the organisation and the median and quartile remuneration of the organisation's workforce.

The summary information contained in this paragraph is set out in Table 9. The banded remuneration of the highest paid Director in the VTS in the financial year 2024-25 (inclusive of bonus) was within the remuneration banding of £125,000-£130,000 (£120,000-£125,000 in 2023-24). Figures for remuneration bands comprise bonus added to salary band. The mid-point of the remuneration band is taken as the comparative figure in the ratio calculations i.e. £127,500. This was 2.99 times (2023-24: 3.05 times) the median remuneration of the workforce. The median in 2024-25 was £42,708 (2023-24: £40,221). In 2024-25, as for the previous year, no employees received remuneration in excess of the highest paid Director. Remuneration ranged from a lowest FTE band of £25,000-£30,000 to a highest band of £125,000-£130,000 (2023-24: £25,000-£30,000 lowest band to a highest band of £115,000-£120,000).

Total remuneration includes salary, non-consolidated performance related pay, benefits in kind as well as severance payments. It does not include employer pension contributions and the CETV pensions.

**Table 8** (subject to audit)
**Percentage change in total salary and bonuses for the highest paid Director and the staff average***

| | 2024-25 | | 2023-24 | |
|---|---|---|---|---|
| | **Total salary and allowances** | **Bonus payments** | **Total salary and allowances (restated)** | **Bonus payments** |
| Staff average | 4.09% | n/a | 3.28% | n/a |
| Highest paid Director | 2.50% | 2.50% | 8.70% | 8.70% |

* The calculations include bonus which is paid in arrears during the following year.

Table 8 takes account of the payroll costs of employees at the end of March looking back the whole year. Therefore, it picks up variations to pay during the year such as increases in pay, reductions to half pay or nil pay for those on maternity or sick leave etc. It also includes the pro-rationed salary for starters and leavers during the year.

No staff other than the highest paid Director are entitled to be considered for bonus.

**Table 9** (subject to audit)
Fair pay ratios

| | 2024-25 | 2023-24 |
|---|---|---|
| Band of highest paid Director's total remuneration incl. bonus | £125,000 –£130,000 | £120,000 –£125,000 |
| Mid-point of highest paid Director's salary band incl. bonus (used in ratios) | £127,500 | £122,500 |
| Median remuneration (excluding highest paid Director) | £42,708 | £40,221 |
| Ratio of median to highest paid Director's salary band incl. bonus (mid-point) | 2.99 | 3.05 |
| 25th percentile remuneration (£) | £33,823 | £30,956 |
| Ratio of 25th percentile to highest paid Director's salary band incl. bonus (mid-point) | 3.77 | 3.96 |
| 75th percentile remuneration (£) | £45,718 | £44,428 |
| Ratio of 75th percentile to highest paid Director's salary band incl. bonus (mid-point) | 2.79 | 2.76 |

N.B. The total salary figure is the same as total remuneration for each of the percentiles.

**Table 10** (subject to audit)
Staff split by remuneration band

| Remuneration band | Period ended 31 March 2025, based on FTE pay, number of staff | Period ended 31 March 2024, based on FTE pay, number of staff |
|---|---|---|
| £25,000 to £30,000 | 6 | 10 |
| £30,000 to £35,000 | 10 | 13 |
| £35,000 to £40,000 | 9 | 7 |
| £40,000 to £45,000 | 12 | 17 |
| £45,000 to £50,000 | 11 | 4 |
| £50,000 to £55,000 | 3 | 3 |
| £55,000 to £60,000 | 2 | 2 |
| £60,000 to £65,000 | 2 | 1 |
| £65,000 to £70,000 | 1 | 1 |
| £70,000 to £75,000 | 1 | – |
| £75,000 to £80,000 | 1 | 1 |
| £80,000 to £85,000 | – | - |
| £85,000 to £90,000 | – | 2 |
| £90,000 to £95,000 | 2 | – |
| £95,000 to £100,000 | – | – |
| £100,000 to £105,000 | – | – |
| £105,000 to £110,000 | – | – |
| £110,000 to £115,000 | – | – |
| £115,000 to £120,000 | – | – |
| £120,000 to £125,000 | – | 1* |
| £125,000 to £130,000 | 1* | – |

* The remuneration for the Chief Executive includes bonus payment.

*Table 10 picks up only current staff as at the end of March and details their notional salary at that point – so ignores if they are on reduced sick pay or maternity pay or that they have started mid-year.*

# Staff report

We continue to keep under review how best to resource the service we provide and to be as efficient and effective in doing so. This means being flexible in our approaches, recognising that we have a significant number of long serving staff that have served the organisation well and have built up over the years excellent skill sets that support the environment of rating and council tax. Our aim remains to ensure that we have appropriate capability going forward by strengthening our succession planning initiatives.

On 1 September 2025 we moved to a new office location at 2 Marsham Street, London, co-locating with our sponsoring Department. This may require a new approach to ways of working as we share our new space with other arms-length bodies and central government departments, for example, our approach to health and safety, contingency planning etc.

Approximately two-thirds (67%) of our staff, all operational, are now permanent homeworkers as this is more conducive to their roles. For office-based workers, we continue to employ a Smarter Working initiative requiring a 60% availability in the office. As such we continue to enforce and champion the importance of giving our staff greater ownership of their work. Empowering them creates a more motivated and engaged workforce. We assist support staff in this aim by providing assessable development plans and in building both the confidence and technical skills essential in their role. This philosophy also creates a better environment for staff development and has facilitated an improved career pathway for individuals coming into the organisation, providing opportunities to develop their skills and abilities and to transition into other roles if that is their desire. We have again seen a number of internal applicants being successful in obtaining higher graded roles or in backfilling temporarily for more senior positions. We have added to our existing number of permanent homeworkers (first introduced in 2009) where possible and where it is in the interests of our business needs. This has allowed us to compress our estate to a single office.

The VTS had two temporary agency assignments/placements in 2024-25. The total cost (including VAT) was £183,000 during the year. The specifics of this spend is that the VTS engaged a temporary Finance Manager to cover that key vacant position. The agency assignment ended with the recruitment of a permanent postholder to the role. We also recruited a finance professional to backfill a maternity leave post of Finance Officer. The agency assignment continued beyond the maternity leave period as the individual did not return from maternity leave but instead relocated abroad and it made sense to continue with the interim arrangements.

We have also seen an internal promotion from a Finance Assistant role to Assistant Finance Officer, thus maintaining our career development opportunities for talented and ambitious staff.

In addressing succession planning of our key workforce, we have embarked on the creation of a Trainee Clerk grade. We have recently launched the second of this recruitment exercise, with the recruits commencing work with us during Autumn 2025.

In addition to Trainee Clerks, we have also advertised recently for candidates with hands on experience of the council tax and non-domestic rating world. These will also start with us during Autumn 2025. The recruitment of these Clerks and Trainee Clerks will enhance our operational team and provide additional resilience and capacity to the team.

Our IT infrastructure is very important to us. We fully utilise MS Teams as part of our day-to-day work and this is now an important tool for the organisation. Our hearings are online so having an effective and efficient IT infrastructure is key to this.

Our Learning Management System (LMS) has proved to be an effective tool in spreading learning and we adopt a blended development programme of face-to-face events and online learning modules to build knowledge. We have further improved our LMS during the year.

Mental health awareness is very important to us given our working environment of homeworkers and hybrid workers and we have invested significantly in this. In addition, we have also embarked on a programme for improving good physical health.

We have held training sessions on Equality, Diversity and Inclusion, as well as protection from sexual harassment.

We have developed a programme of having more face-to-face, personal contact sessions for our homeworkers in bringing them together with the aim of embedding collaborative working and mitigating any risk of homeworking staff seeing their homes as a sort of "prison", preventing feelings of social isolation. We are repeating this in 2025-26.

We have also held a number of all staff events which have proved positive in building a one-organisation culture, allowing staff to meet and work with colleagues that they may not have been able to easily liaise with in the recent past as a consequence of the health pandemic.

Our 'live' succession plan is reviewed regularly and assists in decision-making regarding staff resources. Our intention is to build on this during 2025-26.

Cyber security is becoming more prevalent in society and during 2024-25 we have implemented staff awareness of the risks this poses to them as individuals and to the organisation as a whole. This comprises regular refresher training.

There were no employment claims against the VTS in 2024-25 and that remains the case as at the time of writing in October 2025. None are currently envisaged.

The VTS recognises Unison for collective bargaining purposes and liaises with Unison's central head office branch in London as required. Contracts for staff are based on local terms and conditions. Pay increases/cost of living awards are contractual and based upon the agreed outcomes of the NJC for Local Government Services.

## Staff costs

Staff costs comprise:

**Table 11** (subject to audit)

| | 2024-25 £'000 | 2023-24 £'000 |
|---|---|---|
| Wages and salaries | 2,674 | 2,528 |
| Social security costs | 293 | 275 |
| Other pension costs | 451 | 462 |
| Agency staff costs | 183 | 110 |
| Untaken leave in year charge | (3) | 15 |
| **Total staff costs** | **3,598** | **3,390** |

## Staff numbers as at 31 March 2025 (subject to audit)

As at 31 March 2025, the actual number of staff employed (headcount) was 61 compared to 62 as at 1 April 2024.

## Average number of staff over the year (subject to audit)

The average staff FTE for the whole year was 59.81, average headcount was 60.77 (2023-24: 58.81) (figures are based on numbers each month rather than a simple average of start and end of year numbers).

During the year there was one new starter, HR & Training Adviser. There were three leavers during the year, all of which were normal resignations. Under the terms of the Local Government Pension Scheme (LGPS), a person who reaches age 55 can elect to access their (actuarially reduced) pension without any requirement for permission from their employer. This restricts the ability of the VTS to prevent early retirement from those who have long service (combined with membership of the LGPS) and who are over age 55.

**Table 12** (subject to audit)
Average number of persons employed (FTE – not headcount)

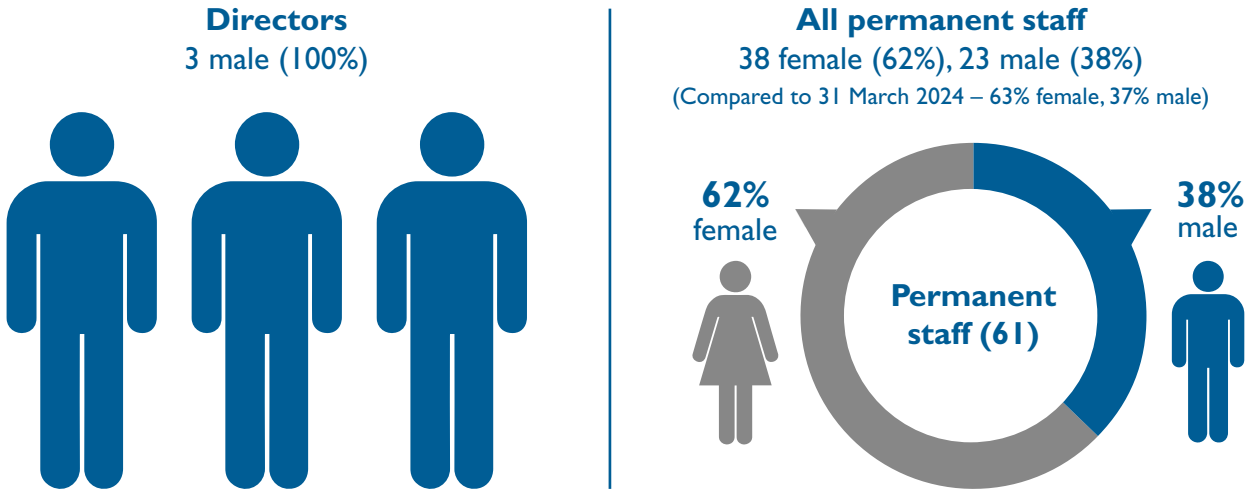
| | Permanently employed staff | Others | 2024-25 FTE Total | 2023-24 FTE Total |
|---|---|---|---|---|
| Directly employed | 59.81 | – | 59.81 | 58.81 |
| Other | – | 1.67 | 1.67 | 1.08 |
| Total | 59.81 | 1.67 | 61.48 | 59.89 |

## Staff composition at 31 March 2025

**Table 13**
Gender Profile as at 31 March 2025

| Gender | Number 2024-25 | Percentage 2024-25 | Percentage 2023-24 | Variation percentage 2024-25 to 2023-24 |
|---|---|---|---|---|
| Female | 38 | 62 | 63 | 1 |
| Male | 23 | 38 | 37 | 0 |

**Chart 5**
Gender Profile as at 31 March 2025




Of those declaring their ethnicity, the representation of ethnic minorities within the workforce at the end of the year increased to 25% compared to 19.35% as at 31 March 2024.

The percentage who either declared themselves to have a disability or were assessed by occupational health as likely to be considered to have a disability, under the Equality Act 2010, totalled 10 (16.39% of the workforce) as at 31 March 2025 compared to nine individuals (14.52% of the workforce) in 2023-24.

The average age of our staff increased very slightly from 45 in 2023-24 to 45.6 in 2024-25. The median age was 48 as at 31 March 2025 – a slight increase from age 47.5 reported for 31 March 2024.

**Table 14**
Age Profile as at 31 March 2025 (and last year's percentages – 2023-24)

| Age | Number 2024-25 | Percentage 2024-25 | Percentage 2023-24 | Variation percentage |
|---|---|---|---|---|
| Under 30 | 7 | 11.48 | 14.52 | -3.04 |
| 30-40 | 15 | 24.59 | 24.19 | 0.4 |
| 40-50 | 10 | 16.39 | 16.13 | 0.26 |
| 50-60 | 20 | 32.79 | 30.65 | 2.14 |
| 60+ | 9 | 14.75 | 14.52 | 0.23 |
| **Total** | **61** | **100** | **100** | |

**Table 15**
Length of Service as at 31 March 2025

| Length of Service | Number 2024-25 | Percentage 2024-25 | Number 2023-24 | Percentage 2023-24 | Variation percentage |
|---|---|---|---|---|---|
| Under 3 years | 13 | 21.7 | 16 | 25.8 | 4.1 |
| 3-5 years | 6 | 9.8 | 6 | 9.7 | -0.1 |
| 5-10 years | 17 | 27.9 | 15 | 24.2 | -3.7 |
| 10-20 years | 13 | 21.3 | 12 | 19.4 | -1.9 |
| 20-30 years | 5 | 8.2 | 5 | 8.1 | -0.1 |
| 30+ years | 7 | 11.5 | 8 | 12.9 | 1.4 |
| **Total** | **61** | **100** | **62** | **100** | |

**Chart 6**
Age Profile as at 31 March 2025

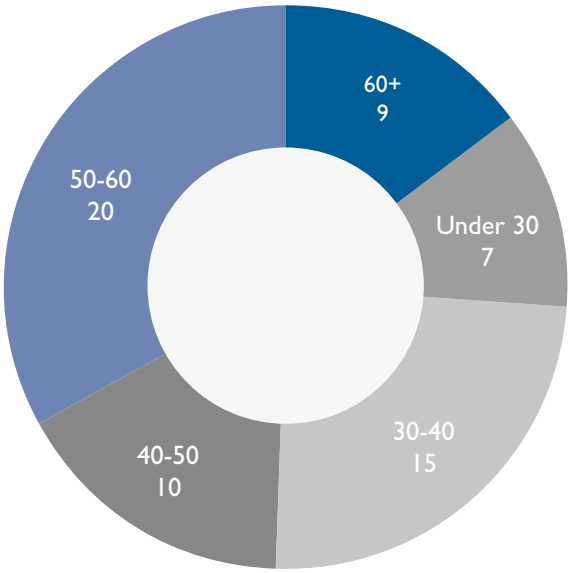
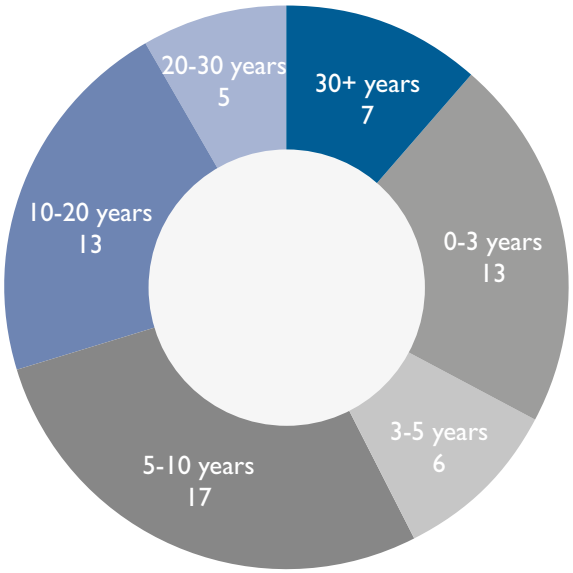



**Chart 7**
Length of Service as at 31 March 2025




The average length of service very slightly increased to 11.12 years (from 10.75 years in 2023-24). The median length of service increased to 8 years (from last year's 7 years). (These figures include service in the former valuation tribunals before staff transferred to the VTS in 2004.)

## Sickness absence data

In 2024-25, 56% (34 people) had recorded sickness (2023-24, this was 44% (26 people)).

The percentages are calculated from our average staffing over the year. This calculation involves using the headcount on the first and last day of April, then the last day of every month to provide us with average staffing. For 2024-25, using this methodology the average staffing headcount was 60.5 (see below). In 2023-24 this average staffing headcount was 59.4.

| | *2024* | | | | | | | | | *2025* | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Headcount** | **April** | **May** | **June** | **July** | **Aug** | **Sept** | **Oct** | **Nov** | **Dec** | **Jan** | **Feb** | **March** | **Average** |
| **1st of month** | 62 | | | | | | | | | | | | |
| **Last of month** | 61 | 61 | 61 | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 61 | 61 | **60.5** |

By this calculation, 44% of staff had no sickness during 2024-25. In 2023-24, 56% of the workforce had no sickness.

The total number of days lost to sickness was 380.5 compared to 347.5 days in 2023-24. The average sickness absence, including long-term absence (absences over 20 consecutive days), for the rolling year to 31 March 2025, increased to 6.3 days per person from the 5.85 days reported in 2023-24.

Excluding long-term sickness, average sickness absence was 1.7 days (compared to the 2.52 days reported for 2023-24). This remains lower than our KPI target of maintaining short-term absence under 3.6 days per employee.

Of the total sickness of 380.5 days in 2024-25, none were attributed to pregnancy or maternity. Five staff reported positive COVID-19 tests that contributed to 15 days of sickness (3.9% of the total sickness reported). In 2023-24, it was also five staff but reporting 32 days of sickness absence (9.2% of the total sickness days during that year). Due to our IT advancement, and the weakening of some strains of COVID-19, some staff who had contracted COVID-19 were still able to work from home.

There were no ill-health retirements during 2024-25 but five staff experienced quite long periods of long-term absence (more than 20 consecutive days sick) totalling 278 days (73% of the total sickness figure). This compares to three people with long-term sickness in 2023-24 totalling 198 days (an increase of 80 days – or a 40% year-on-year increase in days lost due to long-term sickness). All five employees on long-term sickness in 2024-25 have returned to work.

## Staff policies applied during the financial year in relation to disabled people

During the year, all Health and Safety policies and HR policies were reviewed and revised as necessary. This included the Sickness Absence Policy and the EDI Framework. These policies were utilised in the application of the VTS's legal requirements in respect of making reasonable adjustments and enabling supportive phased returns to work after longer-term absences. These policies will be reviewed again following our office move.

We encourage individuals to disclose disabilities so that we may ensure that we can provide reasonable adjustments. Recruitment applications are monitored, and reasonable adjustments are made to cater for any interviews.

Any person with a disability who meets the essential criteria for a role will be interviewed.

The definition of disability is a legal construct albeit influenced by medical information. The trigger points for sickness monitoring can be and are adjusted where employees have identified themselves or have been identified as having a disability. To support our staff through wellbeing challenges, the VTS provides an external, confidential Employee Assistance Programme (EAP) and commissions additional counselling or occupational health referrals for staff where appropriate from a provider based in London. The EAP can also be used for a variety of things such as health issues, bereavement, debt etc.

Since the pandemic and the move to greater remote working we have committed to augmenting our wellbeing and mental health arrangements and providing support in the workplace. All our staff are encouraged to support each other and to engage regularly with colleagues through the MS Teams platform. We encourage homeworkers to attend the office whenever appropriate to enhance physical and social engagement. As an organisation, we have also put more resources into arranging regular meetings and work-focused get togethers of our staff to simulate a normal office environment which helps interaction and the exchange of ideas. We have found that seeing colleagues in the flesh is beneficial for their overall wellbeing and the ability to have a change of scenery from their normal home office helps to prevent feelings of disassociation and any perception of being "trapped" within their own homes. We continue to keep our approach under review and are looking at developing further strategies to enhance the support that we can provide.

Staff have been provided with the necessary equipment to do their jobs effectively. Display Screen Equipment (DSE) assessments and external Health & Safety Adviser visits have taken place particularly for new employees, home movers and those staff who may have rearranged their home workstations. Our external advisers provide advice to both the VTS and the individual employees to ensure compliance, safety, and comfort in working from home. Portable appliance testing for all staff will take place during 2025-26.

## Reporting of compensation schemes (subject to audit)

There were no redundancies or other exit payments made to staff in 2024-25 (nor in 2023-24).

## Off-payroll engagements

The VTS follows HM Treasury guidance in respect of the engagement of temporary staff. Where agency staff that fall within the definition of IR35 are required, they are contracted via umbrella company arrangements ensuring that the payroll taxes and national insurance are deducted at point of payment.

**Table 16**
**Highly paid off-payroll worker engagements as at 31 March 2025, earning £245 per day or greater**

| Categorisation | VTS |
|---|---|
| Number (no.) of existing engagements as of 31 March 2025 | 2 |
| **Of which, no. that existed:** | |
| less than 1 year | 2 |
| for between 1 and 2 years | 0 |
| for between 2 and 3 years | 0 |
| for between 3 and 4 years | 0 |
| for 4 or more years | 0 |

**Table 17**
All highly paid off-payroll workers engaged at any point during the year ended 31 March 2025, earning £245 per day or greater

| Categorisation | VTS |
|---|---|
| No. of temporary off-payroll workers engaged during the year ended 31 March 2025 | 2 |
| Of which: | |
| Not subject to off-payroll legislation | 0 |
| Subject to off-payroll legislation and determined as in-scope of IR35 | 2 |
| Subject to off-payroll legislation and determined as out-of-scope of IR35 | 0 |
| No. of engagements reassessed for compliance or assurance purposes during the year | 2 |
| Of which: no. of engagements that saw a change to IR35 status following review | 0 |

**Table 18**
For any off-payroll engagements of Board Members, and/or, senior officials with significant financial responsibility, between 1 April 2024 and 31 March 2025

| Categorisation | VTS |
|---|---|
| No. of off-payroll engagements of Board Members, and/or, senior officials with significant financial responsibility, during the financial year | 0 |
| Total no. of individuals on payroll and off-payroll that have been deemed "Board Members, and/or, senior officials with significant financial responsibility", during the financial year. This figure should include both on payroll and off- payroll engagements | 12 |

## Auditors' remuneration

The VTS's Annual Report and Accounts are audited by the Comptroller and Auditor General who is appointed under Statute. Auditors' remuneration of £66,000 (£55,000 for 2023-24) was charged in the audit of these Accounts. No remuneration was paid to the external auditor in respect of non-audit services.

# Parliamentary accountability and audit report



## Non-Domestic Rating fees

The Non-Domestic Rating (Alteration of Lists and Appeals) (England) (Amendment) Regulations 2017 came into force on 1 April 2017. Having received a determination by the VOA, a ratepayer making an appeal to the VTE is required to pay a fee, set by statute. This fee is refundable in the event of a decision in favour of the ratepayer or remitted to the Consolidated Fund where the appeal fails. During the course of the appeal journey, the VTS holds these funds as an agent of HM Treasury and therefore the funds are not available to defray the expenditure of the service. These funds are managed and shown separately from the funds of the VTS. In the year, 2,939 appeals were lodged with fees received totalling £858,000. This information is subject to audit.

## Functional Standards

The functional standards are designed to foster a coherent and consistent working within government organisations. During the financial year, we worked with MHCLG to identify the most appropriate functional standards that were applicable and provided good coverage for the organisation. The assurance assessment was conducted for Project Delivery, Finance and Digital functional standards. Overall, we had good coverage of the minimum requirements.

The plan for the next financial year is to complete assurance assessment for Counter Fraud functional standards.

## Other Parliamentary Accountability disclosures

The VTS has no remote contingent liabilities, gifts, losses, special payments, redundancies, other exit payments or irregular expenditure to report under this Parliamentary Accountability disclosure. This information is subject to audit.

**Antonio Masella**
Accounting Officer
Valuation Tribunal Service

6 November 2025

# The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

## Opinion on financial statements

I certify that I have audited the financial statements of the Valuation Tribunal Service for the year ended 31 March 2025 under the Local Government Act 2003.

The financial statements comprise the Valuation Tribunal Service's:

- Statement of Financial Position as at 31 March 2025;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Valuation Tribunal Service's affairs as at 31 March 2025 and its net expenditure for the year then ended; and
- have been properly prepared in accordance with the Local Government Act 2003 and Secretary of State directions issued thereunder.

## Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2024*. I am independent of the Valuation Tribunal Service in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Valuation Tribunal Service's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Valuation Tribunal Service's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Valuation Tribunal Service is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

## Other Information

The other information comprises information included in the Performance Report and the Accountability Report but does not include the financial statements and my auditor's certificate thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Local Government Act 2003.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Local Government Act 2003; and
- the information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

## Matters on which I report by exception

In the light of the knowledge and understanding of the Valuation Tribunal Service and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and the Accountability Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the Valuation Tribunal Service or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

## Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;

- providing the C&AG with unrestricted access to persons within the Valuation Tribunal Service from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with Secretary of State directions issued under the Local Government Act 2003;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with [Secretary of State directions] issued under the Local Government Act 2003; and
- assessing the Valuation Tribunal Service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Valuation Tribunal Service will not continue to be provided in the future.

## Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Local Government Act 2003.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

## Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Valuation Tribunal Service's accounting policies;

- inquired of management, Valuation Tribunal Service's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Valuation Tribunal Service's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Valuation Tribunal Service's controls relating to the Valuation Tribunal Service's compliance with the Local Government Act 2003 and Managing Public Money;
- inquired of management, the Valuation Tribunal Service's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Valuation Tribunal Service for fraud and identified the greatest potential for fraud in the following areas: posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Valuation Tribunal Service's framework of authority and other legal and regulatory frameworks in which the Valuation Tribunal Service operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Valuation Tribunal Service. The key laws and regulations I considered in this context included the Local Government Act 2003, Managing Public Money, and pensions legislation.

## Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Assurance Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;

- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

## Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

## Report

I have no observations to make on these financial statements.

**Gareth Davies** **10 November 2025**
Comptroller and Auditor General

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

# Statement of Comprehensive Net Expenditure
## for the year ended 31 March 2025

| | Note | 2024-25 £'000 | 2023-24 (restated)* £'000 |
|---|---|---|---|
| Staff costs | 2 | 3,598 | 3,390 |
| Purchase of goods and services | 3 | 1,125 | 1,053 |
| Other operating expenditure | 3 | 368 | 312 |
| Depreciation and amortisation charges | 3 | 184 | 135 |
| Provision and pensions expense | 3 | 19 | 17 |
| Right-of-use asset depreciation | 3 | 277 | 277 |
| **Total operating expenditure** | | **5,571** | **5,184** |
| Finance income (net interest on pension liabilities) | 3 | (248) | (274) |
| Right-of-use asset interest on lease liability | 3 | 30 | 29 |
| **Net expenditure for the year** | | **5,353** | **4,939** |
| **Other Comprehensive Net Expenditure Items** | | | |
| Actuarial (gain)/loss on pension scheme | 10 | (5,204) | (3,486) |
| Impact of Asset Ceiling (gain)/loss on pension scheme | 10 | 11,371 | 4,411 |
| **Net (gain)/loss on revaluation of pension asset and liabilities** | | **6,167** | **925** |
| **Total comprehensive net expenditure/(Income) for the year ended 31 March** | | **11,520** | **5,864** |

* See Note 1.10 in the Notes to the accounts for information regarding the retrospective restatement applied to recognise the pension asset ceiling adjustments. In the Statement of Comprehensive Net Expenditure, the restatement affects the Other Comprehensive Net Expenditure Items and the Total Comprehensive Net Expenditure.

The notes on pages 72 to 92 form part of these accounts.

# Statement of Financial Position
## as at 31 March 2025



| | Note | 31 March 2025 £'000 | 31 March 2024 £'000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | 4 | 34 | 71 |
| Intangible assets | 5 | 485 | 469 |
| Pensions | 10 | – | 4,814 |
| Right of Use Asset | 12 | 162 | 439 |
| **Total non-current assets** | | **681** | **5,793** |
| **Current assets** | | | |
| Trade and other receivables | 6 | 65 | 148 |
| Cash and cash equivalents | 7 | 173 | 358 |
| **Total current assets** | | **238** | **506** |
| **Total assets** | | **919** | **6,299** |
| **Current liabilities** | | | |
| Trade and other payables | 8 | (397) | (342) |
| Obligations under Lease | 12 | (161) | (275) |
| **Total current liabilities** | | **(558)** | **(617)** |
| **Total assets less current liabilities** | | **(361)** | **5,682** |
| **Non-current liabilities** | | | |
| Pensions | 10 | (1,062) | – |
| **Obligations under Lease** | 12 | **–** | **(159)** |
| **Total non-current liabilities** | | **(1,062)** | **(159)** |
| **Total assets less total liabilities** | | **(701)** | **5,523** |
| **Taxpayers' equity** | | | |
| General fund | | 361 | 709 |
| Pension reserve | | (1,062) | 4,814 |
| **Total taxpayers' equity** | | **(701)** | **5,523** |

The notes on pages 72 to 92 form part of these accounts.

**Antonio Masella**
Accounting Officer
Valuation Tribunal Service
6 November 2025

# Statement of Cash Flows
## for the year ended 31 March 2025

| | Note | 2024-25 £'000 | 2023-24 £'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Net operating cost | SoCNE | (5,353) | (4,939) |
| Employers pension contributions | 10 | (513) | (498) |
| **Adjustment for non-cash transactions** | | | |
| Right-of-use asset interest on lease liability | 12 | 30 | 29 |
| Depreciation and amortisation | 4,5,12 | 461 | 411 |
| Decrease/(Increase) in trade and other receivables | 6 | 83 | (31) |
| Other non-cash pension movements | 10 | 222 | 205 |
| (Decrease)/Increase in trade and other payables | 8 | 55 | (45) |
| **Net cash outflow from operating activities** | | **(5,015)** | **(4,868)** |
| **Cash flows from investing activities** | | | |
| Purchase of intangible assets | 5 | (164) | (49) |
| **Net cash outflow from investing activities** | | **(164)** | **(49)** |
| **Cash flows from financing activities** | | | |
| Payment of Lease principal | 12 | (307) | (307) |
| Grant in aid received from sponsoring Department | TpEq | 5,301 | 5,418 |
| **Net cash inflows from financing activities** | | **4,994** | **5,111** |
| **Net (decrease)/increase in cash and cash equivalents for the period** | | **(185)** | **194** |
| **Cash and cash equivalents at the beginning of the period** | 7 | **358** | **164** |
| **Cash and cash equivalents at the end of the period** | 7 | **173** | **358** |

The notes on pages 72 to 92 form part of these accounts.

# Statement of Changes in Taxpayers' Equity
## for the year ended 31 March 2025



| | | 2024-25 | | |
|---|---|---|---|---|
| | Note | General Fund £'000 | Pension Reserve £'000 | Total Taxpayers' Equity £'000 |
| **Balance at 31 March 2023** | | **518** | **5,446** | **5,964** |
| Grants from sponsoring Department | | 5,418 | – | 5,418 |
| Net expenditure for the year | SoCNE | (4,939) | – | (4,939) |
| Other pension movements in the year | 10 | (293) | 293 | – |
| Adjustment prior year service cost | | 5 | – | 5 |
| Actuarial (losses)/gains | 10 | – | 3,486 | 3,486 |
| Impact of Net Asset Ceiling | 10 | – | (4,411) | (4,411) |
| **Balance at 31 March 2024 after Pension Ceiling Impact** | 10 | **709** | **4,814** | **5,523** |
| Grants from sponsoring Department | | 5,301 | – | 5,301 |
| Net expenditure for the year | SoCNE | (5,353) | – | (5,353) |
| Other pension movements in the year | 10 | (291) | 291 | – |
| Adjustment prior year service cost | | (5) | – | (5) |
| Actuarial (losses)/gains | 10 | – | 5,204 | 5,204 |
| Impact of Net Asset Ceiling | 10 | – | (11,371) | (11,371) |
| **Balance at 31 March 2024 after Pension Ceiling Impact** | 10 | **361** | **(1,062)** | **(701)** |

The notes on pages 72 to 92 form part of these accounts.

# Notes to the accounts

## Note 1 Statement of accounting policies

### 1.1 Basis of preparation

These financial statements have been prepared in accordance with the 2024-25 Government Financial Reporting Manual (FReM) issued by HM Treasury and Accounts Direction as issued by the Ministry of Housing, Communities & Local Government (MHCLG). The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. The accounting policies also meet the accounting and disclosure requirements of the Companies Act 2006 to the extent these are appropriate. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the VTS for the purpose of giving a true and fair view has been selected. The accounting policies have been applied consistently in dealing with items that are considered material to the financial statements. All policies adopted for the VTS are described below.

### 1.2 Going concern basis

The financial statements have been prepared on a going concern basis.

The Statement of Financial Position shows net liability of £0.701m (£5.523m net asset as at 31 March 2024). This reflects the inclusion of pension liabilities falling during the years which, to the extent that they are not to be met from the VTS's other sources of income, and may only be met by future grants or grant in aid (GIA) from the sponsoring Department. This is because, under the normal conventions applying to parliamentary control over income and expenditure, such grants may not be issued in advance of need and will only be drawn as the liabilities fall due.

The Valuation Tribunal Service (VTS) is a statutory body under the Local Government Finance Act 2003 and established by Parliament. The organisation continues to be a statutory body and remains an ongoing concern. In common with other non-departmental public bodies (NDPBs), the future financing of the organisation's liabilities is to be met by GIA and has already been included in the sponsoring Department's Parliamentary estimates for 2025-26, and therefore the continued provision of service assumption is appropriate. The Accounting Officer has a reasonable expectation that the sponsoring Department has adequate resources to continue in operational existence for a period of at least 12 months from the date the financial statements are authorised for issue.

The going concern basis of accounting for the organisation is adopted in consideration of the requirements set out in HM Treasury Government FReM, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the service which it provides will continue in the future. For the above reasons it has been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

## 1.3 Standards adopted by the VTS

The financial statements have been prepared under the historical cost convention with depreciated cost used as a proxy for current value in existing use in respect of property, plant and equipment and intangible assets.

## 1.4 Future accounting developments

Policies are applied in accordance with International Accounting Standards (IAS) as interpreted by the FReM for public sector context. All new and revised standards are considered and applied where relevant and adopted by the FReM.

The following International Financial Reporting Standards (IFRS) is to be adopted:

### IFRS 17 Insurance Contracts (effective from 2025-26)

The International Accounting Standards Board (IASB) has issued IFRS 17 Insurance Contracts, which replaces IFRS 4 Insurance Contracts. IFRS 17 has an effective date of 1 January 2023 and has been approved for adoption in the UK by the UK Endorsement Board. HM Treasury have agreed with the Financial Reporting Advisory Board (FRAB) to delay the implementation of IFRS 17 in central government by two years to 1 April 2025. The adoption of IFRS 17 will have no impact on the organisation.

### IAS 38 Intangible Assets (effective from 2025-26)

HM Treasury and FRAB approved FreM adaptation changes removing the cost option for measuring intangible assets to be replaced with a new valuation regime.

## 1.5 Non-current assets

The FReM permits public bodies to determine the most appropriate valuation methodology. Non-current assets are held at current value in existing use and are depreciated/amortised on a straight-line basis over their estimated useful life. The VTS capitalisation threshold is £5,000.

The FReM permits the adoption of depreciated historic cost where not materially different from revaluation model. The VTS has concluded that the assets held meet these criteria and therefore has adopted the depreciated historic cost model.

## 1.6 Property, plant and equipment

Property, plant and equipment are capitalised where they have an expected useful life of more than one year and where the original cost of the item exceeds £5,000 including VAT. Individual items valued at less than this threshold are capitalised only if they constitute integral parts of a composite asset that is in total valued at more than the capitalisation value.

The VTS does not hold any financial interest in land or buildings; it occupies premises rented or leased from its landlords. The VTS has property lease obligations on one office as at 31 March 2025.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate the cost to residual values over their estimated useful lives, as follows:

| | |
|---|---|
| Information Technology | 3-5 years |
| Furniture and office equipment | 5 years |
| Leasehold improvements | over life of lease |

## 1.7 Intangible assets

Intangible assets are capitalised where they have an expected useful life of more than one year and where the original cost of the item exceeds £5,000 including VAT. Individual items valued at less than this threshold are capitalised only if they constitute integral parts of a composite asset that is in total valued at more than the capitalisation value.

Amortisation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

| | |
|---|---|
| Computer software licences | over the length of the licence period |
| Computer software development | 5 years |

Intangible assets are not revalued; the organisation considers the amortised historic cost basis of valuation is not materially different from fair value.

## 1.8 Grant in Aid (GIA)

GIA is accounted for on a cash basis. GIA received is treated as financing and credited to the general fund in accordance with the FReM and recognises that this is funding from the sponsoring Department. This reflects ownership of the VTS as an NDPB of MHCLG.

## 1.9 Employee benefits

The VTS accounts for employee benefits in accordance with IAS19. This accounting standard prescribes the treatment of retirement benefits in the accounts of employing entities. VTS staff are members of the Local Government Pension Scheme (LGPS). The LGPS is a funded, multi-employer, contributory defined benefit statutory scheme administered in accordance with the LGPS Regulations 1997, as amended with effect from 1 April 2014. The London Pension Fund Authority (LPFA) administers the LGPS on behalf of all VTS employees with Barnett Waddingham as the scheme's actuaries.

The VTS has a defined benefit plan for its employees. A defined benefit plan is a pension plan under which the entity has legal or constructive obligations to pay further contributions to the plan if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan typically defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The net pension liability recognised in the Statement of Financial Position in respect of defined benefit pension plans is the calculated scheme assets less the liabilities at the latest valuation, together with adjustments for unrecognised past service costs. The defined benefit obligation is calculated every three years by Barnett Waddingham using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Asset values are estimated based on projected returns for the year and are updated using actual returns figures obtained after the year-end where this results in a material change in values.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the pension reserve in the period in which they arise.

Past service costs are normally recognised immediately in the Statement of Comprehensive Net Expenditure (SoCNE), unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period).

The VTS pays for the pension entitlements of existing and retired employees and also bears the full cost of the LGPS benefits for employees who retire early or with an enhanced pension. The total cost of granting early retirements or enhancements is charged to the SoCNE in the year that the retirements are granted. Regular pension fund costs are paid from the same source.

IAS19 requires an organisation to account for pension liabilities as they arise, regardless of when pension payments are due to be paid. Setting side-by-side the value of all future pension payments and the snapshot value of investments as at 31 March each year results in either an overall deficit or a surplus. The total net deficit arising for the VTS as at 31 March 2025 is £1.062m (£4.814m surplus as at 31 March 2024). The assessment of current surplus or deficit arising from an IAS19 valuation carries with it no additional payment requirement from the VTS as the actuarial valuation, carried out every three years, sets revised employer contribution rates to ensure that existing assets and future contributions will be sufficient to meet future pension payments. A triennial pension valuation was carried out by the actuary, Barnett Waddingham, on 31 March 2022. The financial position of the pension fund was funded at 128%, which is equivalent to a surplus of £12.6m, compared to 111% funded at the 2019 triennial valuation. The VTS have accepted the new contribution rate of 16.3% (the previous contribution rate was 16.3%) for the next three years from 1 April 2023 to 31 March 2026.

The amount of surplus arising from the defined benefit plan that an entity is allowed to recognise is limited under IAS19 valuation. This is the assessment under the application of IFRIC 14. The actuary, Barnett Waddingham, carried out the assessment and concluded that the economic benefit will be a reduction of future contributions, which will be the value of the current service cost in future years. In addition, they have made the following assumptions:

- there is no prospect of the Employer having an unconditional right to a refund of surplus on the basis that such a payment would be at the discretion of the Fund
- the Employer is a scheduled body and assumed to participate indefinitely
- primary contributions are considered to be a minimum funding requirement (MFR)
- the potential economic benefit from the reduction in future contributions has been calculated to be nil. Since this is less than the unadjusted net asset of £15.78m, the initial impact of the asset ceiling is £15.78m
- an additional liability of £0.022m is recognisable in respect of the Employer's obligation to pay future deficit contributions, thereby increasing or generating an irrecoverable surplus
- there is an unfunded liability of £1.04m

The Scheme continues to consider the potential impact of the High Court & Court of Appeal judgments in the Virgin Media (VM) litigation. The VM litigation relates to amendments made to private sector and not public service schemes and as a result it does not expressly deal with whether s37 confirmations are required for relevant amendments made to public service schemes.

Public service scheme amendments during the relevant period would have been made by legislation (i.e. by primary legislation or regulations). The general position in public law is that legislation remains valid law until it is revoked or repealed by subsequent legislation or in the case of regulations specifically declared void by a court. The Scheme therefore continues to administer benefits and recognise liabilities in accordance with the relevant scheme regulations currently in force.

The VTS is sponsored by MHCLG. The pension obligations are fully funded by MHCLG and protected at all times. As such there is no risk that it will default on its LGPS contribution payments.

## 1.10 Retrospective restatement to Financial Statements

The VTS follows IAS 8 Accounting Policies, accounting for changes in estimates and reflecting corrections of prior year errors. These corrections are applied retrospectively to reflect them in the current financial statements.

### Nature of restatement

VTS has applied a retrospective restatement to its Financial Statements to recognise pension asset ceiling adjustments required to appropriately account for the previous year in accordance with IFRIC Interpretation 14. IFRIC 14 clarifies that a defined benefit pension asset can only be recognised to the extent an entity expects to obtain economic benefit from the surplus. Economic benefit can be realised through an entity receiving an unconditional right to a refund or a reduction in future contributions. Where a surplus exists, but the entity does not expect to receive equivalent future economic benefit from it, an asset ceiling adjustment is applied to ensure that the carrying value of the net pension asset does not exceed the economic benefit that will flow to the entity. The recognition of the asset ceiling is necessary which is in line with IAS 19 accounting standard.

### Impact on statements

The prior year adjustment in the SoCNE reflects the impact of the asset ceiling applied to the pension valuation of £4.411m. The amount to restate an asset ceiling loss of £4.411m for 2023-24 must be recognised within Other Comprehensive Expenditure. Accordingly, the SoCNE for year ended 31 March 2024 has been restated from £1.453m to £5.864m.

The restatement has no material impact on the Statement of Financial Position for the year ended 31 March 2024.

## 1.11 Leases

### IFRS 16 Leases

Under IFRS 16 Leases, a leesee (the organisation that has entered into a finance lease arrangement) is required to recognise a right-of-use asset representing its right of use the underlying leased asset and a lease liability representing its obligation to make lease payments.

The lease discount rate used is set out annually by HM Treasury in the Public Expenditure System (PES) paper. For 2024-25 financial year the discount rate used remains unchanged from the previous year 3.51%.

## 1.12 VAT

The VTS is not VAT registered. Where goods and services include a charge for VAT the VAT-inclusive cost is charged to the relevant expenditure category or included in the capitalised purchase cost of property, plant and equipment and intangible assets.

## 1.13 Taxation

The VTS is exempt from income and corporation tax under the Income and Corporation Taxes Act 1988.

## 1.14 Interest rate risk

All of the VTS's financial assets and liabilities carry nil or fixed rates of interest and are, therefore, not exposed to significant interest rate risk.

## 1.15 Financial instrument risk

As the cash requirements of the VTS are met through the Estimate process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to short-term payables and receivables in line with VTS expected purchase and usage requirements and the VTS is therefore exposed to little credit, liquidity, or market risk.

## 1.16 Appeal fees

The Non-Domestic Rating (Alteration of Lists and Appeals) (England) (Amendment) Regulations 2017 came into force on 1 April 2017. Having received a determination by the Valuation Office Agency (VOA), a ratepayer making an appeal to the Valuation Tribunal for England (VTE) is required to pay a fee. This fee is returnable in the event of a decision in favour of the ratepayer or remitted to HM Treasury where the appeal fails. During the course of the appeal process the VTS holds these funds as an agent of HM Treasury. These funds are not available to defray the expenditure of the service. These funds are managed and shown separately from the funds of the VTS and do not form part of the organisation's financial statements.

## 1.17 Critical accounting judgements and key sources of estimation uncertainty

The application of the accounting policies requires judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Note 10 sets out the VTS's pension liability, and sets out the judgements, estimates and assumptions made in respect of this. The liability takes account of all active and non-active fund valuations.

# Note 2 Staff costs

Staff costs comprise:

| | 2024-25 £'000 | 2023-24 £'000 |
|---|---|---|
| Wages and salaries | 2,674 | 2,528 |
| Social security costs | 293 | 275 |
| Other pension costs | 451 | 462 |
| Agency staff costs | 183 | 110 |
| Untaken leave in year charge | (3) | 15 |
| **Total staff costs** | **3,598** | **3,390** |

Please see the Remuneration and staff report (from page 44) for further detail on staff costs and numbers.

# Note 3 Other operating costs

| | Note | 2024-25 £'000 | 2023-24 £'000 |
|---|---|---|---|
| **Cash items** | | | |
| **Other operating expenditure** | | | |
| VTE costs | | 195 | 157 |
| Board costs | | 60 | 46 |
| Travel and subsistence | | 62 | 62 |
| Training | | 51 | 47 |
| | | **368** | **312** |
| **Purchase of goods and services** | | | |
| Support services (IT, legal and finance) | | 246 | 280 |
| Accommodation charges | | 181 | 173 |
| IT (maintenance and licences) | | 383 | 321 |
| Post and communications | | 1 | 2 |
| Tribunal costs | | 46 | 34 |
| Printing & publications | | 23 | 21 |
| Auditors' remuneration and expenses | | 66 | 55 |
| Other goods and services | | 118 | 106 |
| Variable maintenance | | 9 | 10 |
| Heating and lighting | | 25 | 29 |
| Internal audit | | 27 | 22 |
| | | **1,125** | **1,053** |
| **Non-cash items** | | | |
| Administration charge – pensions | 10 | 19 | 17 |
| Net interest on pension liabilities | 10 | (248) | (274) |
| Amortisation | 5 | 148 | 116 |
| Depreciation | 4 | 36 | 19 |
| Right-of-use asset depreciation | 12 | 277 | 277 |
| Right-of-use asset interest on lease liability | 12 | 30 | 29 |
| | | **262** | **184** |
| **Total** | | **1,755** | **1,549** |

# Note 4 Property, plant and equipment

| 2024-25: | Furniture & fittings £'000 | Information technology £'000 | Total £'000 |
|---|---|---|---|
| **Cost or valuation at 1 April 2024** | **5** | **123** | **128** |
| **At 31 March 2025** | **5** | **123** | **128** |
| **Accumulated depreciation at 1 April 2024** | **5** | **52** | **57** |
| Charge for period | – | 37 | 37 |
| **At 31 March 2025** | **5** | **89** | **94** |
| **Net book value at 31 March 2025** | **–** | **34** | **34** |
| **Owned at 31 March 2025** | **–** | **34** | **34** |

| 2023-24: | Furniture & fittings £'000 | Information technology £'000 | Total £'000 |
|---|---|---|---|
| **Cost or valuation at 1 April 2023** | **5** | **245** | **250** |
| Disposals | – | (123) | (123) |
| Reclassifications | – | 1 | 1 |
| **At 31 March 2024** | **5** | **123** | **128** |
| **Accumulated depreciation at 1 April 2023** | **5** | **156** | **161** |
| Charge for period | – | 19 | 19 |
| Disposals | – | (123) | (123) |
| **At 31 March 2024** | **5** | **52** | **57** |
| **Net book value at 31 March 2024** | **–** | **71** | **71** |
| **Owned at 31 March 2024** | **–** | **71** | **71** |

# Note 5 Intangible assets

| | 2024-25 | | |
|---|---|---|---|
| | IT assets under construction £'000 | IT development expenditure £'000 | Total £'000 |
| **Cost or valuation at 31 March 2024** | **–** | **960** | **960** |
| Additions | 164 | – | 164 |
| **At 31 March 2025** | **164** | **960** | **1,124** |
| **Amortisation** | | | |
| At 1 April 2024 | – | 491 | 491 |
| Charge for period | – | 148 | 148 |
| **At 31 March 2025** | **–** | **639** | **639** |
| **Net book value at 31 March 2025** | **164** | **321** | **485** |
| **Owned at 31 March 2025** | **164** | **321** | **485** |

| | 2023-24 | | |
|---|---|---|---|
| | IT assets under construction £'000 | IT development expenditure £'000 | Total £'000 |
| **Cost or valuation** | | | |
| **At 1 April 2022** | **88** | **1,050** | **1,138** |
| Additions | 157 | – | 157 |
| Disposals | – | (242) | (242) |
| Impairments | (96) | 96 | – |
| **At 31 March 2023** | **149** | **904** | **1,053** |
| **Amortisation** | | | |
| **At 1 April 2022** | – | 664 | 664 |
| Charge for the Year | – | 96 | 96 |
| Disposals | – | (242) | (242) |
| **At 31 March 2023** | **–** | **518** | **518** |
| **Cost** | | | |
| **At 1 April 2023** | **149** | **904** | **1,053** |
| Additions | – | 49 | 49 |
| Disposals | – | (142) | (142) |
| Reclassifications | (149) | 149 | – |
| **Cost at 31 March 2024** | **–** | **960** | **960** |
| **Amortisation** | | | |
| **At 1 April 2023** | **–** | **518** | **518** |
| Charge for the Year | – | 115 | 115 |
| Disposals | – | (142) | (142) |
| **At 31 March 2024** | **–** | **491** | **491** |
| **Net book value at 31 March 2024** | **–** | **469** | **469** |
| **Owned at 31 March 2024** | **–** | **469** | **469** |

# Note 6 Trade and other receivables

| | Note | 2024-25 £'000 | 2023-24 £'000 |
|---|---|---|---|
| Amounts falling due within one year: | | | |
| Prepayments and accrued income | | 65 | 148 |
| **Balance at 31 March** | | **65** | **148** |

# Note 7 Cash and cash equivalents

| | Note | 2024-25 £'000 | 2023-24 £'000 |
|---|---|---|---|
| **Cash at bank at 1 April** | | **358** | **164** |
| (Decrease)/Increase in cash for the year | SCF | (185) | 194 |
| **Cash at bank and held at 31 March** | | **173** | **358** |
| **The following balance at 31 March was held at:** | | | |
| **Government banking services** | | **173** | **358** |

# Note 8 Trade and other payables

| | Note | 2024-25 £'000 | 2023-24 £'000 |
|---|---|---|---|
| Amounts falling due within one year: | | | |
| Trade Payables | | (27) | 38 |
| Accruals | | 240 | 126 |
| Staff Payables | | 131 | 120 |
| Untaken Leave and Other Creditors | | 53 | 58 |
| **Balance at 31 March** | | **397** | **342** |

# Note 9 Provisions

The VTS has no provisions for the current or prior year.

# Note 10 Pensions

| | 2024-25 | | |
|---|---|---|---|
| **Year ended 31 March 2025** | **Assets £'000** | **Obligations £'000** | **Net Asset/ (Liability) £'000** |
| **Opening position** | **62,284** | **(53,059)** | **9,225** |
| Current service cost | – | (451) | (451) |
| Administration costs | (19) | – | (19) |
| | **(19)** | **(451)** | **(470)** |
| Net interest | – | (2,524) | (2,524) |
| Interest income on plan assets | 2,988 | – | 2,988 |
| **Total net interest** | **2,988** | **(2,524)** | **464** |
| **Total (expenditure)/income recognised in the Statement of Comprehensive Net Expenditure** | **2,969** | **(2,975)** | **(6)** |
| Contributions by scheme participants & other employers | 183 | (183) | – |
| Employer contributions* | 513 | – | 513 |
| Benefits paid including expenses | (3,217) | 3,217 | – |
| Unfunded benefits paid | (99) | 99 | – |
| **Expected closing position** | **62,633** | **(52,901)** | **9,732** |
| Changes in demographic assumptions | – | 128 | 128 |
| Changes in financial assumptions | – | 5,827 | 5,827 |
| Experience Loss/(Gain) | – | 142 | 142 |
| Return on assets excluding amounts included in net interest | (893) | – | (893) |
| **Total re-measurements recognised in the Statement of Other Comprehensive Net Expenditure** | **(893)** | **6,097** | **5,204** |
| **Closing Position 31 March 2025 before Asset Ceiling** | **61,740** | **(46,804)** | **14,936** |
| **Impact of Pension Asset Ceiling Prior Year** | **(4,411)** | **–** | **(4,411)** |
| **Impact of Pension Asset Ceiling** | **(11,371)** | **–** | **(11,371)** |
| **Interest on Impact of Pension Asset Ceiling** | **(216)** | **–** | **(216)** |
| **Closing Position 31 March 2025 after Asset Ceiling** | **45,742** | **(46,804)** | **(1,062)** |

* Contributions by employer including unfunded pension payments.

# Note 10 Pensions (cont.)

| | 2023-24 | | |
|---|---|---|---|
| **Year ended 31 March 2024** | **Assets £'000** | **Obligations £'000** | **Net Asset/ (Liability) £'000** |
| **Opening position** | **57,839** | **(52,393)** | **5,446** |
| Current service cost | – | (462) | (462) |
| Administration costs | (17) | – | (17) |
| | **(17)** | **(462)** | **(479)** |
| Net interest | – | (2,481) | (2,481) |
| Interest income on plan assets | 2,755 | – | 2,755 |
| **Total net interest** | **2,755** | **(2,481)** | **274** |
| **Total (expenditure)/income recognised in the Statement of Comprehensive Net Expenditure** | **2,738** | **(2,943)** | **(205)** |
| Contributions by scheme participants & other employers | 179 | (179) | – |
| Employer contributions* | 498 | – | 498 |
| Benefits paid including expenses | (1,479) | 1,479 | – |
| Unfunded benefits paid | (95) | 95 | – |
| **Expected closing position** | **59,680** | **(53,941)** | **5,739** |
| Changes in demographic assumptions | – | 659 | 659 |
| Changes in financial assumptions | – | 385 | 385 |
| Experience Loss/(Gain) | – | (162) | (162) |
| Return on assets excluding amounts included in net interest | 2,604 | – | 2,604 |
| **Total re-measurements recognised in the Statement of Other Comprehensive Net Expenditure** | **2,604** | **882** | **3,486** |
| Effect of business combinations and disposals | – | – | – |
| **Closing Position 31 March 2025 before Asset Ceiling** | **62,284** | **(53,059)** | **9,225** |
| **Impact of Pension Asset Ceiling** | **(4,411)** | **–** | **(4,411)** |
| **Closing Position 31 March 2025 after Asset Ceiling** | **57,873** | **(53,059)** | **4,814** |

* Contributions by employer including unfunded pension payments.

## Pension Assumptions

| Table 1 | 31 March 2025 | | 31 March 2024 | |
|---|---|---|---|---|
| **Assumptions as at:** | **% pa** | **real** | **% pa** | **real** |
| RPI increases | 3.25 | – | 3.30 | – |
| CPI increase | 2.90 | (0.4) | 2.95 | (0.4) |
| Salary increases | 3.90 | 0.7 | 3.95 | 0.7 |
| Pension increases | 2.90 | (0.35) | 2.95 | (0.35) |
| Discount rate | 5.75 | 2.5 | 4.90 | 1.6 |

| Table 2 | | 31 March 2025 | 31 March 2024 | 31 March 2023 |
|---|---|---|---|---|
| **Life expectancy from age 65** | | **Weighted by liability** | **Weighted by liability** | **Weighted by liability** |
| Retiring today | Males | 21.3 | 21.3 | 21.6 |
| | Females | 24.0 | 24.0 | 24.2 |
| Retiring in 20 years | Males | 22.4 | 22.4 | 22.7 |
| | Females | 25.2 | 25.2 | 25.4 |

| Table 3 | 31 March 2025 | | | 31 March 2024 | | |
|---|---|---|---|---|---|---|
| **Member data summary** | **Number of members** | **Salaries/ pensions £'000** | **Average age** | **Number of members** | **Salaries/ pensions £'000** | **Average age** |
| Actives | 58 | 2,217 | 49 | 58 | 2,217 | 49 |
| Deferred pensioners | 123 | 368 | 54 | 123 | 368 | 54 |
| Pensioners | 223 | 2,072 | 72 | 223 | 2,072 | 72 |
| Unfunded pensioners | 45 | 95 | 77 | 45 | 95 | 77 |

## Sensitivity analysis

IAS require disclosure of the sensitivity of the results to the methods and assumptions used. The costs of a pension arrangement require estimates regarding future experience. These assumptions are largely prescribed at any point and reflect market conditions at the reporting date.

Changes in assumptions can have a significant effect on the value of the liabilities reported. The table below explains the effect of +/-0.1% movement in financial assumptions.

**Table 4**

**2024-25**

| **Sensitivity analysis** | | **£'000s** | **£'000s** | **£'000s** | **£'000s** | **£'000s** |
|---|---|---|---|---|---|---|
| **Adjustment to discount rate** | | **+0.5%** | **+0.1%** | **0.0%** | **-0.1%** | **-0.5%** |
| | Present value of obligation | 44,087 | 46,239 | 46,804 | 47,382 | 49,818 |
| | Projected service costs | 283 | 323 | 334 | 345 | 394 |
| **Adjustment to long-term salary increase** | | **+0.5%** | **+0.1%** | **0.0%** | **-0.1%** | **-0.5%** |
| | Present value of obligation | 46,999 | 46,843 | 46,804 | 46,766 | 46,615 |
| | Projected service costs | 334 | 334 | 334 | 334 | 334 |
| **Adjustment to pension increases and deferred revaluation** | | **+0.5%** | **+0.1%** | **0.0%** | **-0.1%** | **-0.5%** |
| | Present value of obligation | 49,696 | 47,359 | 46,804 | 46,261 | 44,191 |
| | Projected service costs | 396 | 346 | 334 | 323 | 281 |
| **Adjustment to life expectancy assumptions** | | **+ 1 Year** | **None** | **-1 Year** | | |
| | Present value of obligation | 48,709 | 46,804 | 44,983 | | |
| | Projected service costs | 347 | 334 | 322 | | |

## Statement of Financial Position

The asset and liability values as at 31 March 2025 are reflected in the table on page 85 and are reported in the Statement of Financial Position on page 69 as the total pension net deficit of £1,062,000 (2023-24: £4,814,000).

Unfunded benefits paid as at 31 March 2025 amounted to £99,000 (2023-24: £95,000). The liability for unfunded benefits at 31 March 2025 was £1,040,000 (2023-24: £1,146,000). This is contained within the net pension deficit of £1,062,000 (2023-24: £4,814,000).

## Assets

The estimate asset allocation as at 31 March 2025 is as follows:

| Table 5 | 31 March 2025 | | 31 March 2024 | |
|---|---|---|---|---|
| **Asset breakdown** | **£'000s** | **%** | **£'000s** | **%** |
| Equities | 36,416 | 59% | 37,710 | 61% |
| Target return portfolio | 11,212 | 18% | 10,745 | 17% |
| Infrastructure | 7,042 | 11% | 7,155 | 11% |
| Property | 5,627 | 9% | 5,698 | 9% |
| Cash | 1,443 | 2% | 976 | 2% |
| **Total** | **61,740** | **100%** | **62,284** | **100%** |

## Projected pension expense for the year to 31 March 2025

| Table 6 | 31 March 2026 | 31 March 2025 |
|---|---|---|
| **Projections for the year** | **£'000s** | **£'000s** |
| Service cost | 334 | 449 |
| Net interest on the defined liability(asset) | 47 | (248) |
| Administration expenses | 18 | 19 |
| **Total Loss (Profit)** | **399** | **220** |
| Employee Contributions | 405 | 403 |

# Note 11 Capital commitments

The VTS has no capital commitments for either the current or prior year.

# Note 12 Consolidated Right-of-use assets

| Right-of-use assets | 2024-25 Buildings £'000 | 2023-24 Buildings £'000 |
|---|---|---|
| **Cost or Valuation** | | |
| At 1 April 2024 | 994 | 994 |
| **At 31 March 2025** | **994** | **994** |
| **Depreciation** | | |
| At 1 April 2024 | 555 | 277 |
| Depreciation charge for the year | 277 | 277 |
| **At 31 March 2025** | **832** | **555** |
| **Carrying amount at 31 March 2025** | **162** | **439** |

Obligation under lease

## Lease Liabilities

VTS adopted IFRS 16 from April 2022 and this standard replaced IAS17 Leases. The opening balance represents the five-year lease for the London office (120 Leman Street, London) ending on 31 October 2025 (financial year 2025-26) that were within scope of IFRS 16. The Lease Liability within one year is £162,000 and later than one year is £0. Lease interest of £30,000 was recognised in the Statement of Cash Flow. A maturity analysis of lease liabilities within scope of IFRS 16 – Leases, based on undiscounted gross cashflows, is reported in the table below. Liquidity risk is the possibility that the VTS may be unable to meet its obligations from lease liabilities to be settled with cash. As the VTS can draw down cash from the Consolidated Fund and, if necessary, make a Contingencies Fund request for cash, its liquidity risk is low. VTS chose not to reassess whether a contract is, or contains, a lease at the date of initial application in accordance with the accounting standard. As at 1 September 2025, VTS moved to 2 Marsham Street, sharing premises with the sponsoring Department, Ministry of Housing, Communities & Local Government.

The Lease discount rate used is set out annually by HM Treasury in the Public Expenditure System paper. For 2023-24 financial year the discount rate used was 3.51%. However, there was a suggestion that new leases commencing in 2024 calendar year could use 4.72%. In the transition to IFRS 16, the rate used to determine lease liability for existing leases was 0.95%.

| Lease Liability for the following periods comprises of: | 2024-2025 £'000 | 2023-2024 £'000 |
|---|---|---|
| **Buildings** | | |
| Not more than one year | 161 | 275 |
| Later than one year but not later than five years | – | 159 |
| **Total** | **161** | **434** |

# Note 13 Related party disclosures

The VTS is sponsored by MHCLG, which is regarded as a related party. During the reporting period there were several significant related party transactions. The values of related party transactions include the following:

- GIA of £5,301,000 (2023-24: £5,418,000) was received from MHCLG
- The VTS is an NDPB and during the year the VTS had various material transactions with the sponsoring Department but not with any other entity for which MHCLG is regarded as the parent Department

In addition, the VTS has had various transactions with other government departments and other central government bodies which include:

- remittances were made to HMRC for social security costs of £876,000 (2023-24: £851,000). For details of compensation paid to management please see the "Remuneration and staff report"

# Note 14 Check, Challenge and Appeal (CCA) fees

| | 2024-25 | | 2023-24 | |
|---|---|---|---|---|
| | **Number** | **£'000** | **Number** | **£'000** |
| **Balance at 1 April** | **2,047** | **579** | **2,017** | **579** |
| CCA cases received during the period | 2,928* | 858 | 1,330 | 367 |
| Less: Cases determined in favour of the Appellants | (1,100) | (316) | (884) | (253) |
| Add back: Cases held for repayment to the Appellants at 31 March | 180 | 52 | 60 | 16 |
| Less: Cases determined in favour of the Authority | (568) | (158) | (486) | (133) |
| Add back: Cases held for remittance to the Consolidated Fund at 31 March | 94 | 28 | 10 | 3 |
| **Balance at 31 March** | **3,581** | **1,043** | **2,047** | **579** |

*Note: Registered CCA case figure differs from the CCA cases received due to timing differences from receipt of CCA fees.
(See Parliamentary accountability and audit report, Non-Domestic Rating fees on page 61)

# Note 15 Events after the reporting period

The VTS's financial statements are laid before the Houses of Parliament by the Comptroller and Auditor General.

The Chief Executive and Accounting Officer authorised the accounts for issue on the date that they were certified by the Comptroller and Auditor General.

# Accounts direction



## The Valuation Tribunal Service

ACCOUNTS DIRECTION GIVEN BY THE SECRETARY OF STATE WITH THE CONSENT OF THE TREASURY, IN ACCORDANCE WITH PARAGRAPH 19(2) OF SCHEDULE 4 TO THE LOCAL GOVERNMENT ACT 2003

**1** The annual accounts of The Valuation Tribunal Service (hereafter in this accounts direction referred to as "the Service") shall give a true and fair view of the income and expenditure and cash flows for the year and the state of affairs at the year end. Subject to this requirement, the financial statements for 2010-11 and for subsequent years shall be prepared in accordance with:-

(a) the accounting and disclosure requirements given in Managing Public Money and in the Government Financial Reporting Manual issued by the Treasury ("the FReM"), as amended or augmented from time to time;
(b) any other relevant guidance that the Treasury may issue from time to time;
(c) any other specific disclosure requirements of the Secretary of State.

Insofar as these requirements are appropriate to the Service and are in force for the year for which the Accounts are prepared, and except where agreed otherwise with the Secretary of State and the Treasury, in which case the exception shall be described in the Notes to the Accounts.

**2** Schedule 1 to this direction gives clarification of the application of the accounting and disclosure requirements of the Companies Act and accounting standards. Additional disclosure requirements of the Secretary of State and further explanation of Treasury requirements are set out in Schedule 2.

**3** This direction shall be reproduced as an appendix to the annual Accounts.

**4** This direction replaces all previously issued directions.

Signed by authority of the Secretary of State for Communities and Local Government

An officer in the Department for Communities and Local Government
31 March 2010

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