SUMMARY MINUTES of the VALUATION TRIBUNAL SERVICE BOARD

92nd Meeting, held on 25 May 2016 at 10:30am

Present: Anne Galbraith CBE (Chairman), John O'Shea (Deputy Chairman), Martin Allingham, Robin Evans, Ian Tighe **In attendance:** Tony Masella (Chief Executive & Chief Operating Officer), Ann Battom (Director of Finance & Information Systems), Lee Anderson (Director of Operations & Development), Diane Russell (Board Secretary)

ITEMS 1 and 2: APOLOGIES, DECLARATIONS OF INTEREST, CONFIRMATION OF MINUTES AND MATTERS ARISING

1. There were apologies from Martin Young and no declarations of interest. The Minutes of the meeting of 23 March 2016 were accepted as an accurate record. The actions had been completed as necessary. Matters arising related to the finance system project and disposal of appeals stayed pending the decision on 'overpayment' council tax reduction appeals.

ITEM 3: UPDATE ON THE NOVATION OF THE ASPIRE CONTRACT

2. The contract expired in June 2017. HMRC and the VOA had recently alerted the VTS to the alternative arrangements they were establishing – through a new company, RCDTS – which would only service HMRC agencies. However, as the VOA remained reliant on the VTS for data exchange, a contractual solution was being investigated to enable the VTS to manage legacy work on the appeals database (CDB) to June 2019. The VTS was taking independent advice about this.

ITEM 4: MATTERS FOR DECISION

3. **Committee Memberships.** Following the end of Ronald Barham's term of appointment, replacement Committee members were needed. The Board approved Martin Allingham joining the Audit & Risk Assurance Committee, moving from the Finance Committee, and Robin Evans taking on Chairmanship of the Remuneration Committee.

4. **Migration of back office servers**. The driver for replacement was the termination of the Aspire contract and the need to be off the existing servers by June 2017. There was no 'do nothing' option and the preferred option was a hosted cloud solution. Exploratory meetings had been held with DCLG's IT team to consider the VTS moving to their Connect shared service. However, technical and security problems with this approach had been identified. DCLG continued to investigate whether these could be overcome and the findings were awaited. The preferred option in the business case did not preclude the VTS from moving to the Connect shared services at a later date. There were forecast savings for future years of £116k/year after set up. In approving the business case, the Board stressed the importance of conveying the deadline of June 2016 for a decision to all concerned, because of the timescale of this project and its dependencies.

5. **Appeals management system**. The OBC identified that the preferred option was to use the existing CDB for legacy appeals for the time being until a new system was at stable state. An off the shelf solution would keep costs low and enable flexibility. The outline business case was approved subject to the additional stage in discovery of a competitive tender framework and to regular updates between Board meetings.

ITEM 5: FINANCE

6. The VTS ended 2015-16 with a small underspend, following approval for using some funds for pension deficit payments. The draft accounts were prepared by 18 April for Deloitte's audit on behalf of the NAO. Preparation of the draft Annual Report was underway.

7. Management accounts to 30 April 2016. There were no particular issues, with spending broadly in line with budget after one month.

ITEM 6: REVIEW OF VTS STRATEGIC RISK REGISTER

8. This had last been updated on 17 May 2016 at the EMT meeting and there were eight live risks. These included two new risks regarding the need for approval for capital expenditure and the urgency of the back office server issue. The risks relating to VTE member numbers and the

number of appeals in the system had both been reduced. It had now been agreed with DCLG and the VOA that 150,000 appeals would be listed in 2016-17.

ITEM 7: CHAIRMAN'S REPORT

9. VTE member recruitment. The first tranche had been completed and induction sessions held. Distance learning modules were being completed. The next tranche for the west of England would be for 60 members and 60 chairmen.

10. Board member recruitment. Letters were going out to all chairmen of the VTE by the end of month. DCLG was planning to run the Board Chairman recruitment process in parallel.

ITEM 8: VICE-PRESIDENT'S REPORT

11. In the Vice-President's absence, the Chairman presented his report.

ITEM 9: CEO'S REPORT

12. The following points were highlighted from the circulated report:

- Pensions' consolidation should conclude on 30 June. Benefits to the VTS would be reductions in administrative effort and actuaries costs.
- Disappointing user survey results could become a reputational risk. The blurring of VTE/VTS/VOA was a concern and ways must be sought to try to ameliorate this.
- NDR pilot would begin mid-September in Kent and Leicestershire billing authorities, involving 2,000 appeals listed over 10 agendas. The VTE would require nothing from the parties until two weeks before hearing; if nothing was received the appeal would be struck out; if papers were received, the assumption would be that the case required a hearing. The effects would be monitored; success criteria were being agreed.
- The level of sponsorship for ALBs had been reviewed by DCLG and, in recognition of improvement, the VTS was now classed as requiring 'light touch'. The frequency of meetings had been reduced and liaison meetings dropped altogether.
- A VTE national conference was dependent on DCLG's approval of a business case, conferences being subject to spending controls. The rationale depended largely on having a new President in place.

13. Report on Business Plan Objectives 2015-16. Of 21 business objectives 15 had been completed or achieved; two, relating to IT development, were underway. The four not met were:

- 80% of decisions on reinstatement applications issued within 6 weeks of receipt – this was missed by 4% and required specialist input from VTE vice-presidents.
- 80% of postponed appeals provided with a new hearing date within 6 weeks – this worked well whilst focus was on Chancellor's target appeals, but thereafter it proved difficult to maintain given volumes.
- 10% reduction on external venues spend – an 8% reduction was achieved.
- Maintaining sickness absence levels below the public sector average (7.9 days). Excluding seven long term cases, average sickness absence was 4.2 days, with 54% of staff taking no sick leave during the year.

ITEM 10: PERFORMANCE SUMMARY FOR Q4 AND YEAR 2015-16

14. Internal measures: The customer satisfaction figures were similar to the previous year; better direct communication with appellants was to be reintroduced. On rail travel, the targeted 10% saving had been achieved on average spend/transaction. Volumetrics: It was disappointing that because of external factors, three times more appeals had been received than had been cleared, the result primarily of a change to effective date regulations and limited VOA resource.

15. Workload data: Quarter 4 had seen an increase in the number of decisions being issued, yet a 60% reduction in those issued late; this was a tribute to the efforts of staff particularly on NDR decisions.

16. KPIs: Four of the eight had been met or exceeded; two were missed marginally. There had been a meeting about appropriate KPIs for 2016-17.

There was no other business. The next Board meeting is on Wednesday 8 June 2016 at 11.30am.