



Department for
Communities and
Local Government

Checking and Challenging your Rateable Value

Summary of Responses



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Department for Communities and Local Government
Fry Building
2 Marsham Street
London
SW1P 4DF
Telephone: 030 3444 0000

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Summary of responses to the consultation

The consultation was open for 12 weeks from 6 December 2013 until 3 March 2014. In total 71 responses were received. Responses were received from local authorities, rating professionals, professional and representative bodies such as the Federation of Small Business, the Local Government Association, the British Council of Shopping Centres and the British Property Federation and the Institute of Revenues Rating and Valuation and individual businesses. The table below provides a breakdown of responses by organisations.

Type of Organisation	Number of Responses
Local authority	19
Rating agents	20
Representative bodies	13
Individual businesses	19
Total	71

Q1. Do you agree that the Valuation Office Agency should provide rental information prior to the challenge process?

This question attracted a very high level of comment. Overwhelmingly, respondents chose to make wider points, rather than directly answering the question. The majority of the responses welcomed the idea and agreed with the principle of greater transparency. Where respondents did answer directly 27 agreed with the proposition and 2 did not.

However, there was a consistent and strong view that the proposed approach (and in particular the content of the Rateable Value Information Sheet) would not deliver the greater transparency or lead to the reduction in appeals the government was seeking. Respondents said that this was because the Rateable Value Information Sheet fell short of their needs and would not therefore provide ratepayers with sufficient information on how the rateable value had been established by the Valuation Office Agency. Because of this, most respondents felt that the Rateable Value Information Sheet would be of little use and would mean that ratepayers would have no option but to challenge the rateable value by making a formal proposal.

Many of the responses contained an “alternative Rateable Value Information Sheet” which has been developed by rating agents and contained more information than that proposed

by the Valuation Office Agency. This was felt to be of more use to a ratepayer in establishing how a rateable value is calculated. The alternative Rateable Value Information Sheet also had support from representative bodies and a number of individual businesses.

Q2. Do you agree that ratepayers, or their agents, should provide with their challenge sufficient detail or why they consider the rateable value to be incorrect such that the Valuation Office Agency may reasonably consider their challenge, plus any evidence they are relying on to support their challenge? How might this requirement be suitably framed?

There were 21 responses to this question, all of which supported the principle but as with question 1, the majority of respondents chose to make broader points rather than answer the question directly.

Of the comments made there was as strong agreement with the intention of this question but many respondents argued that more onerous requirements on taxpayers were unfair because the information supplied by the Valuation Office Agency was inadequate. Respondents felt that ratepayers would be forced to submit a proposal in order to understand how the rateable value had been established, before they could challenge that rateable value. Respondents felt that this was unfair because without sufficient information from the Valuation Office Agency in the first place, a challenge would inevitably be considered to be insufficient by the Valuation Office Agency, who would therefore deem the proposal to be invalid. This would mean that the ratepayer would have to submit another proposal, if they wanted to pursue the challenge.

Uncertainty as to what would constitute a valid or invalid proposal was cited as a reason for why some respondents did not feel like they could comment on this question.

Q3. Do you agree with the government's revised approach to the proposal stage?

The consultation document proposed that there should be a formal separation between the proposal and appeal stage and this question invited views on how the new proposal stage should operate, specifically that:

- The government suggested that the ratepayer would make a proposal to amend the rating list to the Valuation Office Agency;
- The Valuation Office Agency would first consider if that proposal was valid. If it was, the Valuation Office Agency would investigate and consider it, undertaking discussions with the ratepayer. If necessary the Valuation Office Agency would amend the ratings list in line with their decision notice. If the Valuation Office Agency could not accept the proposal was well founded or could not reach

agreement with the ratepayer they would issue a decision notice explaining their decision;

- Where a proposal was considered to be invalid, the Valuation Office Agency would issue a simple decision notice refusing to amend the list. If the ratepayer wanted to pursue the challenge they would be able to make a new proposal.

31 respondents answered this question directly. Of these, 27 were in favour of the reform and 4 were opposed. Those opposed to the proposition did not accept that there was a need for any system change and that reform of Valuation Office Agency processes could deliver the same outcomes government was seeking. The lack of information on how invalidity would be treated was also a reason for not supporting the reform.

Again most respondents made more general comments about the merit of the reform package. Some felt it would speed up the process and others supported the proposals but caveated their support with comments which stressed the need for the Valuation Office Agency to engage more proactively with the ratepayer and emphasised the need for there to have been meaningful dialogue during the discussion phase.

Other comments called for the need for guidance – particularly for small businesses or unrepresented ratepayers.

Q4. Do you agree that the Valuation Office Agency should have 3 months to consider if the proposal is invalid other than in exceptional cases? How might these exceptional cases be framed?

Of the 28 direct responses to this, 21 agreed with the proposal and 7 did not. Where respondents agreed they felt that a deadline would help speed up the operation of the overall process. Where respondents did not agree with the proposal it tended to be because the respondent felt that three months was too long and that the Valuation Office Agency should be able to determine validity within 28 days.

As with other questions a number of respondents preferred to make more general comments, with some respondents saying that further information was required from the President of the Valuation Tribunal for England as to how invalidity would be treated at the appeal stage before they could make a substantive comment. A number of respondents also felt that there should be some flexibility for cases which involve a “material change in circumstance”.

Q5. Do you agree that ratepayers should, if they wish, be able to progress to the appeal stage in the Valuation Tribunal for England if they have not received a decision notice within 12 months of making a proposal?

20 responses answered this question directly and all were supportive of the proposition. A number of respondents made comments – typically around the deadline (with some considering 12 months being too long) and others comments cited the need for flexibility to move more quickly or slowly depending on the circumstances. Others flagged the need for exceptions in cases where both the Valuation Office Agency and ratepayer agree to proceed more slowly.

Q6. Do you agree with the Government's revised approach to the appeal stage to the Valuation Tribunal for England?

This question invited views on how the appeal stage should operate, principally that:

- If the ratepayer is unhappy with the content of a decision notice, or has not received a decision notice at the end of a 12 month period, they may make an appeal to the Valuation Tribunal for England;
- In order to lodge an appeal the ratepayer will have to show that they have
 - Made a valid proposal;
 - Received a decision notice on that proposal or had not received a decision notice after 12 months of making that proposal;
 - Met requirements for such other information as may be set out in directions issued by the President of the Valuation Tribunal for England.
- Once an appeal has been received the Valuation Tribunal for England would consider whether it was properly made and thereafter go on to consider the merits of the case.

25 of the responses explicitly agreed with this question. Most other respondents agreed with the principle but as with previous questions, the majority of respondents made broader points rather than answer the question directly. Some respondents said they would welcome the revised approach if it were to speed up the process. Others agreed with these proposals as it would limit the potential for appeals but most respondents said they would need more information on the invalidity test before they could comment.

Q7. Do you agree that ratepayers should be allowed 2 months from receiving a decision notice to decide whether to lodge an appeal with the Valuation Tribunal for England?

The 28 direct responses to this question were almost equally split between supporting the proposition or not. 13 responses supported the idea that there should be a 2 month window for a ratepayer to lodge an appeal with the Valuation Tribunal for England, whereas 15 responses did not. Of those 15, there was as split between those who thought 2 months was too long and that the deadline should be reduced to 1 month or too

short and the deadline should be extended to either 3 months (to be consistent with the length of time the Valuation Office Agency has to determine invalidity) or 12 months.

A number of the responses broadly supported the idea but highlighted that there may be circumstances which would warrant an extension which should be at the discretion of the President of the Valuation Tribunal for England. Other comments suggested that the 2 months was likely to be reasonable assuming there had been proper dialogue and discussion between the Valuation Office Agency and the ratepayer.

Some respondents took the view that there was insufficient information on the content of the decision notice for them to make a judgement as to whether 2 months was appropriate or not. Uncertainty about the likely position of the President of the Valuation Tribunal Service was also cited as a reason for why some respondents felt unable to express a view.

Next steps

Since July 2014, the government has considered reform of the business rates appeal process as part of the Business Rates Administration Review. The government has published Interim Findings of that review which provides an update on how it proposes to respond to businesses' calls for a more efficient appeals system.