

# Non-domestic rating: Challenges and Changes England and Wales



Valuation Office Agency

## Key Findings

As at 31 March 2015 the Valuation Office Agency (VOA) had **received 898 thousand challenges** against the 2010 local rating list<sup>1</sup> and **936 thousand challenges** against the 2005 local rating list (across England and Wales).

**Almost a quarter** (22 per cent, 201 thousand) of those **received against the 2010 list** were **received in Quarter 4** of 2014/15 (January to March 2015). This coincided with changes to the legislation which states that most challenges received after 31 March 2015 can only be backdated to the 1 April 2015.

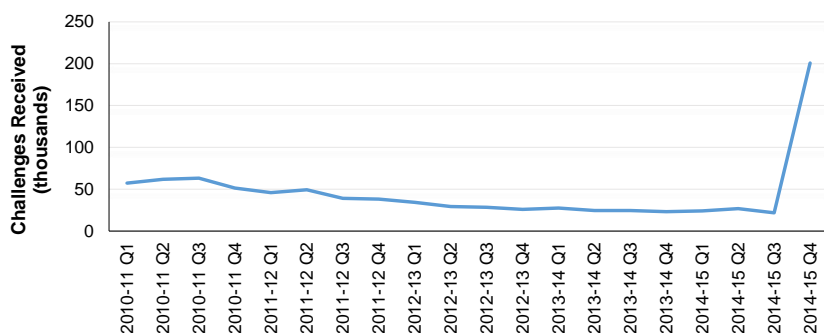
For the 2010 rating list:

- **69 per cent** (over 617 thousand) of the challenges received in England and Wales have been **resolved**.
- **29 per cent** (179 thousand) of those challenges resolved resulted in **a change** to the rating list whilst **71 per cent** (438 thousand) resulted in **no change** to the rating list.

For the 2005 rating list:

- **99.7 per cent** (933 thousand) of challenges received have been **resolved**.
- **37 per cent** (349 thousand) of those challenges resolved resulted in **a change** to the rating list whilst **63 per cent** (585 thousand) resulted in **no change** to the rating list.

**Chart 1: Challenges received against the 2010 rating list (England and Wales)**



Source: Table LRW1 (2010)

<sup>1</sup> See Background Note for the definition of the rating list

## About this release:

This release includes statistics on **challenges made by taxpayers** (or their representatives) against the 2005 and 2010 local rating lists up to 31 March 2015. It also includes statistics on **reviews of rating assessments** (known as “reports”) that have either been **initiated by the VOA or a billing authority**, when new information becomes available.

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**Date of next publication:**  
November 2015

## Challenges Received and Resolved

### Challenges Received in England and Wales

As at 31 March 2015, **over 898 thousand challenges** had been **received** since the start of the 2010 rating list. **Almost a quarter** (22 per cent, 201 thousand) of these were received in **Quarter 4 of 2014/15** (the twentieth quarter since the start of the lists). This is shown in Chart 2.

This **sharp increase** in challenges made against the **2010** local rating list in the latest quarter coincided with changes to the legislation which states that most challenges received after 31 March 2015 can only be backdated to the 1 April 2015. A similar **increase** was seen in the **twentieth quarter** of the **2005** local rating list.

The total number of challenges received against the 2010 local rating list is still lower than the 936 thousand challenges received against the 2005 list.

### Definitions

**Challenge:** challenges consist of both Interested Person Proposals (IPPs) and appeals.

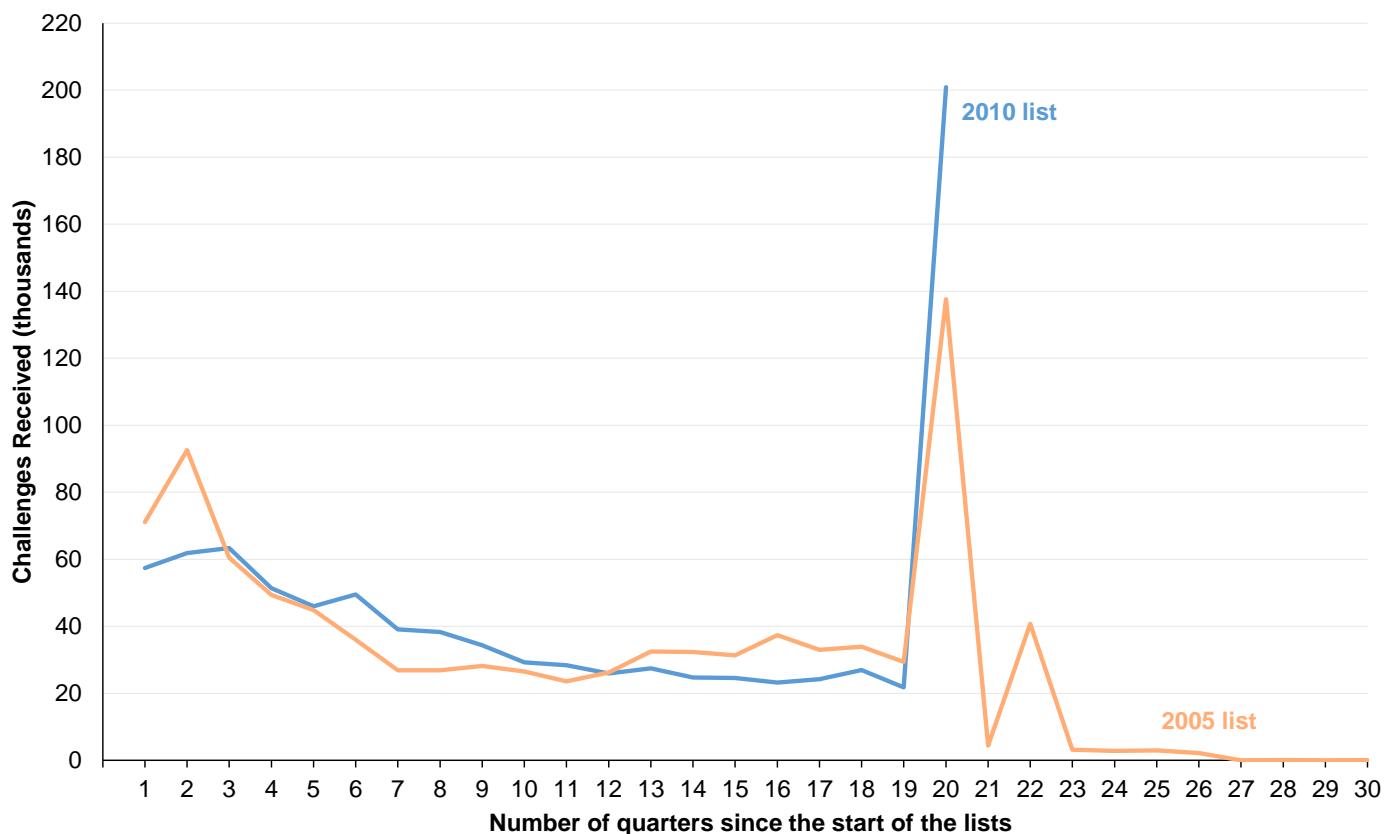
**IPP:** a proposal by the ratepayer or agent acting on their behalf to alter the local rating list entry.

**Appeal:** An appeal consists of both Valuation Tribunal cases and Lands Tribunal cases. A challenge only becomes an appeal when the proposal (IPP) is referred to the Valuation Tribunal Service.

### More Detailed statistics...

On the challenges received against the 2005 and 2010 local rating lists can be sourced from [Table LRW1 \(2005\)](#) and [Table LRW1 \(2010\)](#) respectively.

**Chart 2: Challenges received per quarter between 1 April 2010 and 31 March 2015 (England and Wales)**

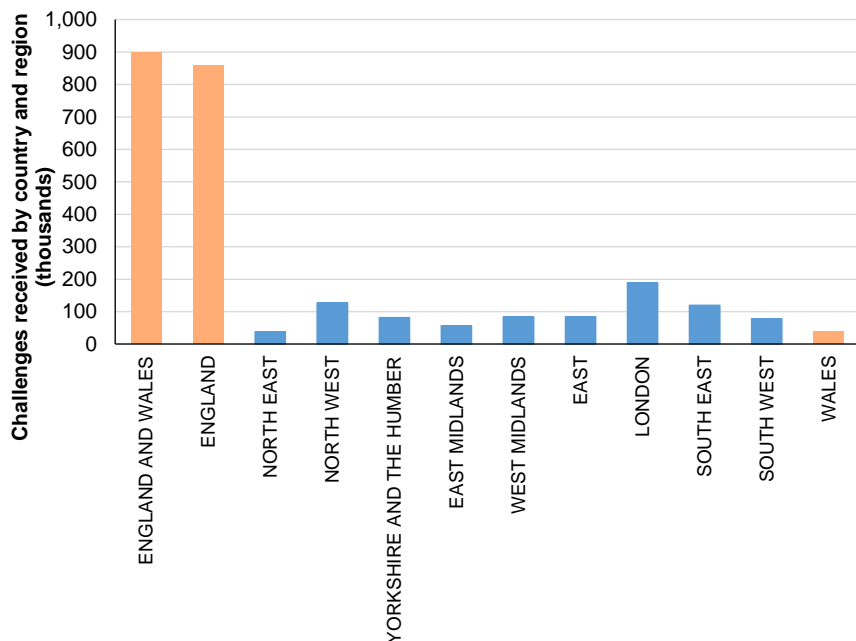


Source: Tables LRW1 (2005 and 2010)

### Regional and Country Breakdown of Challenges Received

London has recorded the highest number of challenges received (almost 190 thousand) since the start of the 2010 local rating list. This is shown in Chart 3.

**Chart 3: Total number of challenges received between 1 April 2010 and 31 March 2015 by country and region (2010 list)**



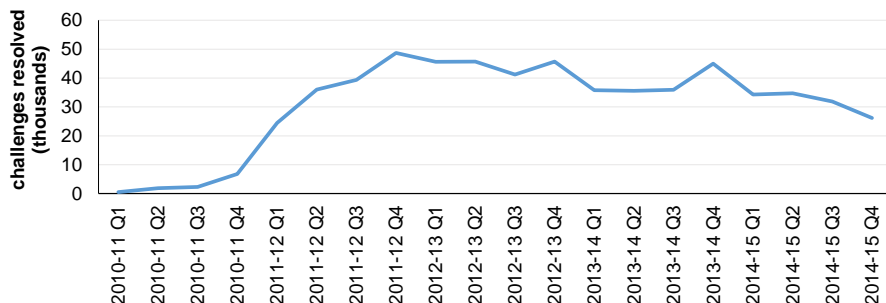
Source: Table LRW1 (2010)

**More detailed statistics...**  
On the challenges received against the 2010 local rating list can be sourced from [Table LRW1](#).

### Challenges Resolved

Over 617 thousand challenges made against the 2010 rating list were resolved by 31 March 2015, with more than 26 thousand being resolved in Quarter 4 of 2014/15. This is a decrease of 18 percent when compared to Quarter 3 where 32 thousand challenges were resolved. This is shown in Chart 4.

**Chart 4: Challenges resolved per quarter between 1 April 2010 and 31 March 2015 (2010 list, England and Wales)**



Source: Table LRW2 (2010)

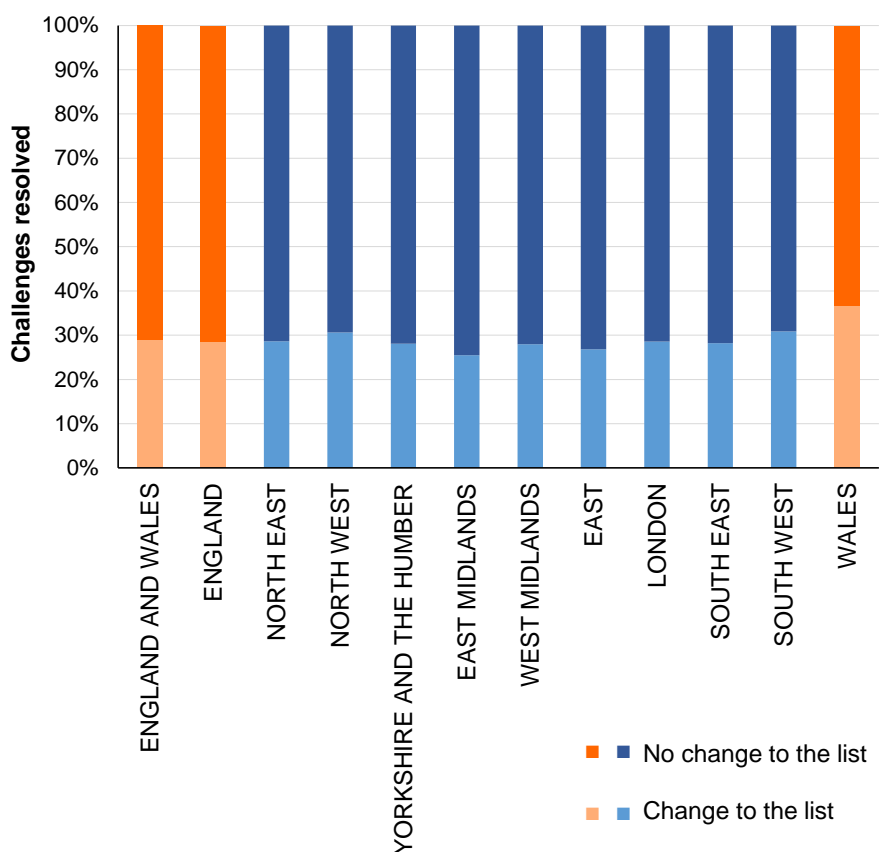
**More detailed statistics...**  
On the challenges resolved against the 2010 local rating list can be sourced from [Table LRW2](#).

Of those challenges against the **2005 list** that were resolved by 31 March 2015 (in England and Wales), **37.4 per cent resulted in a change** in the rating list.

Of those challenges made against the **2010 list** that were resolved by 31 March 2015 (in England and Wales), **29 per cent resulted in a change** to the rating list. This is shown in Chart 5. This represents a slight increase compared with the equivalent point at 30 September 2014, where 27.8 per cent of challenges resolved resulted in a change to the rating list.

Of those challenges against the 2010 list that have been resolved, the percentage that result in a change to the list does not vary significantly by English region. However, **36.8 per cent** of challenges resolved in **Wales** resulted in **a change** compared with **28.6 per cent in England**.

**Chart 5: Challenges resolved between 1 April 2010 and 31 March 2015 by country and region (2010 list)**



Source: Table LRS (2010)

**More detailed statistics...**

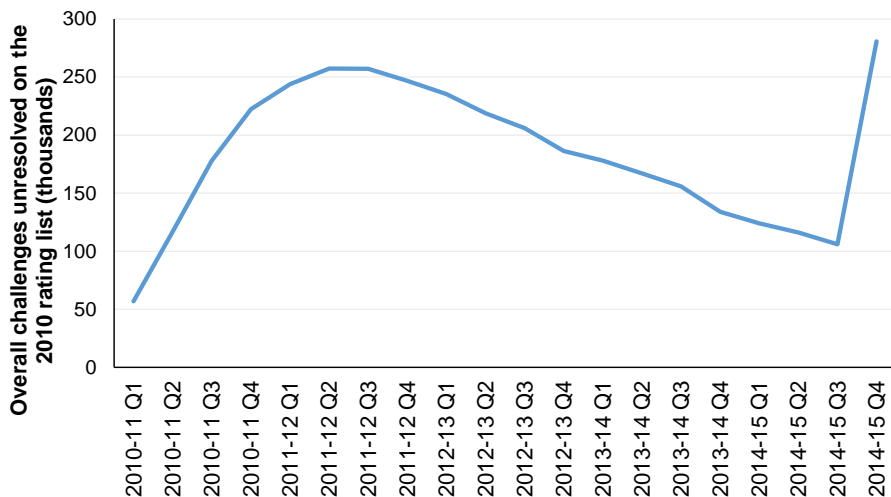
On the settlement of resolved challenges against the 2005 and 2010 local rating lists can be sourced from [Table LRS \(2005\)](#) and [Table LRS \(2010\)](#) respectively.

### Challenges Unresolved

There are currently 284 thousand challenges outstanding (unresolved) against the 2010 and 2005 lists combined. The majority (99 per cent) are against the 2010 list.

There has been a significant increase in the number of **unresolved challenges** at the end of 2014/15, from 106 thousand in Quarter 3 to **280 thousand** in **Quarter 4**. This is shown in Chart 6. This is mainly due to the large number of challenges received during March.

**Chart 6: Total number of challenges unresolved by the end of each quarter (2010 list, England and Wales)**



Source: Table LRW3 (2010)

**More detailed statistics...**

On the unresolved challenges against the 2005 and 2010 local rating lists can be sourced from [Table LRW3 \(2005\)](#) and [Table LRW3 \(2010\)](#) respectively.

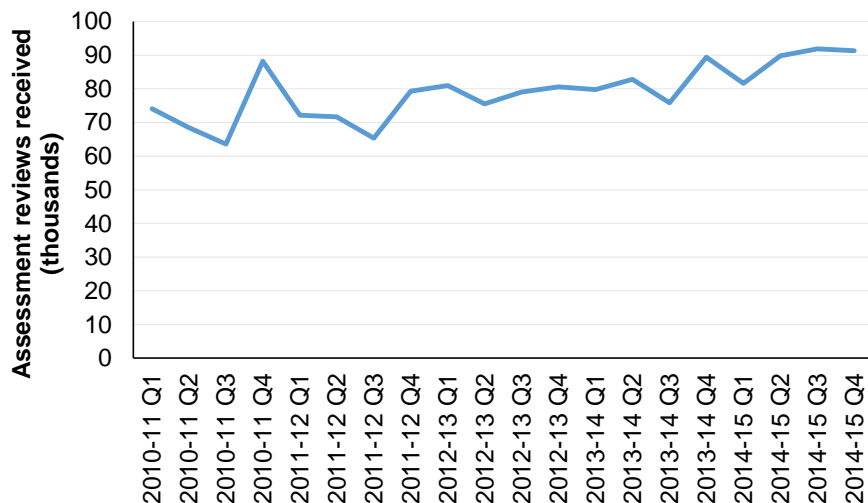
## Assessment Reviews (Reports)

### Number of Assessment Reviews (Reports) Initiated

As at 31 March 2015, the VOA had carried out a total of 1.6 million reviews of rating assessments in the 2010 local rating list. These are typically attributable to a demolition, new property build or other physical change to a property.

There has been a gradually **increasing trend** in the number of assessment reviews initiated by the VOA. This is shown in Chart 7.

**Chart 7: Assessment reviews (Reports) initiated per quarter between 1 April 2010 and 31 March 2015 (2010 list, England and Wales)**



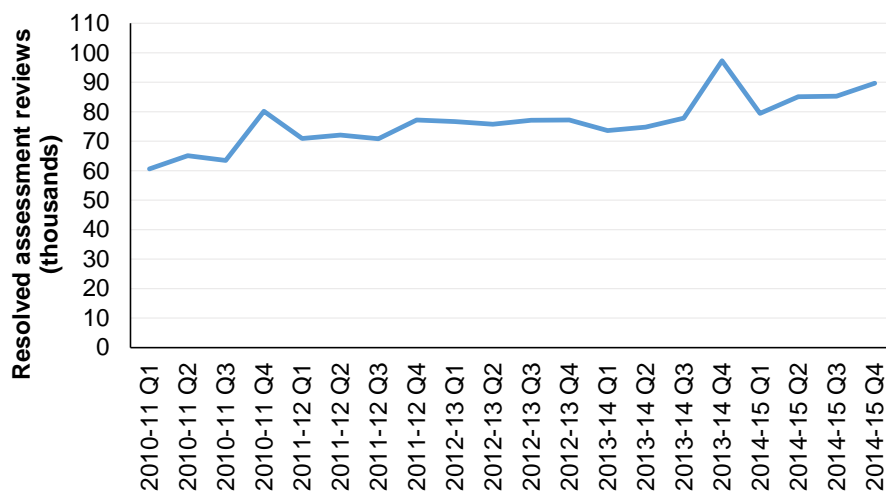
Source: Table LRW7 (2010)

### Assessment Reviews (Reports) Resolved

Of the 1.6 million assessment reviews initiated against the 2010 list, the VOA has resolved 1.5 million.

There were **90 thousand** assessment reviews **resolved in Quarter 4** of 2014/15. This compared to **85 thousand** in **Quarter 3**, which is an increase of five percent. This is shown in Chart 8.

**Chart 8: Resolved assessment reviews (reports) per quarter between 1 April 2010 and 31 March 2015 (2010 list, England and Wales)**



Source: Table LRW8 (2010)

### Definitions

**Assessment Reviews:** these are generally referred to as “reports”, and relate to instances where the VOA will review the entry in the rating list when new information becomes available (either from within the VOA, or from the relevant Billing Authority).

**Billing Authority Report (BAR):** a report initiated by the Billing Authority requesting an amendment to the local rating list.

**Valuation Office Report (VOR):** a report (assessment review) initiated by the Valuation Office Agency to review an entry in a local rating list.

**More detailed statistics...**  
On the assessment reviews initiated against the 2010 local rating list can be sourced from [Table LRW7](#).

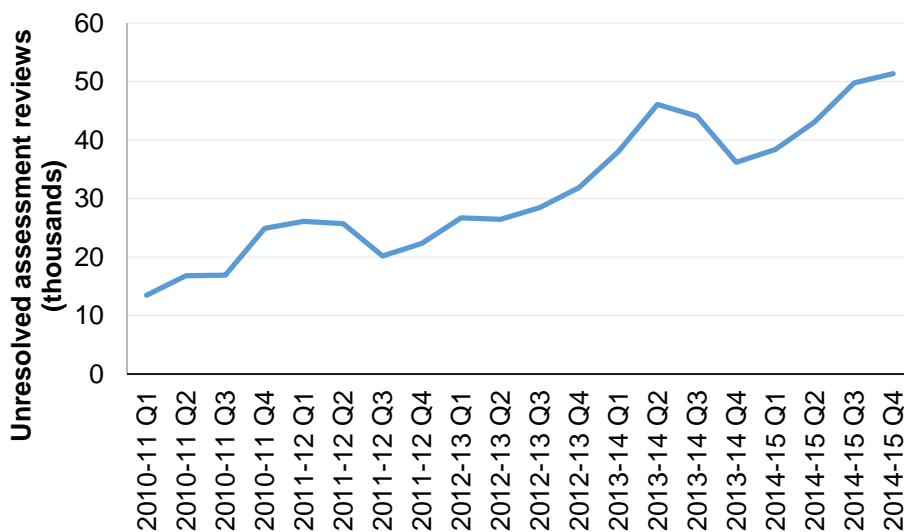
**More detailed statistics...**  
On the resolved assessment reviews against the 2010 local rating list can be sourced from [Table LRW8](#).

### Assessment Reviews (Reports) Unresolved

There are currently a total of 51 thousand reviews that are outstanding against the 2010 local rating list.

There has been a general **upward trend** in the number of unresolved assessment reviews. This is shown in Chart 9.

**Chart 9: Total number of unresolved assessment reviews (reports) by the end of each quarter (2010 list, England and Wales)**



Source: Table LRW9 (2010)

**More detailed statistics...**

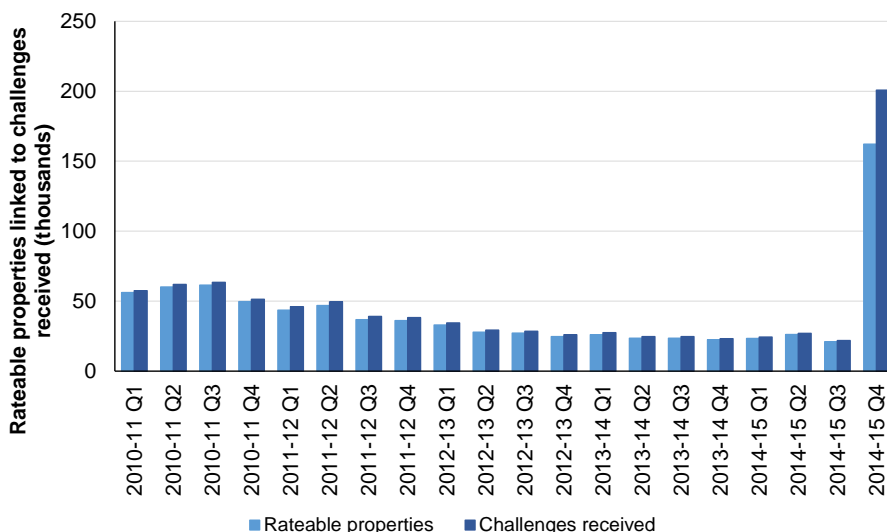
On the unresolved assessment reviews against the 2010 local rating list can be sourced from [Table LRW9](#).

### Unique rateable properties linked to challenges

**Over 162 thousand** unique rateable properties are **linked to challenges received** in **Quarter 4** of 2014/15 against the 2010 local rating list for England and Wales. This is shown in Chart 10.

The number of unique rateable properties is generally less than the number of challenges received because more than one challenge can be submitted against a given property.

**Chart 10: Rateable properties and challenges received between 1 April 2010 and 31 March 2015 (2010 list, England and Wales)**



Source: Tables LRW1 (2010) and LRW4 (2010)

**Definitions**

**Unique rateable properties (also known as hereditaments):** a unit of non-domestic property that is, or may become, liable to Non-domestic rating and thus appears in the local rating list.

**More detailed statistics...**

On the Unique rateable properties linked to challenges received against the 2010 local rating list can be sourced from [Table LRW4](#).

**More detailed statistics...**

On the challenges received against the 2010 local rating list can be sourced from [Table LRW1](#).



## Background Notes

This release includes statistics on challenges made by taxpayers (or their representatives) against the 2005 and 2010 local rating lists up to 31 March 2015. It also includes statistics on reviews of rating assessments (known as “reports”) that have either been initiated by the VOA or a billing authority, when new information becomes available.

The statistics are derived from VOA's administrative database and are published at national, regional and billing authority level.

The VOA is required, by the Local Government Finance Act 1988, to compile (and maintain) rating lists specifying a rateable value for all non-domestic rateable properties in England and Wales. These rateable values provide the basis for national non-domestic rates bills, which are issued by billing authorities. There is a local rating list for each billing authority; there are 348 rating lists in England and Wales. However, for simplicity, we have referred to these throughout this publication as a single ‘rating list’ for those local lists effective from 1 April 2005, and, likewise, a single ‘rating list’ for those local rating lists effective from 1 April 2010.

The current rating list came into effect on 1 April 2010. New lists are usually compiled every five years containing updated rateable values. However, the next revaluation will be with effect from 1 April 2017.

Occupiers, owners, and in limited circumstances, relevant authorities and other persons (known collectively as Interested Persons) can make a challenge to alter the local rating list if they think an entry in the local rating list is incorrect. Challenges can also be made on behalf of interested persons by their professional representatives. There are a number of specified grounds for challenges including physical changes such as demolition, reconstitution, refurbishment or new construction of premises, as well as proposals on the grounds that the rateable value is incorrect.

This challenge, known as a “proposal” at this stage, asks the valuation officer to change the entry in the list. If the valuation officer cannot reach agreement with the ratepayer as to any change that is needed, then the matter will be referred to the Valuation Tribunal Service, at which stage it becomes an “appeal”.

Lands Tribunal cases are appeals against the decision of the valuation tribunal, to the Upper Tribunal (Lands Chamber) or the Court of Appeal:

- An Upper Tribunal or Court of Appeal can be made by any of the parties to the case – so the VOA or the Interested Person, or both, may be the appellant.
- Where the Lands Tribunal appeal is dismissed the list will not be altered as a consequence.
- Where the Lands Tribunal appeal is not dismissed but overturns the previous decision appealed against and simply restores the original list entry this effectively means that taken together, those appeals have resulted in no net list alteration.

Further information about the data and methodology presented in this summary document can be found in the [‘Data Information and Methodology’](#) document.

## Further Information

More detailed information on the 2010 local rating list is available on the Agency’s website at the following location:

<http://www.2010.voa.gov.uk/rli/>

Further information on the area codes used in this release please refer to the ONS’s website at the following location:

<http://www.ons.gov.uk/ons/guide-method/geography/geographic-policy/best-practice-guidance/presentation-order-guidance/administrative-areas/index.html>