

Council Tax: Challenges and Changes in England and Wales, 2016-17

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Valuation Office Agency

Challenges against the Council Tax Valuation Lists for England (1993) and Wales (2005)

- Between 1 April 2016 and 31 March 2017, the Valuation Office Agency (VOA) **received** 52,000 challenges, the same as in the previous financial year.
- During the same period, the VOA **resolved** 53,000 challenges. This represents an increase of 1% compared with the previous financial year when 52,000 challenges were resolved.
- Of the **resolved** challenges, 60% resulted in **no change** to the Council Tax band (63% in the previous financial year).
- As at 31 March 2017, 9,000 challenges were **unresolved** against the Council Tax Valuation Lists, a decrease of 8% compared with the end of the previous financial year (10,000 as at 31 March 2016).

About this release

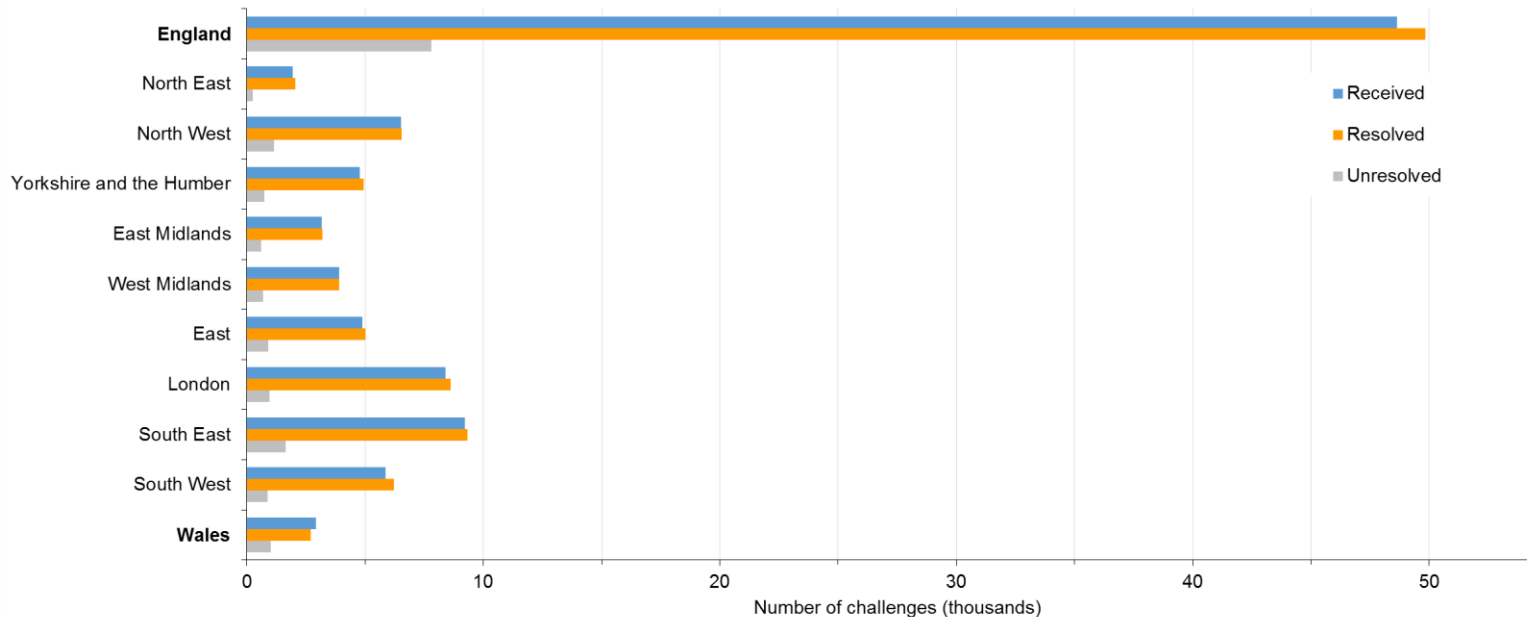
This release provides statistics on the challenges against entries in the Council Tax Valuation Lists for England (1993) and Wales (2005), including the outcomes of those challenges; it also provides statistics on changes to the Council Tax Valuation Lists.

Statistics are published at national, regional and local authority level.

The counts are calculated from data for England and Wales extracted from the VOA's administrative database on 31 March 2017.

For all tables, counts are rounded to the nearest 10 with counts of zero being reported as "0" and counts fewer than five reported as negligible and denoted by "-".

Chart 1: Challenges received, resolved and unresolved broken down by country and region

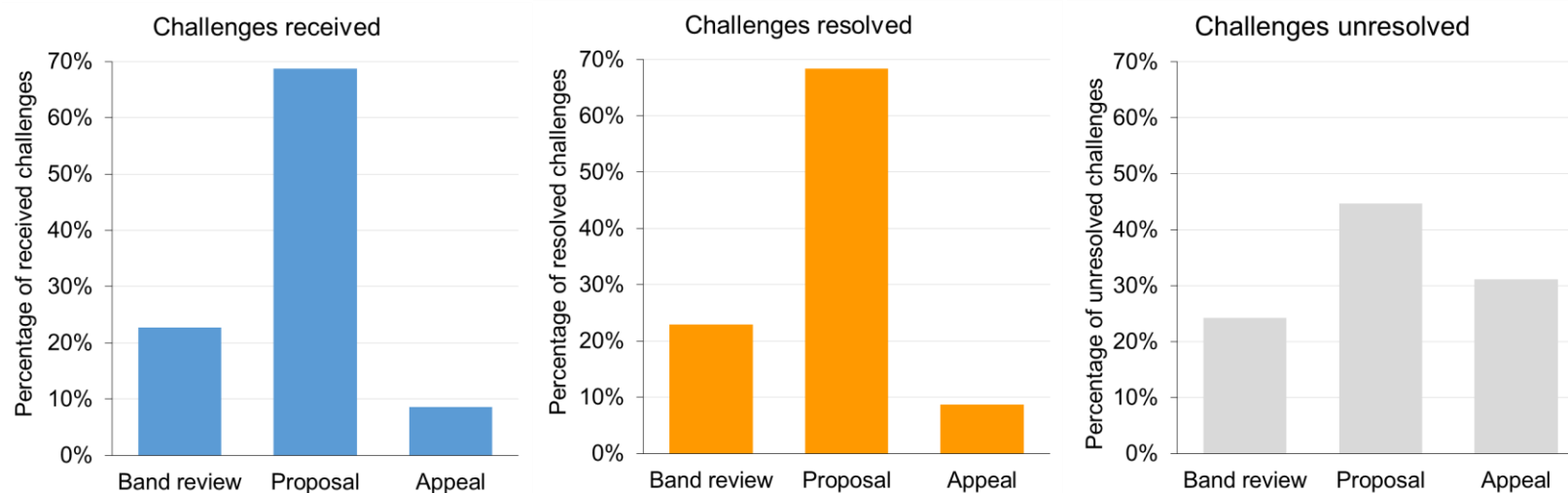


Source: Tables CTCAC1.0 to CTCAC1.2

Challenges received, resolved and unresolved

- In 2016-17, the VOA **received** 35,000 proposals and 12,000 band reviews, compared with 34,000 proposals and 14,000 band reviews received in 2015-16.
- The VOA **received** 4,400 appeals in 2016-17, compared with 4,300 in the previous financial year.
- Almost 1,800 more proposals and almost 1,900 fewer band reviews were received in 2016-17. The reduction in band reviews could be attributable in part to a change in VOA standard practice (introduced in October 2015) to only raise band reviews when sufficient evidence is brought to its attention.
- Of the challenges received in 2016-17, 69% were proposals, 23% were band reviews and 9% were appeals. Of the challenges received in the previous financial year, 65% were proposals, 26% were band reviews and 8% were appeals.

Chart 2: Challenges received, resolved and unresolved broken down by type of challenge (England and Wales)



Source: Tables CTCAC1.0 to CTCAC1.2

The VOA produces valuations for Council Tax in England and Wales. In England, the current Council Tax Valuation List was published in 1993. In Wales, the current Council Tax Valuation List was published in 2005.

The resolved figures are the number of challenges that were resolved in 2016-17; some may not have been received during this period of time as they may have been challenges that were still outstanding from previous years.

Definitions

2016-17: 1 April 2016 to 31 March 2017

Challenges: these are challenges against the entries in the Council Tax Valuation Lists for England (1993) and Wales (2005), consisting of band reviews, proposals and appeals.

Band review: a band review is carried out when a potential inaccuracy is brought to the attention of the VOA. The VOA will investigate the matter and inform the taxpayer of the outcome. The taxpayer does not have the right to appeal the outcome of a band review.

Proposal: a proposal is a formal challenge made to a council tax list entry. The VOA will review the band and provide the taxpayer with a written decision. The taxpayer then has the right to appeal against the decision at a VT. The proposal system in Wales differs from the English system in that all proposals, if unresolved, are automatically transmitted as appeals to the VT.

Appeal: where a valid proposal has been made, a Council Tax payer has the right to appeal against the VOA's decision on the proposal to an independent VT. Appeals are often withdrawn or settled before being heard by the VT.

Valuation Tribunal (VT): this is an independent body responsible for making decisions on council tax appeals.

Outcomes of Resolved Challenges

- Of the challenges resolved in 2016-17, 60% (32,000) resulted in **no change** to the Council Tax Band, while 20% (11,000) resulted in a **reduction** to the band. Less than 0.1% resulted in an **increase** to the band.
- These figures are broadly consistent across the different types of challenge: there was **no change** to the Council Tax band as a result of 62% of band reviews, 60% of proposals and 58% of appeals.

Definitions

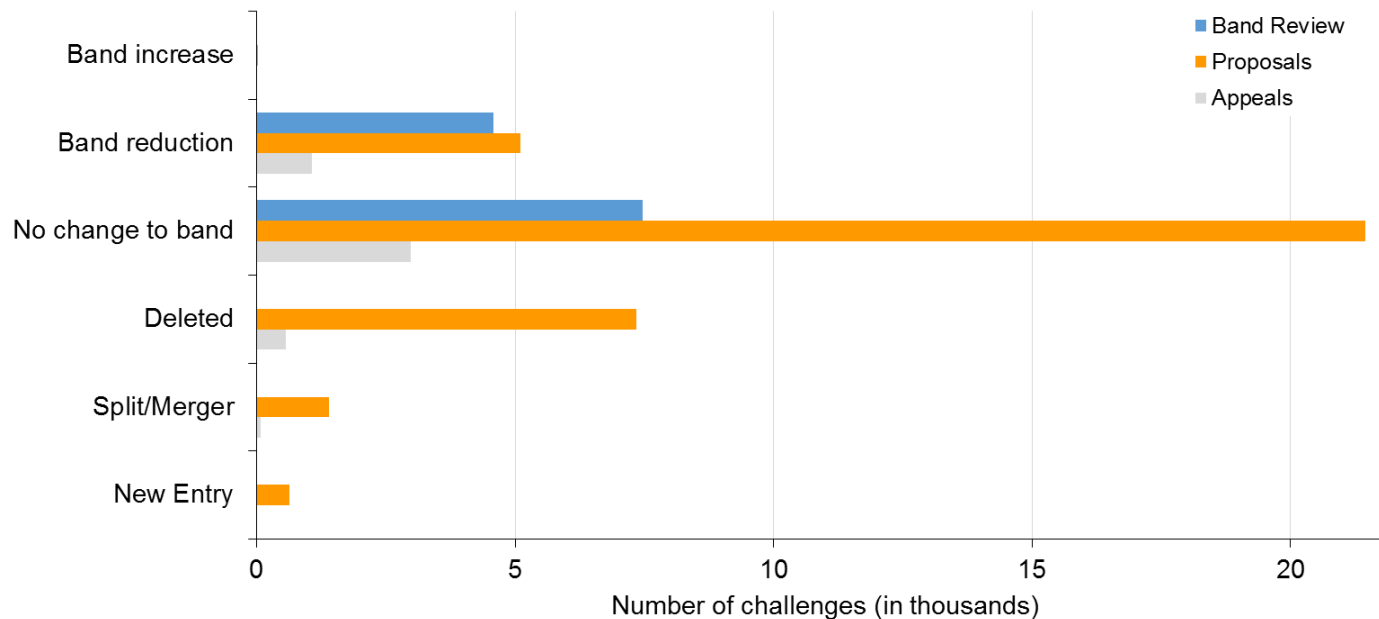
Dwelling: a separate unit of living accommodation, together with any garden, yard, garage or other outbuildings attached to it, all occupied by the same person(s) and within the same area of land.

Deleted: in some cases a challenge may result in an entry for a dwelling being deleted from a list, e.g. where a dwelling has been demolished.

Split/Merger: where a change has been made to a dwelling, a list entry may be split into two or more entries, e.g. where a house has been converted into a number of flats. Conversely, two or more entries on the list can be merged to form a single entry, e.g. where a number of flats have been converted into a single dwelling.

New entry: the outcome of a challenge may result in a new entry being added to the list e.g. where a new dwelling has been built.

Chart 3: Outcomes of challenges resolved between 1 April 2016 and 31 March 2017 (England and Wales)



Source: Tables CTCAC2.1 – CTCAC2.3

Of the resolved challenges, 36,000 (68%) were proposals, 12,000 (23%) were band reviews and 5,000 (9%) were appeals.

Of the resolved appeals, 2,900 were resolved without being heard at a Valuation Tribunal (VT) and the remaining 1,700 were resolved at a VT.

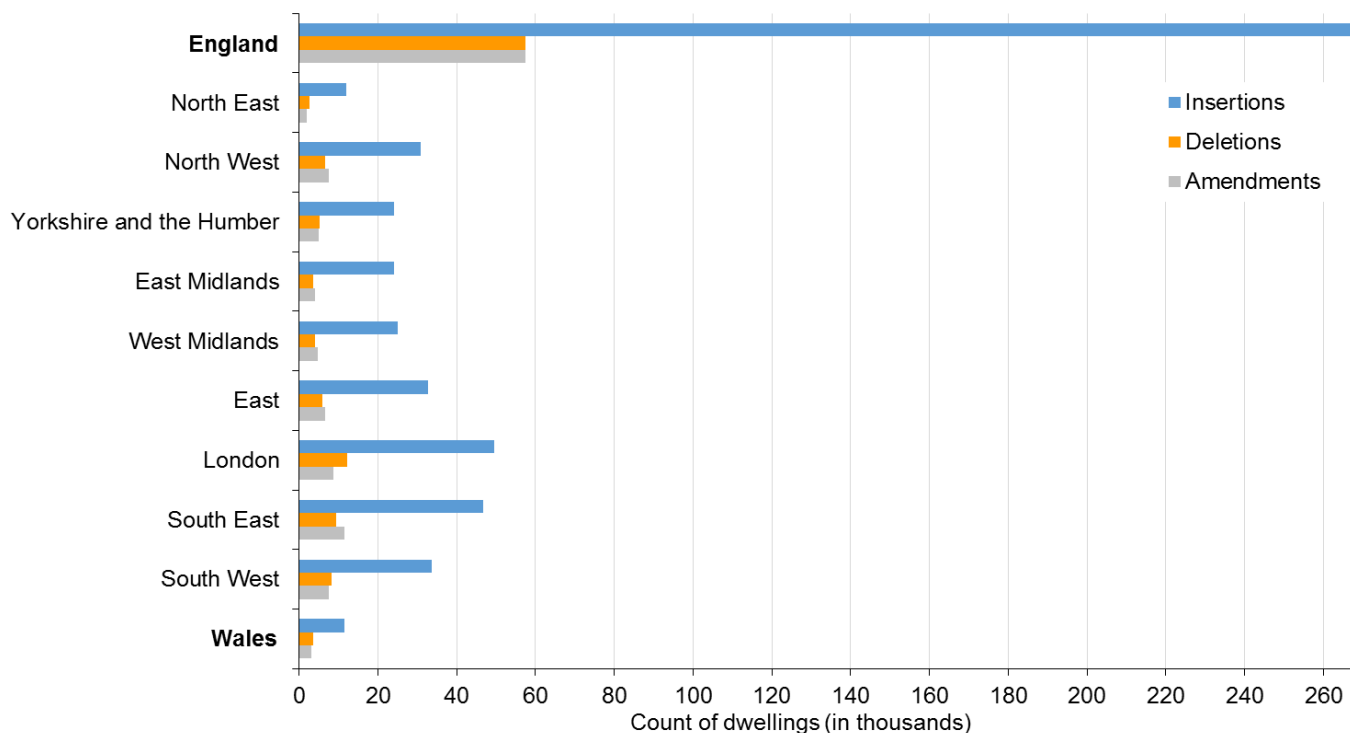
Of the unresolved challenges, 2,100 (24%) were band reviews, 3,900 (45%) were proposals (England only) and 2,700 (31%) were appeals.

Changes against the Council Tax Valuation Lists for England (1993) and Wales (2005)

- There were 411,000 changes made by the VOA between 1 April 2016 and 31 March 2017 to the Council Tax Valuation Lists for England and Wales, 70% (290,000) were **insertions**, 15% (61,000) were **deletions** and 15% (60,000) were **amendments**. In the previous financial year, 69% (275,000) of changes were **insertions**, 14% (57,000) were **deletions** and 17% (69,000) were **amendments**.
- Just over half (56%) of Council Tax band reductions were made as a result of challenges.

This section covers all changes made to the Council Tax Lists for England and Wales, including where changes have been made as a result of challenges received or where the VOA has become aware of a change to the dwelling that warrants a change in the valuation list entry (for example when a house is extended and subsequently sold).

Chart 4: Insertions, deletions and amendments to the Council Tax Valuation Lists between 1 April 2016 and 31 March 2017 (England and Wales)



Source: Tables CTCAC3.0 – CTCAC3.2

Definitions

Changes: these include any insertions, deletions or amendments (including those that result from challenges) to the Council Tax Valuation Lists as a result of maintenance changes such as physical changes to the property, changes to the surrounding area, or new information being provided. Further details about the circumstances under which a change occurs are included in the [Background Notes](#) section.

Insertions: these include new dwellings, reconstituted dwellings and dwellings that have been split or merged.

Deletions: these include demolished dwellings, dwellings that have been split or merged and dwellings that no longer require a Council Tax band.

Amendments: amendments are made as a result of: physical alterations made to a dwelling (e.g. extensions or refurbishments); a change to the surrounding area (e.g. a new road is built nearby); or from new information that has been brought to light that makes it clear the original banding was incorrect (e.g. the dimensions of the dwelling are incorrect).

Changes against the Council Tax Valuation Lists for England (1993) and Wales (2005)

- The majority of **insertions** (93%; 92% in the previous financial year) were due to reasons captured within the 'Other' category. These reasons include newly built dwellings and some dwellings which were not previously on the Council Tax Lists but have been added as a result of a change in the use of a dwelling (e.g. a shop converted into a house).
- Likewise, the majority of **deletions** (75%, 74% in the previous financial year) were due to reasons captured within the 'Other' category, including demolished dwellings and dwellings deleted as a result of a change to the use of a dwelling (e.g. a house converted into a shop).
- Of the **amendments**, 39% resulted in an increase to the band, 32% resulted in a reduction to the band and 29% resulted in no change to the Council Tax band. In the previous financial year, 36% of amendments resulted in an increase to the band, 31% resulted in a reduction to the band and 33% resulted in no change to the Council Tax band.

Chart 5: Insertions, deletions and amendments to the Council Tax Valuation Lists between 1 April 2016 and 31 March 2017 (England and Wales)



Source: Tables CTCAC3.0 – CTCAC3.2

Background notes

The VOA is an Executive Agency of HM Revenue and Customs, and has responsibility for providing Council Tax bands for dwellings in England and Wales. It does not set the level of Council Tax nor collect the money; these are tasks for local government. Council Tax is a local tax, set by local authority districts to help pay for local services. It uses the relative value of dwellings to determine each household's contribution to these local services.

The VOA's role is to place each dwelling into one of the valuation bands; there are eight bands for dwellings in England and nine bands for dwellings in Wales. The valuation band is assigned to a dwelling on the basis of its value at 1 April 1991 for England (for the 1993 Council Tax Valuation List) and 1 April 2003 for Wales (for the 2005 Council Tax valuation List); this band then determines the amount of Council Tax to be paid. New dwellings are likewise assigned a band on the basis of what they would have been valued at on 1 April 1991 for England and 1 April 2003 for Wales. The basis of valuation is set down in regulations made under the Local Government Finance Act 1992. Minor updates were made to the initial regulations in 1994 but they have not been changed since. The following tables show the breakdown of bands for England and Wales.

England	
Band	Value of dwelling (at 1 April 1991)
A	Up to £40,000
B	£40,001 up to £52,000
C	£52,001 up to £68,000
D	£68,001 up to £88,000
E	£88,001 up to £120,000
F	£120,001 up to £160,000
G	£160,001 up to £320,000
H	£320,001 and above

Wales	
Band	Value of dwelling (at 1 April 2003)
A	Up to £44,000
B	£44,001 up to £65,000
C	£65,001 up to £91,000
D	£91,001 up to £123,000
E	£123,001 up to £162,000
F	£162,001 up to £223,000
G	£223,001 up to £324,000
H	£324,001 up to £424,000
I	£424,001 and above

Challenges

The VOA has responsibility for maintaining accurate Council Tax Lists. When evidence suggests that a band may be inaccurate, a taxpayer can request a band review. The VOA will investigate and, if necessary, change the band.

In certain circumstances set out in legislation, a taxpayer can submit a 'proposal'; for example, if they are within six months of first moving into a property. The VOA will review the band and issue a decision.

If the taxpayer is not satisfied with the decision, they have the right to appeal to an independent VT.

The proposal system in Wales differs from the English system in that all proposals, if unresolved, are automatically transmitted as appeals to the VT.

This publication presents the number of challenges to the Council Tax Valuation Lists (i.e. band reviews, proposals and appeals) that were received, resolved and outstanding during the period from 1 April 2016 to 31 March 2017. Resolved challenges were not necessarily received during this period of time as they may have been challenges that were still outstanding from previous years. The statistics also present the outcomes of those resolved challenges.

Outcomes of a challenge can include:

- changes to Council Tax bands;
- an entry for a dwelling being deleted from a list, e.g. where a dwelling has been demolished;
- a list entry may be split into two or more entries, e.g. when a house has been converted into a number of flats;
- one or more entries on the list being merged to form a single entry, e.g. when a number of flats are converted to a single dwelling;
- a new entry being added to the list, e.g. where a new dwelling has been built.

Changes

Changes to the Council Tax Valuation Lists cover all the insertions, deletions and amendments to the Council Tax Valuation Lists as a result of physical changes to a property, changes to the surrounding area, or new information being provided. These include changes that have resulted from a challenge being made against the lists.

New bandings are entered into the Council Tax Valuation Lists as a result of: newly built dwellings; dwellings which have been reconstituted (e.g. either a dwelling is split into two or more new dwellings or two or more dwellings are merged to form a new dwelling); and dwellings which were not previously on the Council Tax Valuation Lists that are added due to changes in the use of the property (e.g. a retail unit being converted into a domestic dwelling).

Bandings are removed from the Council Tax Valuation Lists where: a dwelling has been demolished; a dwelling has been reconstituted (e.g. either a dwelling is split into two or more new dwellings or two or more dwellings are merged to form a new dwelling); and where a dwelling is no longer banded due to a change in the use of that dwelling (e.g. a domestic dwelling is converted into a retail unit).

The bands of dwellings recorded on the Council Tax Valuation Lists can be amended as a result of: physical alterations made to a dwelling (e.g. extensions or refurbishments); a change to the surrounding area (e.g. a new road built nearby); or from new information that has been brought to light that makes it clear the original banding was incorrect (e.g. the dimensions of the dwelling are incorrect).

Methodology

Assigning Geographies

The statistical geographies used in this release have been assigned using the following methodology.

Each dwelling with a Council Tax band held on the VOA's database is assigned a billing authority (and billing authority code known as "BA Code"). These BA codes have been merged with Office for National Statistics (ONS) corporate area codes and standard names. The following look-up table shows which BAs are linked to which ONS area codes.

[Link to workbook]

Data Quality

The information supplied in the tables is based on administrative data held within the VOA operational database. While the VOA actively seeks to maintain accurate Valuation Lists for Council Tax bandings, some reliance is upon the billing authorities to notify the VOA of any changes (including new builds, demolitions or alterations). There is inherently some uncertainty and variability in this process which is reflected in the rounding applied to statistics (typically to the nearest 10 for counts). All administrative data are subject to processing and system errors and as such, while the VOA has made every effort to ensure accuracy of the data underpinning this publication, it is possible that some errors remain.

Use Made of the Data

This publication is being released as part of a drive towards making VOA's data more accessible, as well as continuing to improve and make more consistent the presentation of information to assist users in conducting their own analysis of VOA data. The data are used to inform government policy and conduct analyses to support the operations of the VOA.

The data in this publication relate to England and Wales only. The rating law and practice in Scotland and Northern Ireland are different and valuations for rating in those countries are not carried out by the VOA.

We welcome feedback from users on the information provided in this summary. Please forward any comments to the [Statistics Inbox](#).

CSV Metadata

The following table provides the variable names and descriptions appearing on the CSV files included in this release.

[Link to workbook]

Further Information

More detailed information on Council Tax bands can be found here:

<https://www.gov.uk/council-tax-bands>.

For further information on the area codes used in this release please refer to the ONS's website:

<https://www.ons.gov.uk/methodology/geography/ukgeographies/administrativegeography>.