

# Non-domestic rating: Challenges and Changes, England and Wales, March 2017

Released: 11 May 2017

Next release: August 2017

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Valuation Office Agency

## Main story...

At the end of the 2010 rating list (as at 31 March 2017):

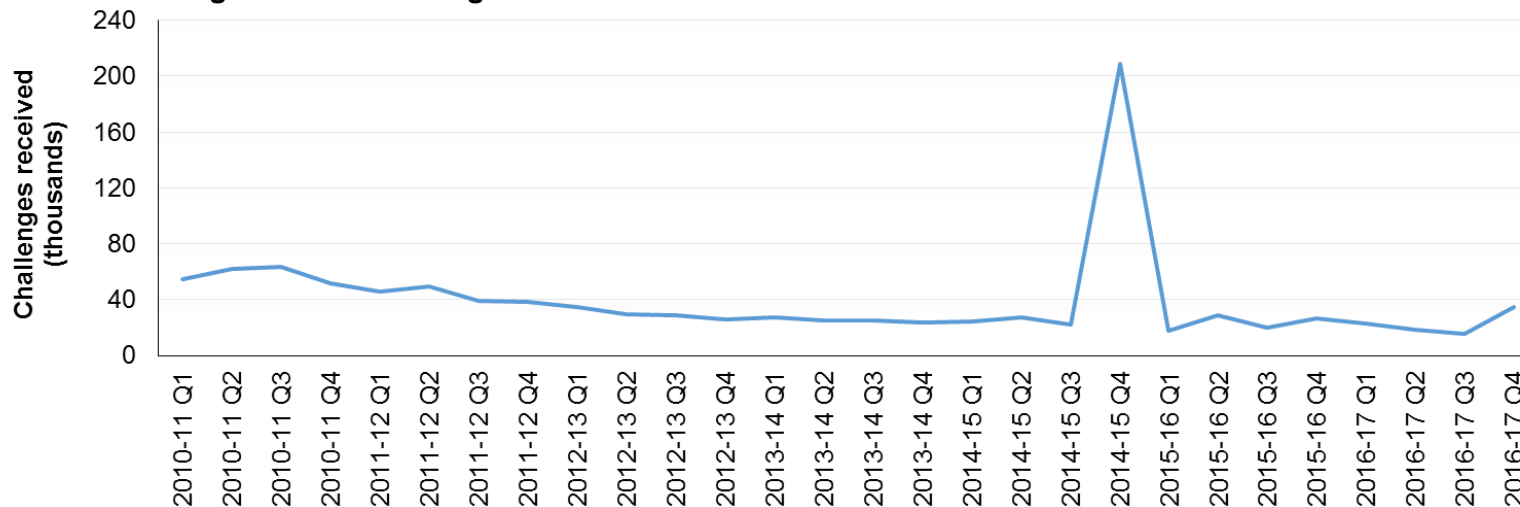
- the total number of challenges received was 1.1 million
- the total number of assessment reviews initiated was 2.2 million
- there were 241,000 outstanding challenges and 51,000 outstanding assessment reviews

## Challenges received and resolved

Of the 1.1 million challenges made against the 2010 list in England and Wales 8% were raised in 2016-17.

## Challenges received

Chart 1: Challenges received in England and Wales



Source: VOA administrative data, March 2017

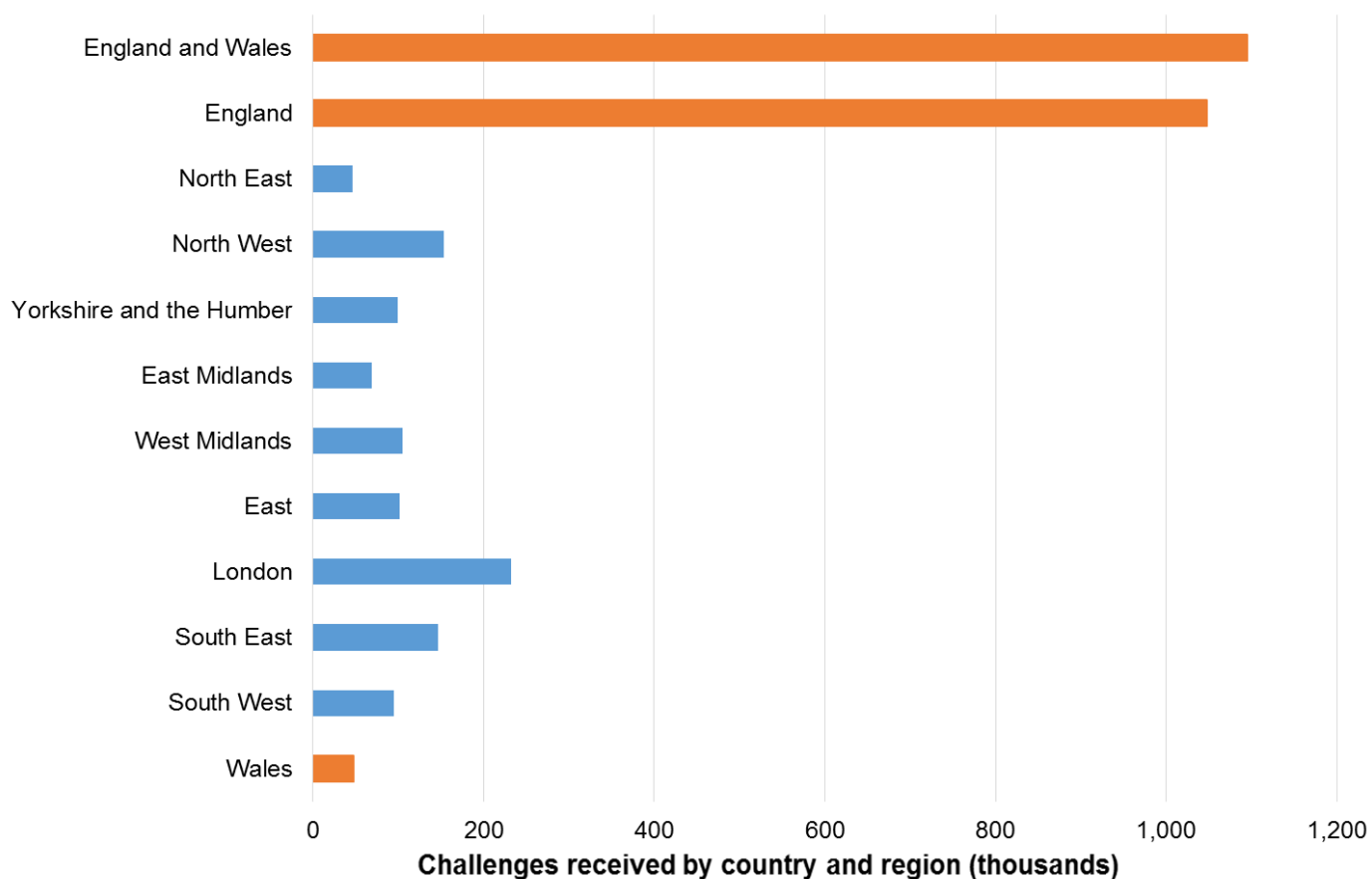
## About this release

This is a quarterly release which includes statistics on **challenges made by taxpayers** (or their representatives) against the 2005 and 2010 local rating lists as registered on VOA systems at 31 March 2017.

It also includes statistics on **reviews of rating assessments** (known as "reports") that have either been **initiated by the Valuation Office Agency (VOA) or a billing authority**, when new information becomes available.

Figures are presented at a national level (England and Wales).

**Chart 2: Total number of challenges received between 1 April 2010 and 31 March 2017 by country and region (2010 list)**



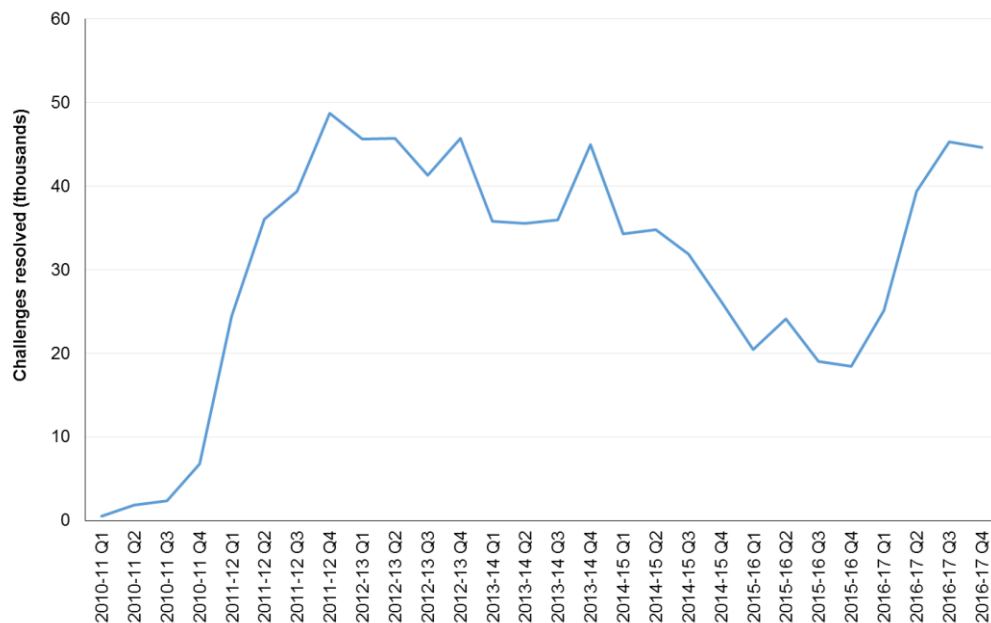
Source: VOA administrative data, March 2017

The highest number of challenges received were against London properties at 232,000. The North East and Wales account for the smallest number of challenges with 46,000 and 48,000 respectively.

## Challenges resolved

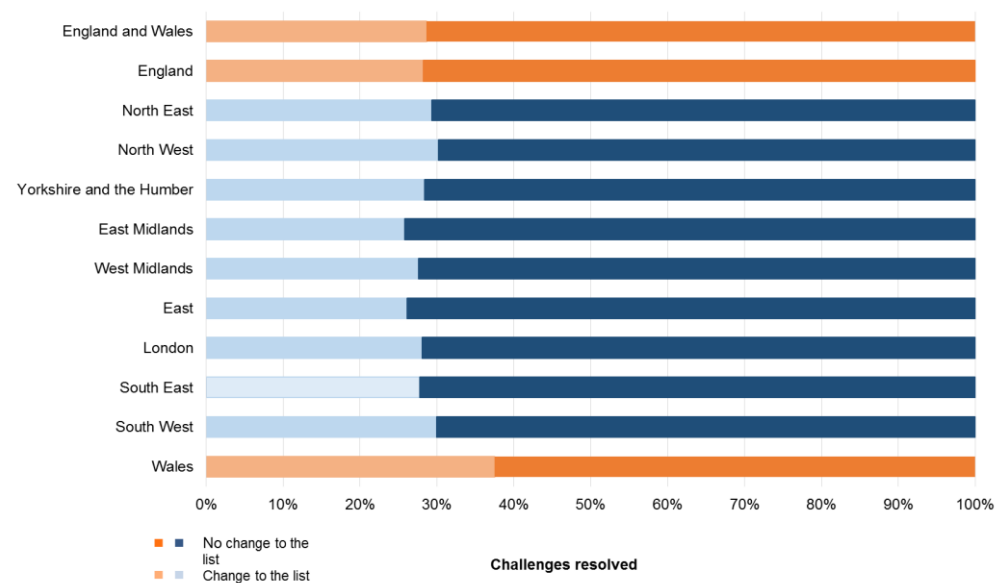
Over 854,000 challenges made against the 2010 rating list were resolved by 31 March 2017; 154,000 were resolved in 2016-17.

**Chart 3: Challenges resolved per quarter between 1 April 2010 and 31 March 2017 (2010 list, England and Wales)**



Source: VOA administrative data, March 2017

**Chart 4: Challenges resolved between 1 April 2010 and 31 March 2017 by outcome, country and region (2010 list)**



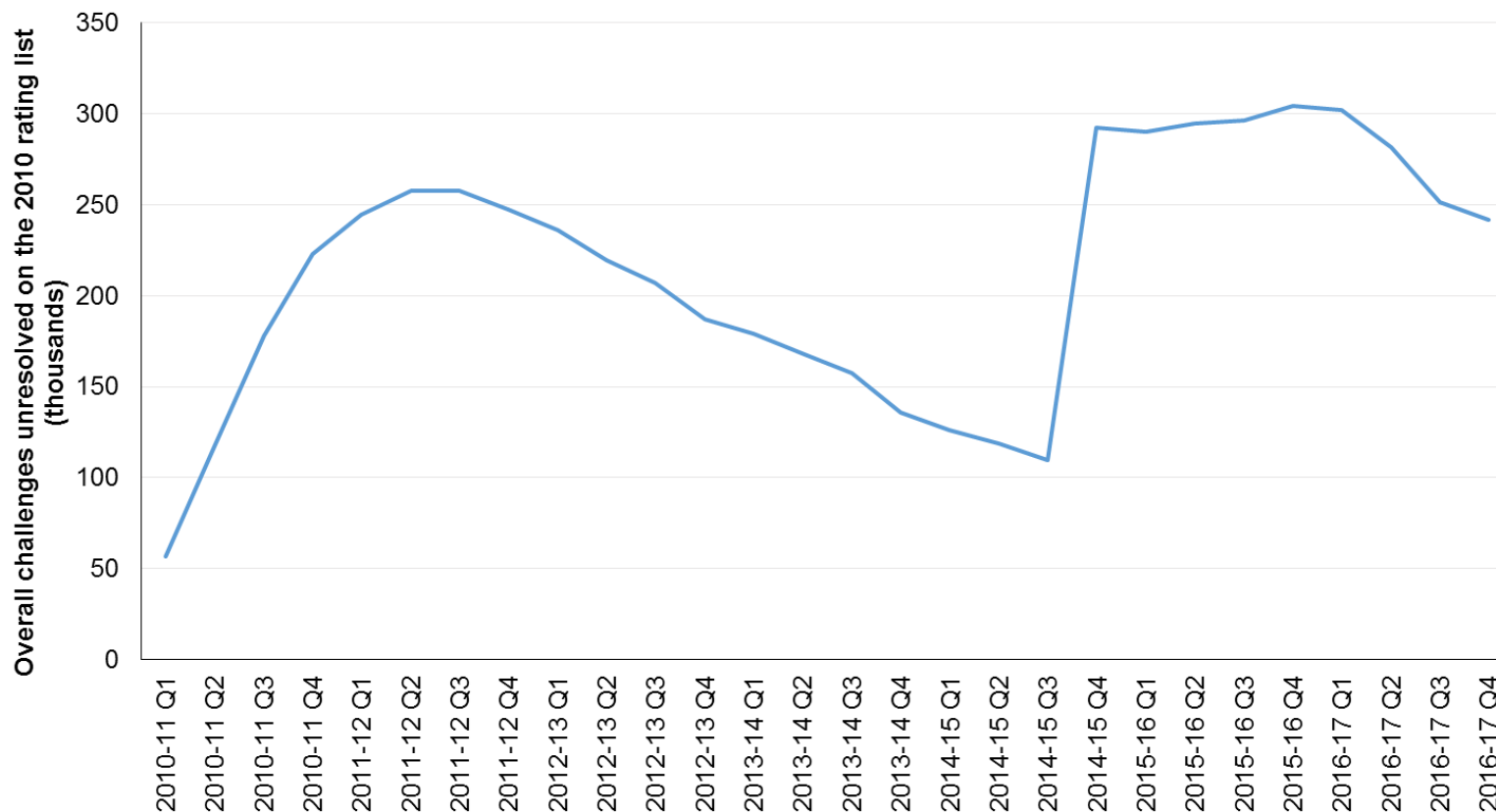
Almost **29%** of all challenges made against the 2010 list resolved by 31 March 2017 in England and Wales resulted in a change to the list. This is unchanged since the last quarter of 2015-16.

The percentage of challenges resulting in a change to the list does not vary much between the English regions; however, 38% of challenges resolved in Wales resulted in a change compared with 28% in England.

## Challenges Unresolved

There were 241,000 unresolved challenges against the 2010 rating lists. This is 63,000 fewer than at the end of Q4 2015-16.

**Chart 5: Total number of challenges unresolved by the end of each quarter (2010 list, England and Wales)**



Source: VOA administrative data, March 2017

### 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.

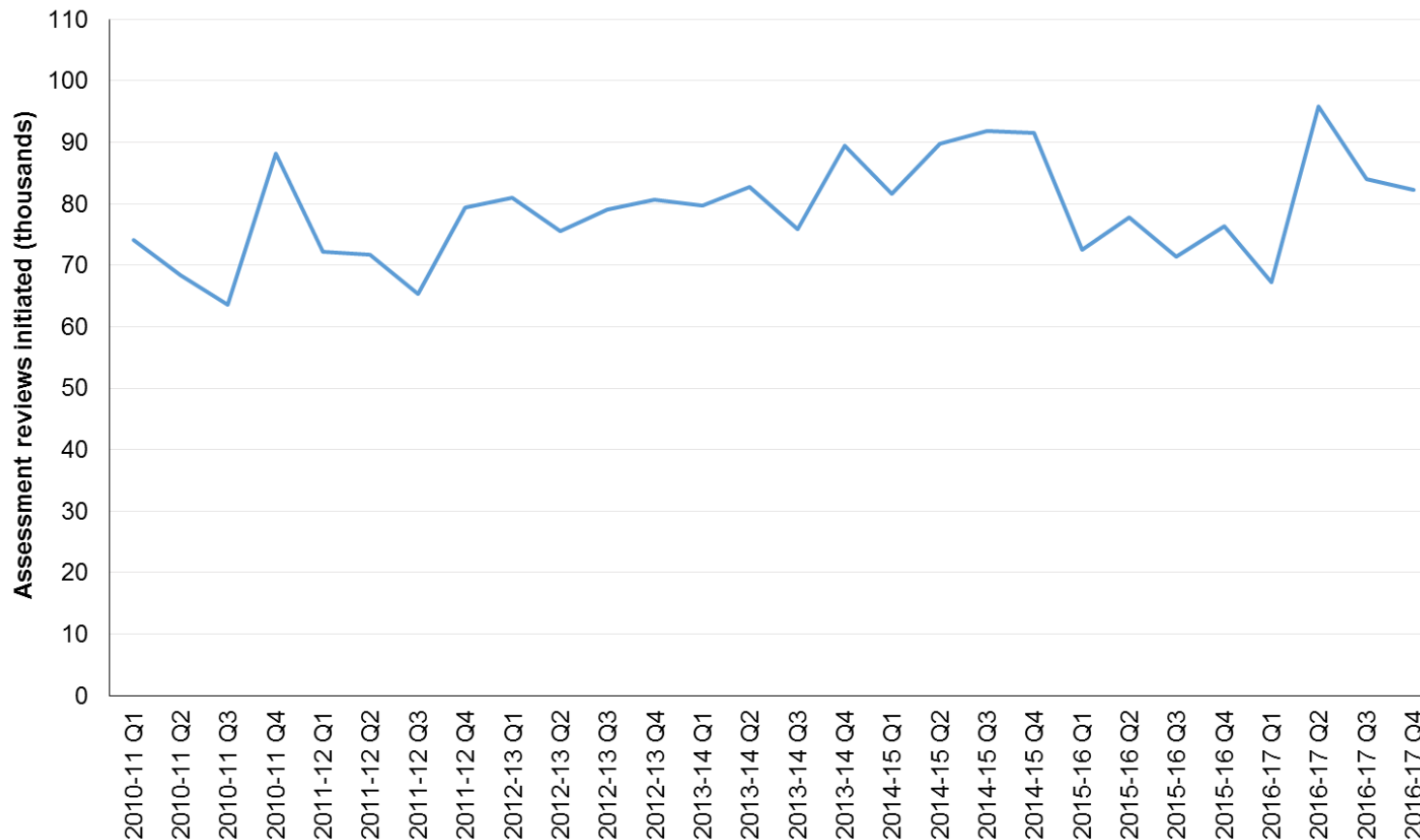
**Appeal:** An appeal consists of both Valuation Tribunal cases and Upper/Lands Tribunal cases. A challenge only becomes an appeal when the proposal (IPP) is referred to the Valuation Tribunal Service.

**Valuation Office notice (VON):** the notice of alteration to the rating list that arises when the VOA amends a rating list following either a billing authority report (BAR), a Valuation Office report (VOR) or settlement of an IPP.

### Number of assessment reviews (reports) initiated

As at 31 March 2017, the VOA had initiated a total of just under 2.21 million reviews of rating assessments against the 2010 local rating list. These are typically attributable to a demolition, new property build or other physical change to a property. In 2016-17 329,000 assessment reviews were raised.

**Chart 6: Assessment reviews (reports) initiated per quarter between 1 April 2010 and 31 March 2017 (2010 list, England and Wales)**



Source: VOA administrative data, March 2017

### 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.

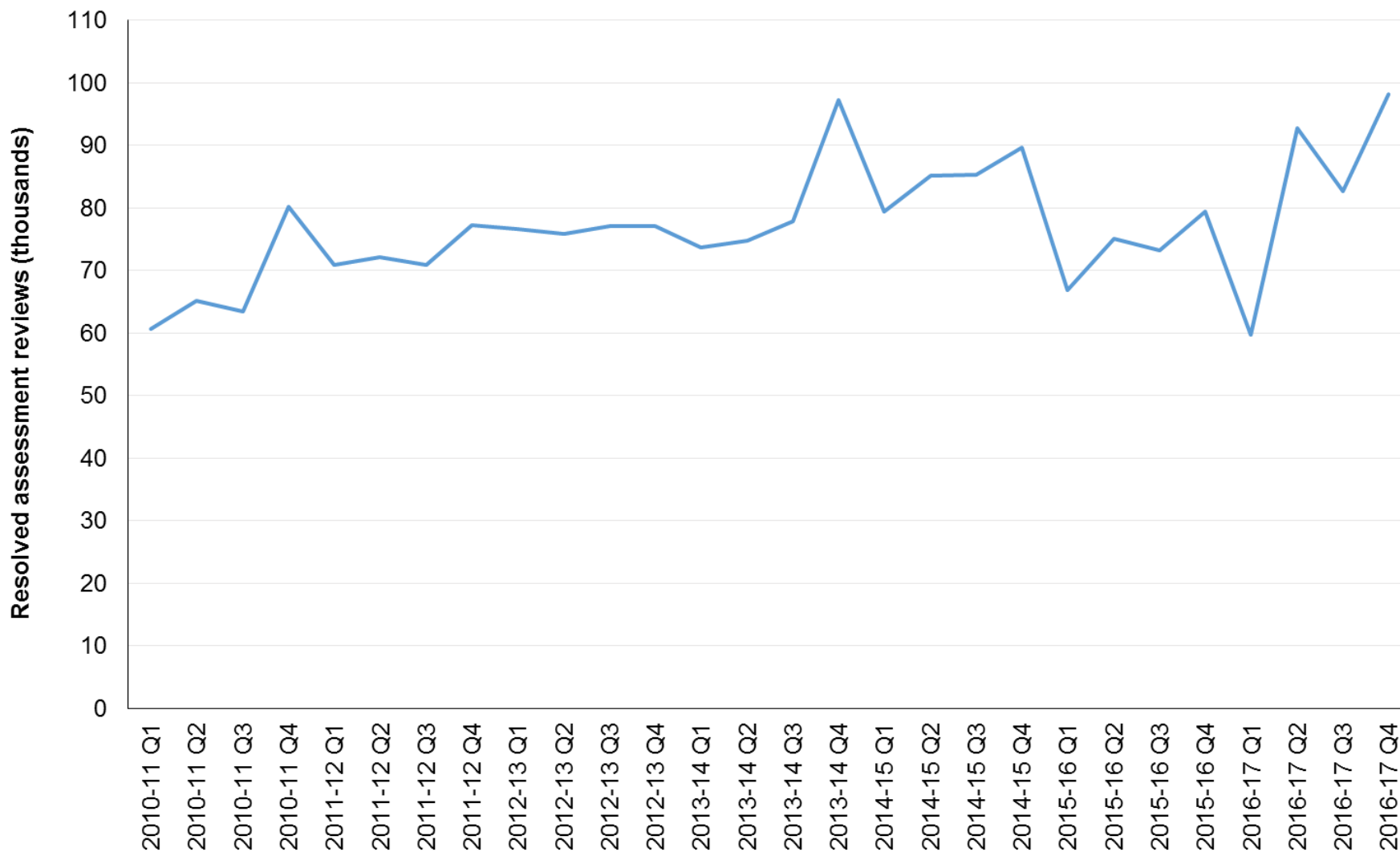
**Valuation Office report (VOR):** a report (assessment review) initiated by the Valuation Office Agency to review an entry in a local rating list.

**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.

## Assessment reviews (reports) resolved

Of the 2.21 million assessment reviews initiated against the 2010 list, the VOA has resolved 2.16 million; 334,000 assessment reviews were resolved in 2016-17.

Chart 7: Resolved assessment reviews (reports) per quarter between 1 April 2010 and 31 March 2017 (2010 list, England and Wales)



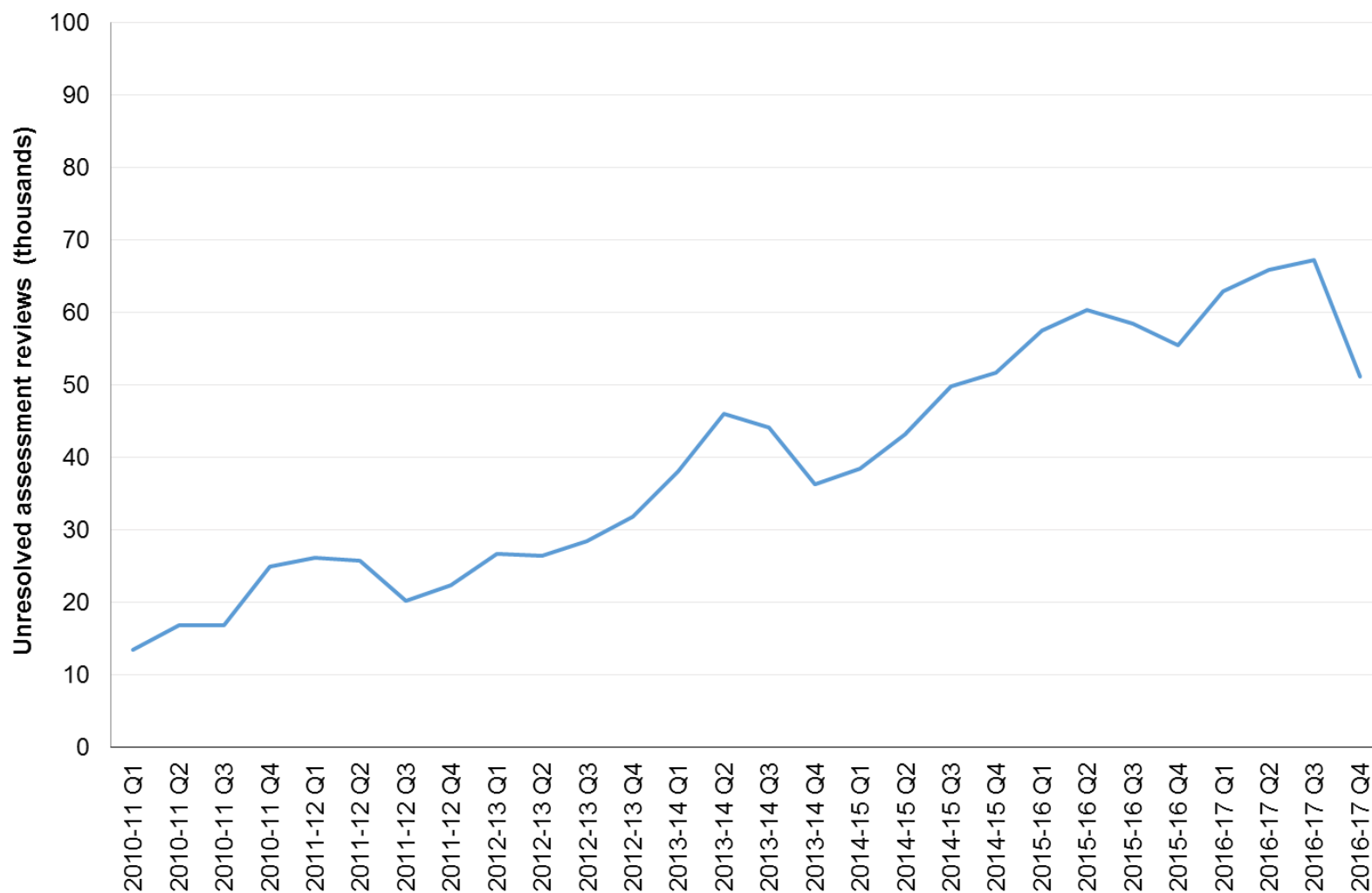
Source: VOA administrative data, March 2017

## Assessment reviews (reports) unresolved

There were 51,000 reviews outstanding against the 2010 local rating list as at 31 March 2017.

The number of unresolved assessment reviews decreased sharply in the final quarter of 2016-17 having increased in the previous three quarters.

**Chart 8: Total number of unresolved assessment reviews (reports) by the end of each quarter (2010 list, England and Wales)**



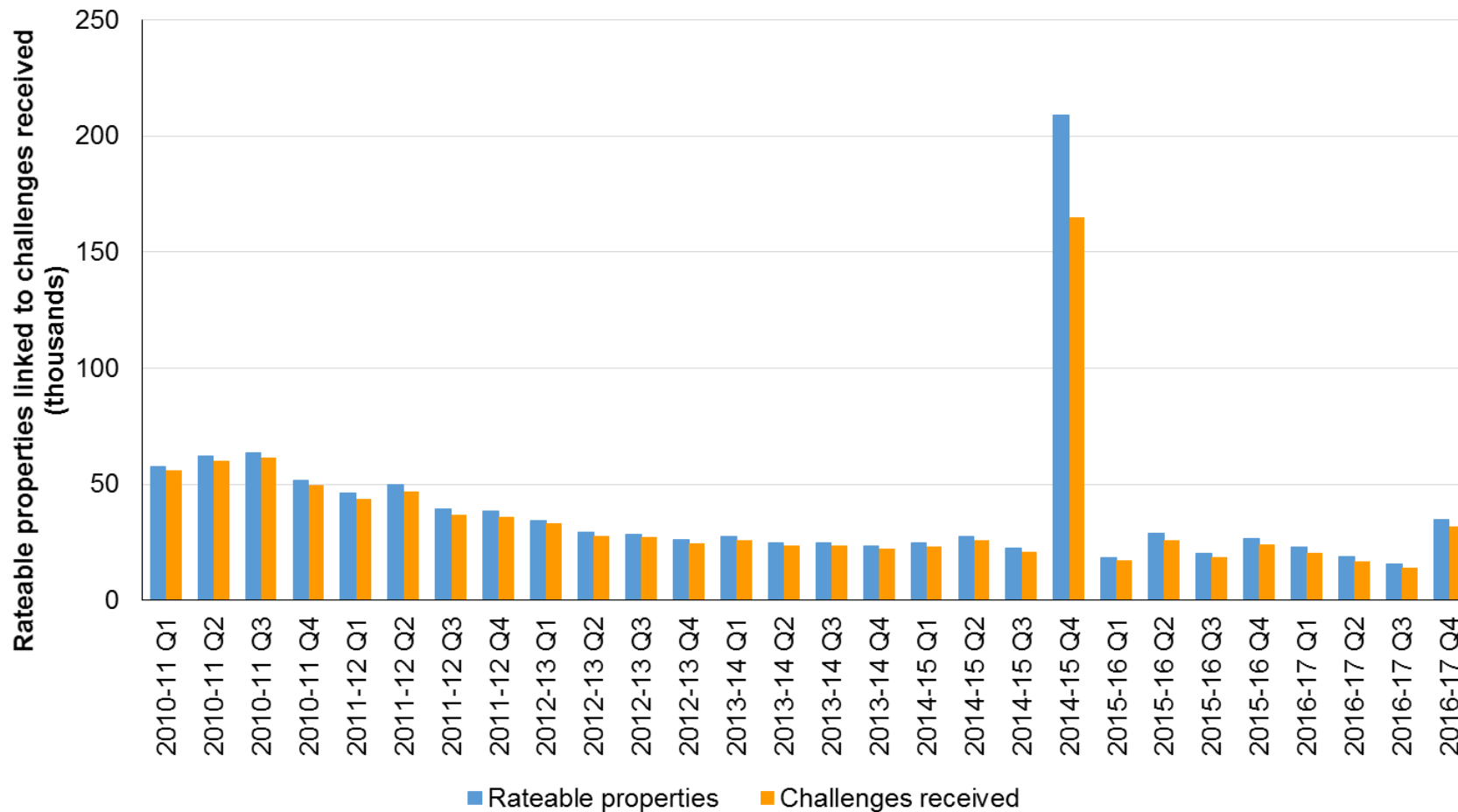
Source: VOA administrative data, March 2017

## Unique rateable properties linked to challenges

There were 1 million unique rateable properties linked to challenges received against the 2010 local rating list for England and Wales as at 31 March 2017.

The pattern for unique rateable properties is in line with that for total challenges received, though the number of unique rateable properties is generally less than the total challenges received because more than one challenge can be submitted against a property.

**Chart 9: Rateable properties and challenges received between 1 April 2010 and 31 March 2017 (2010 list, England and Wales)**



Source: VOA administrative data, March 2017



## Background

The release contains statistics on challenges made by taxpayers (or their representatives) against the 2005 and 2010 local rating lists as registered on VOA systems at 31 March 2017. 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

Previous quarters' figures include retrospective changes so will not necessarily be the same as those from previous publications. The statistics are derived from VOA's administrative database and are published at national, regional and billing authority level.

Figures in the release note may be rounded to a different level of precision from the figures in the MS Excel tables which should be referred to for more detailed data.

The VOA is required, by the Local Government Finance Act 1988, to compile and maintain accurate 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 one combined 'rating list' for those local lists effective from 1 April 2005, and, likewise, one combined 'rating list' for those local rating lists effective from 1 April 2010.

Occupiers, owners, and in limited circumstances, relevant authorities and other persons (known formally 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. Upper Tribunal (previously 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 Upper Tribunal appeal is dismissed the list will not be altered as a consequence.
- Where the Upper 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.

The functions of the Lands Tribunal were transferred to the Upper Tribunal (Lands Chamber) on 1 June 2009 so these cases were known as Lands Tribunal cases before that date. More details on this change can be found [here](#).

## Further Information

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

More detailed information on the 2010 local rating list is available on the Agency's website at the following location: <https://www.gov.uk/correct-your-business-rates>

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>