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The Revaluation comes into force on 1st April but the new rate bills for 2017/2018 will be coming out any time now, indeed some have already arrived.

There has been a huge amount of discussion in the press in the last few weeks because there are areas, particularly in London and the South East, where Rateable Values have increased considerably.

For certain areas there have been falls in Rateable Value, indeed government statistics suggest half of all ratepayers will see no increase or a fall in rate bills, 25% will see modest rises but the remaining 25% will see significant increases.

There is a "Transition System" that phases in the increases and decreases in liability. Unfortunately for those whose rate bills should be falling there will be very limited reductions because these are, effectively, funding the limitations on the increases.

Company Registration

The government will require business ratepayers and appointed agents to register on the government website. Agents will be given a special reference code once registered which the ratepayer must use to invite the agent to act on their behalf.

Property Registration

Although the system is not yet in place, the Valuation Office (VO) has stated that business ratepayers will also have to register their property portfolio on the government website.

At a recent meeting with the VO, Rapleys was told that properties have to be registered individually by the ratepayer and that they will not be able to drop them in from a spreadsheet for instance and furthermore, this cannot be undertaken by the ratepayers agent. Although various organisations, including Rapleys, have been pressing for a more sensible and practical

way of doing this, the Government does not yet appear to have moved at all.

New Check, Challenge and Appeal system

The government and VO are determined to reduce the number of Business Rate appeals by introducing a more complex three stage system which also requires an appeal fee at the third stage.

Stage 1 – "Check"

This will involve checking all the facts on a property that the VO has within their records. For example, the floor area, whether the property has heating, air conditioning, raised floors, sprinklers or insulation etc.

If there is a disagreement with VO records then proof of the differences have to be submitted. If the VO agrees, or even partially agrees, then they will serve a notice to amend the assessment.

The VO has twelve months to respond to a "Check" and if nothing happens within twelve months the "Challenge" stage can commence.

If the VO does respond within 12 months and there is disagreement with the response, there is just four months available to lodge a "Challenge".

It should also be mentioned that if someone "knowingly, needlessly or recklessly" supplies incorrect information there can be a £500 fine.



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Stage 2 – “Challenge”

Here it will be necessary to submit in writing the reasons why one thinks the VO assessment is incorrect. This will involve providing rental evidence to support the case, such as evidence of other assessments of similar properties to the one in question.

The VO then has 18 months to respond and if they do not, the case can move onto Stage 3 – “Appeal”.

If the VO does reply and there is some disagreement with the response, again there is just four months to lodge an appeal.

Stage 3 – “Appeal”

This is an appeal to the Valuation Tribunal (VT) and involves a fee of either £150 for small businesses (less than 10 employees or a turnover of less than £2m per annum) and £300 for all other businesses.

If successful, the appeal fee will be refunded but it is not clear whether the appeal has to be wholly or partially successful.

Should the VO change their mind between the Challenge stage and the VT hearing and agreement is reached, then half the appeal fee will be refunded.

There was speculation of the government imposing an arbitrary minimum fixed percentage review of 15% which would have meant that if the VT did not believe the assessment was more than 15% out then the VT would not have been able to reduce the assessment at all.

However, common sense has prevailed with many agents and institutions insisting this was completely unfair. The VT will now be required to decide whether the existing assessment is a reasonable valuation. If the VT does not agree it is reasonable then they can provide a decision reducing the assessment. The decision is thankfully now back with the VT rather than limited by a grossly unfair government proposal.

Currently none of the legislation is yet in place but the general consensus is that most of what is detailed above will be coming into force shortly.

For any help with your business rates please contact Alan Watson.

