NEW-LOOK BUSINESS RATES APPEALS A ‘MISSED OPPORTUNITY’ FOR REFORM

The reform of business rates appeals is unlikely provide a quicker, clearer and more transparent service to businesses, BNP Paribas Real Estate said in response to the proposed changes today.

The Government plans to introduce a three-stage process – ‘check, challenge, appeal’ – in response to problems with the current system that have seen businesses often waiting years for appeals to be settled.

However, Head of Rating Jim Ruthven said: “Whilst the business community will welcome the Government's aspiration to create a ‘quicker, clearer and more transparent appeals system’, it will consider these proposals to be a missed opportunity for meaningful reform.

“If introduced, the new system will see businesses wait for almost three years for an appeal to be decided, following which a separate appeal to the Valuation Tribunal for England may be required.

“This pain could be avoided by the Valuation Office Agency letting ratepayers see the evidence it has used to value properties at a much earlier stage. As it stands, businesses will need to enter the tribunal arena in order to obtain the information that has been used to assess their property - if they haven't been deterred by the proposed entry fee.

“While this secrecy remains, the proposed reforms will unfortunately result in the same number of challenges as we see at present."

In response to the government consultation, which closed on Monday, BNP PRE highlighted the following points:

- The success of an appeal system is dependent upon early disclosure of rental evidence which the VOA insists legislation prohibits them from releasing. The proposed ‘check’ stage is, on the face of it, an opportunity for early dialogue in order to narrow down the issues in dispute at the next two stages of the process. However, the timescales are too protracted – the first two stages from start to finish will take almost three years (34 months). And then a further appeal to the Tribunal may be required.

- There has been a missed opportunity to bring forward legislation in the Enterprise Bill that could have explicitly set out that the VOA is able to disclose rental information to ratepayers, thereby bringing greater confidence in assessments and reducing the number of appeals. This means ratepayers will still need to enter the tribunal arena in order to obtain the information that has been used to assess their property, albeit some will be deterred by the proposed entry fee.

- Should the VOA not state at the earliest point in time the information it has used then the ratepayer will never have confidence in the system, and so multiple checks and challenges will still be made in order to extract this information from the VOA. The proposed system will still result in broadly the same amount of checks and challenges as currently experienced in the form of proposals.

- The VOA is to be the judge and the jury as to whether or not the ratepayer’s challenge is compliant. Such a measure would be wholly iniquitous as the VOA would be the sole arbiter as to what constitutes a valid challenge. There needs to be a right of appeal to the Valuation Tribunal for England (VTE) on the grounds of the validity of a challenge.
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