Dear [Local MP]

**Non-Domestic Rating (Business Rates)**

**The new Valuation Office Agency (VOA), Check Challenge system is failing business**

I am writing to bring to your attention our substantial concerns with the new VOA Check Challenge system for reviewing and investigating the merits of a challenge on our new business rates assessments following the revaluation in April 2017.

[insert short paragraph describing the ratepayer’s business, number of properties occupied in England, current rates payable etc]

We are being prevented from effectively claiming the properties and similarly, our agents are being prevented from reviewing the assessments and suggesting changes. All this is a prerequisite to the submission of a formal Challenge. The VOA website lacks functionality, is not fit for purpose and presents a significantly retrograde step to the whole process.

This amounts to being denied access to justice by unduly onerous, laborious and burdensome procedures. It is adding significantly to the cost of us reviewing the details and is presenting multiple layers of unnecessary bureaucracy and red tape to our business.

When it brought in these new rules, the Government claimed ‘under the reforms it will be easier to navigate through the new process and engage earlier in the process with the VO. This means that cases should be resolved more efficiently and any alterations made more quickly’. Nothing could be further from the truth and we would ask you to bring our concerns to the relevant Ministers to whom I have copied this letter.

We agree that too many speculative proposals have in the past been submitted disputing Rateable Values. We sought to set out how some reforms could be made where necessary, yet our suggestions on how this could be addressed far more speedily than hitherto have been ignored. We are dismayed that the VOA has sought to progress this on the Government’s behalf, implementing the new ‘Check, Challenge, Appeal’ regime (CCA) despite widespread business objection to many of its features.

There has been a lack of engagement on the process and procedures to be adopted and we are appalled by the HMRC VOA portal which we find impenetrable and unstable. Our principal concerns with it are:

* Whereas historically we have been able to appoint professional rating surveyors to represent our interests and act on our behalf throughout, we find that we cannot now do so without having to spend a significant amount of time ourselves undertaking various prior steps. We fail to see the significance and indeed the relevance to some of the processes required as they present a wholly unnecessary delay to the process.
* These involve registering on the Government Gateway providing personal (non-business related) data. We have to ‘claim’ each of our properties separately and prove our interest by uploading a copy of the rates bill or lease in respect of every property. This action has to be repeated many times given the size of our property estate. The process is further delayed by spurious and unnecessary verification procedures being required. Our experiences to date are that these procedures are extremely time consuming, the VOA portal is often unavailable, and registration or claiming of properties is frequently rejected without any explanation or guidance on the resubmission of a claim. The revised process is expensive for Business and as a result makes us anti-competitive in the global market.
* These issues would be more than sufficient cause for concern if [company name] occupied only a handful of properties, but with an estate of xxx units the burden of having to undertake this exercise individually for each is totally unacceptable.
* Similarly, having to operate the whole of the Check and Challenge process via a portal clearly designed only for use by ratepayers of a small number of properties is hugely inefficient as well as unnecessary in today’s digital era. Our professional advisers’ IT systems have been communicating by sending data packets electronically with the VOA since 2005 but we understand that this has not yet been actioned for the 2017 revaluation and whilst the VOA has engaged with our advisors on a number of occasions, these have resulted only in reviewing the system in place. They have refused to engage actively with ratepayers advisors to develop effective digital data exchange between systems.
* We would go as far to say that the VOA has managed a complete reversal of the progress to a digital solution by implementing a purely manual system of re-keying data entry. The direct consequence of this is to substantially increase business costs at a time when we are encountering significant cost pressures and economic uncertainty as preparations are made for exiting from the European Union.

The burden of proof that the new Check Challenge regime imposes on businesses to be unduly onerous. The VOA, which sets our rateable values using rents and other evidence which it collects using its statutory powers will not share any of this data with us and in many instances encourages us to consider lodging unnecessary checks. This results in unnecessary costs not only us, but also wastes all taxpayers money as a result .

At the initial stage we merely wish to examine the assessment and its supporting evidence to establish if this is fair and reasonable. This should result in no further action being required for a good proportion of our estate. If we wish to query our assessment we are now required to put forward an alternative valuation and support it with evidence. To do so we must somehow identify and collate every piece of potentially relevant evidence and include it with our initial challenge but without any corresponding evidence being provided by the VOA in support of their opinion. If we or our advisors fail to do so, then the regulations permit the VOA to rule its later provision inadmissible. This is another example of how the new regime imposes unacceptable burdens makes many think this Government is not supporting businesses.

We would ask you to take up this matter with the Government and call for the following changes:

1. **‘Claiming properties’** – there is no need, nor a requirement in the regulations, for such a cumbersome obstructive approach for ratepayer businesses to identify and claim their properties. This has never been deemed necessary previously and a simple letter to the VOA with a list of all our properties should suffice. We should really be able to submit this data electronically in this digital era. This is precisely what the VOA has itself implemented for properties in Wales and the same procedure should be adopted immediately in England.
2. **Electronic communications** - the VOA should commit to develop and implement a suitable means of electronic communication between its systems and those of businesses and their appointed professional rating surveyors. This should be delivered by the end of 2017 at the latest so that we can challenge assessments which we consider excessive without further unnecessary delay.
3. **A fair approach to ‘Challenge’** – we consider that the onus ought properly to be on the VOA to justify its valuations, for this assessed tax, to the ratepayer rather than the reverse. It should suffice that whatever evidence is readily available to the appellant, should be submissible initially. Where new evidence becomes available this should be included in the Challenge stage, the aim of the Challenge is to arrive at a fair assessment. The requirement for all relevant evidence to be submitted up front serves no purpose other than to delay the process and potentially deny a fair outcome.
4. **Adequate resourcing of VOA** – it is apparent to us that delays in the system are also caused by inadequate VOA resources with significant numbers of office closures and reduction in professional staff coupled with a lack of engagement and what appears to be a blinkered approach to the design of this new system. We understand that further financial cuts are planned and we call for these to be reversed and the VOA instructed to be collaborative in its approach to the process.

We recognise that Government has committed to reform of the Business Rates system including the possibility of alternatives such as self-assessment and would encourage discussions on the practicality of implementing changes now rather than further delay.

As the Government enters into negotiations for the terms of the UK’s exit from the European Union, businesses need reassurance that unnecessary burdens and red tape are removed and that taxes are competitive and set fairly and transparently. The changes we outline above are the bare minimum in this context and as it stands the current system is achieving the exact opposite of the easier and quicker process originally intended.

Yours sincerely

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