

## Government announces approach to streamline and reform business rates system

The Government has today published a summary of the responses to a discussion paper on the business rates proposals concerning Check, Challenge and Appeal – the original discussion started in 30 October 2015 and responses had to be submitted by 4 January 2016.

Aside from the detail surrounding the responses the government press release below sets out the approach to how they envisage reform will happen.

Government Press release - <https://www.gov.uk/government/news/businesses-rate-appeals-reform-set-to-streamline-the-system>

# Businesses rate appeals reform set to streamline the system

From:

[Department for Communities and Local Government](#) and [The Rt Hon Greg Clark MP](#)

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Businesses will benefit from a quicker and more efficient service when checking and challenging their business rates bills.



- a new simple online service will allow customers to provide information and track progress of their check or challenge
- new tailored package to support small businesses
- weed out speculative appeals

Businesses will benefit from a quicker and more efficient service when checking and challenging their business rates bills, under plans confirmed today (6 July 2016) by Secretary of State Greg Clark.

Following a period of [consultation](#) – where an overwhelming majority of respondents recognised the need for change – the government will now press ahead with streamlining the appeals system in England.

The new “check, challenge, appeal” process will help prevent speculative appeals, and make sure genuine disputes are settled more quickly for all involved.

At present, the vast majority of cases do not lead to a successful appeal and fewer than 2% of the business rates appeals precede to a Tribunal hearing.

These moves will also bring added security to councils when planning their budgets. It follows the launch of a consultation, which sets the course towards councils’ self-sufficiency and the retention of 100% of local taxes by 2020.

Secretary of State for Communities and Local Government Greg Clark said:

For too long we’ve had an appeals system where backlogged cases – often caused by unscrupulous agents eyeing up a fast buck – meant unnecessary costs and uncertainty for all involved.

That’s why we are going ahead with our plans to streamline the process and help resolve cases as quickly and fairly as possible.

The vast majority of disputes will now be settled long before lengthy litigation and will mean businesses and councils can get on with planning budgets, confident they are getting a fair deal.

## **Reforming the system to reassure ratepayers**

With the move towards a future where [councils are self-sufficient, retaining 100% of local taxes by 2020](#), it is essential that business rates disputes are settled efficiently.

Over 955,000 appeals have been submitted against rating valuations for the 2010 Rating List in England. The current system sees too many appeals held up for too long, creating costs and uncertainty for businesses and councils alike.

The great majority of these have been submitted by agents, often operating on a ‘no win, no fee’ basis, putting in protective or speculative appeals, with no supporting evidence – sometimes for businesses who are unaware this is being done on their behalf.

Now to help weed out these speculative appeals that clog up the system and to ensure genuine disputes are resolved as early in the process as is possible a reformed business rates appeals process will come into effect in April 2017.

Businesses will now go through a 3-stage process:

**Check** – ensuring the relevant facts are up to date and accurate, with any agreed errors quickly corrected. For the vast majority of ratepayers it is expected that this check stage will be complete in a matter of days.

**Challenge** – allowing the business to challenge the rateable value on which their business rates bill is based, giving them the opportunity to set out their grounds for challenging, an alternative valuation and to put forward supporting evidence - it is expected that the great majority of cases to be resolved by this point.

**Appeal** – offering the opportunity to appeal to an independent valuation tribunal.

The business rates appeals reform offers a package of different interventions, which will improve the current appeals system and will require changes in the behaviour and working practices from all parties.

To help improve the flow of information between ratepayers and the Valuation Office Agency a new simple online service will allow customers to provide information about their property as often as they like and to track the progress of their check or challenge.

With this streamlined process, and improved information exchange between ratepayers and customers, it is expected that the vast majority of cases will be settled in the check and challenge phases.

And to help ensure only genuine cases go forward to the appeal stage, a new £300 fee will be charged for anyone looking to lodge an appeal. This is fully refundable if the appeal is successful.

In line with other parts of the tax system penalties of up to £500 may also be imposed for the provision of false information “carelessly, recklessly or knowingly”.

To meet small businesses needs a tailored package will be offered providing:

- a fast track through the system
- clear guidance which will help them navigate the system without professional support
- lower levels of fees for making an appeal, which will be refunded if successful