



ACS Submission: Reforming the Non-Domestic Rates Appeals System in Wales

ACS (the Association of Convenience Stores) welcomes the opportunity to submit evidence to the Welsh Government on reforming the business rates appeals system. ACS represents over 3,000 local shops and forecourt sites in Wales, including Co-op, McColls, BP and thousands of independent retailers trading under brands such as Spar, Nisa and Premier. Further information about ACS is available at Annex A.

Business rates are the second largest fixed cost for convenience stores and the business rates appeals system must safeguard accurate rates bills for retailers. Polling from February 2015 shows that 19% of convenience retailers in Wales challenged their rateable value from the 2010 rating list, with 89% of those to have received an outcome seeing a change to their rates bill¹. The Welsh Government should ensure the appeals system is accessible for all ratepayers regardless of professional representation, embeds transparency for ratepayers and encourages consistent outcomes.

We support proposals in this consultation for the VOA to provide all valuation evidence to ratepayers following registration on the online portal and no time limits for ratepayers at any stage of the appeals process. However, we are concerned about the provision of information from ratepayers at the request stage.

Fees should not deter genuine cases from the appeals system and guidance should be very clear for ratepayers that the limited backdating of successful appeals will only occur where evidence is knowingly or recklessly withheld. We would also urge the Welsh Government to note the rollout of appeals reforms in England and allow time to thoroughly pilot new online platforms with close consultation with ratepayers before implementation.

For your information, we have also enclosed ACS' policy submissions to the Department for Communities and Local Government and the VOA at Annex B and Annex C, which relate to our concerns about the existing Check, Challenge, Appeal system in England.

We have detailed our responses to the consultation questions below, focused on the development of a tailored business rates appeals system for Wales.

For more information, please contact Steve Dowling, ACS Public Affairs Executive, via steve.dowling@acs.org.uk or 01252 533009.

¹ ACS Voice of Local Shops Survey: February 2015 Sample of 100 Welsh Retailers

Q1) If you agree that the appeals process can be improved, which aspects of the system do you think could be improved and how?

ACS welcomes proposals to improve the Welsh Business Rates Appeal system. We endorse the ambitions of the Welsh Government set in the consultation to reduce the timescales for resolving appeals and deliver greater transparency of rating information. An efficient rating system is important to the convenience sector as 19% of convenience retailers in Wales appealed their 2010 rateable value, with 89% seeing a change to their rateable value².

The business rates system is performing better for ratepayers in Wales, 10.8% of non-domestic properties had outstanding appeals at the end of the 2010 rating list, compared to 13.5% in England^{3,4,5}. However, it should be a priority for the Welsh Government to reduce the 58-week average time taken to resolve an appeal, which causes uncertainty for businesses and creates unpredictable liabilities for local authorities when setting aside funds to backdate successful appeals over long periods⁶.

We therefore support the stated ambition to reduce speculative appeals to free up resource for the VOA and progress legitimate cases more efficiently. The Welsh Government could achieve this through being transparent with the evidence behind a valuation at the earliest opportunity to allow ratepayers or their agents to make an informed decision on whether to appeal.

Q2) What are your views on ratepayers being required to register their property or properties before initiating the appeals process?

Q3) How do you think ratepayers should be able to declare their interest in a property?

We believe it is unlikely that somebody would instigate an appeal against a property without ratepayer consent, but understand the need to link the business details of a ratepayer with a premises. There have been significant challenges with the introduction of a registration system for properties in England, resulting in increased time and cost implications for ratepayers that are required to individually register multiple properties using their personal information.

If the Welsh Government chooses to introduce a registration system, the online platform hosting the appeals service should allow ratepayers to register using business details and not require the personal details of an applicant or employee. The online platform must allow bulk upload facilities for ratepayers with multiple sites to 'claim' and manage their property

² ACS Voice of Local Shops Survey: February 2015 Sample of 100 Welsh Retailers

³ At the end of the 2010 rating list, 12,070 appeals were outstanding in Wales (10.8% of the 111,100 rateable properties in Wales) and 263,660 were outstanding in England (13.5% of the 1,956,490 rateable properties in England)

⁴ VOA. [Non-domestic rating: challenges and changes, 2017 and 2010 rating lists, September 2017 \(experimental\)](#). 7 December 2017

⁵ VOA. [Non-domestic rating: stock of properties, March 2016](#) 15 September 2016

⁶ Welsh Government. [Reforming the Non-Domestic Rates Appeals System in Wales](#). 17 October 2017 p.6

portfolio and allow ratepayers to assign agents to groups of properties rather than having to individually. The process for declaring an interest in a property should be simple for ratepayers, for example uploading a previous rates bill.

We recommend that the Welsh Government consult closely and pilot a new online platform for the appeals regime with ratepayers and agents before rolling it out to prevent unintended problems for ratepayers and the VOA, such as those highlighted in the House of Lords debate for the English Check, Challenge, Appeal in September 2017⁷⁸.

Q4) What are your views on introducing time-limits for different stages of the appeals process? What do you think would be appropriate time-limits?

We welcome the Welsh Government's proposal for the introduction of sensible time limits on the VOA and the VTW for the consideration of appeals. It is clear that the existing two-month timeframe applied to the VOA for consideration of an appeal is not sufficient and results in some cases unnecessarily proceeding to the VTW.

Time limits should be applied to the VOA but this should allow sufficient time to review the evidence, engage in meaningful discussion with the ratepayer and encourage the timely resolution of cases. We welcome the suggestion of a six-month timeframe for the VOA but this requires further consultation, when more details are available, on the new rating system and requirements on ratepayers at the 'registration' stage.

A different approach to timeframes will be required in the relation to applications for Material Change in Circumstance (MCC) effecting a ratepayer. MCC cases need to be dealt with much quicker than standard rating appeals requests, as they are likely to have a much more serious impact on ratepayers, which in some case can be business critical. For example, road works or new retail developments can have a marked impact on convenience retail businesses. These cases need to be fast-tracked much quicker than normal requests or appeals and the Welsh Government to needs to directly address how MCC cases will be handled.

We are cautious about proposals to extend time limits for complex cases and any power of the VOA to extend its own time limits. We believe the VOA should be well-resourced to handle its workload and are concerned that a power to extend time limits for complex cases could be exploited as a loophole. It is unclear what may constitute a 'complex case' and how this could be measured in any obvious way. We seek further clarity on the definition of 'complex cases'.

⁷ Earl of Lytton "the CCA [check, challenge appeal] website has met with a hail of complaints: that it simply does not do what it claims, frequently crashes, is full of glitches and involves significant delays in verification of registrations, and so on. For ratepayers seeking temporary reductions for material changes in circumstances, this matters, with a real risk of injustice because of their inability to lodge a challenge within the timescale."

⁸ For the full debate transcript, see [https://hansard.parliament.uk/lords/2017-09-11/debates/ACF7145E-22C1-4A2A-A110-2B24431DCD4E/Non-DomesticRating\(AlterationOfListsAndAppeals\)\(England\)\(Amendment\)Regulations2017](https://hansard.parliament.uk/lords/2017-09-11/debates/ACF7145E-22C1-4A2A-A110-2B24431DCD4E/Non-DomesticRating(AlterationOfListsAndAppeals)(England)(Amendment)Regulations2017)

Q5) We would welcome your views on the provision of evidence as part of the appeals process and the controls on the introduction of new evidence once the appeals process has been initiated. Are there other ways to ensure that relevant information is provided?

Q6) What additional information could help ratepayers to understand how individual valuations have been calculated?

The early disclosure of evidence used by the VOA to inform valuations after ratepayer registration is welcome. The more information the VOA can share with the ratepayer following registration the more likely it is to reduce the number of speculative cases submitted as ratepayers will have access to the data behind their valuation. The VOA has a statutory obligation to collect this data and will possess more information than a ratepayer, therefore the VOA should be able to justify its valuation.

The VOA should provide simple and clear guidance on what would be accepted as relevant evidence on submission of a request and what could inform a robust alternative valuation. We do not believe it would be possible for an unrepresented retailer in the convenience sector to submit, in full confidence, all the 'available' information at the beginning of the appeals process without professional support. This is because ratepayers are only likely to possess information about changes to their property. They are highly unlikely to have robust data on the rental data of surrounding properties, the skills to critically analyse the VOA data or provide an alternative valuation.

The Welsh Government needs to decide what it would consider reasonable and realistic for unrepresented ratepayers to present at the beginning of the appeals process and how they will account for further evidence at a later stage. Failure to do so will mean that unrepresented ratepayers, mostly small business owners, would have to employ rating agents which inevitably increase their costs.

In terms of additional information, it would be most valuable for ratepayers to see the rental information of surrounding businesses, but we appreciate there are restrictions on what the VOA can share. Nonetheless, direct informal engagement between ratepayers, their agents and the VOA would be valuable to resolve issues and clarify facts at the earliest opportunity.

Q7) What are your views on the backdating of successful appeals and linking this to the timely provision of relevant information?

Ratepayers should not be financially penalised following an incorrect valuation by the VOA. If the VOA has failed to complete the valuation of a premises properly then a ratepayer should be backdated to when it first appeared on the rating list.

Backdating a successful appeal only to the date the appeal was lodged rather than the day the hereditament entered the rating list should only occur where that evidence would have also been easily available to an unrepresented ratepayer at the start of the appeals process and signposted as relevant evidence through the VOA guidance.

All successful appeals where evidence is appropriately submitted at the request stage should have their rateable value reset back to the beginning of their entry on the rating list.

New evidence which becomes available after the request stage should be allowed to inform appeal outcomes to ensure Tribunals have full access to all evidence for a case hearing.

Q8) What are your views on the introduction of Civil Penalties for knowingly, recklessly or carelessly providing false information and on the levels of such penalties?

We recognise the need to deter the submission of false information and would support proportionate civil penalties linked to a property's rateable value after the relevant appeal case has been resolved. We would welcome further details on the sanctions regime and definition of false information.

Ratepayers should not be issued with fines for false information because of their limited knowledge of the rating system, penalised for presenting information in good faith they believed was relevant to the process, or penalised for the non-provision of information that was not indicated as relevant or was not reasonably obtainable by the ratepayer. VOA guidance must be clear about when a fine should be issued to avoid appeals against fines and the unnecessary transfer of resource from the VOA this would cause.

We are concerned about fines being issued to ratepayers when their agent has presented false information. Most ratepayers commission a professional rating agent to gain advice on proposing an alternative valuation at the request stage, but we are aware of rogue agents operating in the market that do not meet professional standards. The introduction of a complex appeals system is likely to increase the number of these agents that often target small business owners.

Q9) What are your views on the introduction of fees and the levels of such fees?

Fees would reduce the number of speculative appeals, but would act as a barrier to small unrepresented ratepayers appealing their rating valuations by driving up the cost of employing professional support.

We do not believe the VOA should charge ratepayers to see the evidence behind their rating valuation before a formal request to change the valuation is made. If the Welsh Government does proceed with fees, they should only be charged when ratepayers are applying for a hearing date at the VTW. These fees should be refundable if the appeal is successful.

The £50,000 RV threshold used in the existing High Streets Relief scheme is a useful proxy for setting fees for small businesses. We would also recommend the VOA monitoring the impact of fees on appeal volumes and the impact of the fee structure on appeals from small businesses.

Q10) What are your views on the use of controls over the submission of additional information (information not submitted earlier in the appeals process) to inform the decision of the VTW?

Tribunal decisions should be based on the most complete representation of all evidence available therefore ratepayers should be permitted to submit further evidence after the VOA

decision. Further evidence may become available at the Tribunal stage that must be considered by the VTW.

As stated in response to question 5, we do not believe that it is likely that a ratepayer, particularly an unrepresented ratepayer, will have the information to hand from the outset. Therefore, more information must be accepted at the Tribunal stage, especially if a ratepayer appoints an agent to complete the tribunal stage. We are concerned that the application of discretion by the VTW at the tribunal stage could prevent valid appeals being resolved.

Q13) We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them.

We have specific concerns about unrepresented retailers' ability to engage with a more complex business rates appeals system without the support of employing the services of a professional rating agent. We would appreciate more information from the Welsh Government about how they plan to support unrepresented small business owners to engage with the reformed appeals system, what additional guidance they will provide and how they plan to communicate these changes.

Annex A

ABOUT ACS

The Association of Convenience Stores lobbies on behalf of around 50,000 convenience stores across mainland UK on public policy issues that affect their businesses. ACS' membership is comprised of a diverse group of retailers, from small independent family businesses running a single store to large multiple convenience retailers running thousands of stores.

Convenience stores trade in a wide variety of locations, meeting the needs of customers from all backgrounds. These locations range from city centres and high streets, suburban areas such as estates and secondary parades, rural villages and isolated areas, as well as on petrol forecourts and at travel points such as airports and train stations.



WHO WE REPRESENT

INDEPENDENT RETAILERS



ACS represents 22,397 independent retailers, polling them quarterly to hear their views and experiences which are used to feed in to Government policy discussions.

These stores are not affiliated to any group, and are often family businesses with low staff and property costs. Independent forecourt operators are included in this category.

SYMBOL GROUPS AND FRANCHISES



ACS represents 14,659 retailers affiliated with symbol groups. Symbol groups like SPAR, Nisa, Costcutter, Londis, Premier and others provide independent retailers with stock agreements, wholesale deliveries, logistical support and marketing benefits.

Symbol group forecourt operators and franchise providers like One Stop are also included in this category.

MULTIPLE AND CO-OPERATIVE BUSINESSES



ACS represents 12,862 stores that are owned by multiple and co-operative retailers. These businesses include the Co-Operative, regional co-operative societies, McColls, Conviviality Retail and others.

Unlike symbol group stores, these stores are owned and run centrally by the business. Forecourt multiples and commission operated stores are included in this category.

THE CONVENIENCE SECTOR



In 2017, the total value of sales in the convenience sector was £38bn.

The average spend in a typical convenience store transaction is £6.28.



There are 49,918 convenience stores in mainland UK. 74% of stores are operated by independent retailers, either unaffiliated or as part of a symbol group.



The convenience sector provides flexible employment for around 370,000 people.

24% of independent/symbol stores employ family members only.



20% of shop owners work more than 70 hours per week, while 19% take no holiday throughout the year.

72% of business owners are first time investors in the sector.



Convenience stores and Post Offices poll as the two services that have the most positive impact on their local area according to consumers and local councillors.

79% of independent/symbol retailers have engaged in some form of community activity over the last year.



Between August 2016 and May 2017, the convenience sector invested over £858m in stores.

The most popular form of investment in stores is refrigeration.

OUR RESEARCH

ACS polls the views and experiences of the convenience sector regularly to provide up-to-date, robust information on the pressures being faced by retailers of all sizes and ownership types. Our research includes the following regular surveys:

ACS VOICE OF LOCAL SHOPS SURVEY

Regular quarterly survey of over 1200 retailers, split evenly between independent retailers, symbol group retailers and forecourt retailers. The survey consists of tracker questions and a number of questions that differ each time to help inform ACS' policy work.

ACS INVESTMENT TRACKER

Regular quarterly survey of over 1200 independent and symbol retailers which is combined with responses from multiple businesses representing over 3,000 stores.

ACS LOCAL SHOP REPORT

Annual survey of over 2400 independent, symbol and forecourt retailers combined with responses from multiple businesses representing 6,291 stores. The Local Shop Report also draws on data from HIM, IGD, Nielsen and William Reed.

BESPOKE POLLING ON POLICY ISSUES

ACS conducts bespoke polling of its members on a range of policy issues, from crime and responsible retailing to low pay and taxation. This polling is conducted with retailers from all areas of the convenience sector.

For more information and data sources, visit www.acs.org.uk

Annex B

ACS Submission: Check, Challenge, Appeal: Reforming business rates appeals – consultation on statutory implementation

ACS (the Association of Convenience Stores) welcomes the opportunity to submit evidence to the Department for Communities and Local Government on the draft regulations to implement the new 'Check, Challenge, Appeal' process for business rates appeals. ACS represents 33,500 local shops across the country including the Co-op Group, Spar UK, Costcutter Supermarkets, McColls, One Stop, Budgens and thousands of independent retailers.

Business rates represent the second largest fixed rate cost for retailers. Changes to the system for appeals are consequently of significant interest to our members and the wider convenience sector. Polling of 1,200 retailers in November 2015 showed that 32% of convenience retailers have challenged their business rates liability as a result of the previous 2010 revaluation. Of those to have received an outcome from their appeal, 71% have seen a change to their rating bill⁹. ACS wants to ensure the business rates appeals system is consistent, accessible and transparent so that retailers can engage in the process, whether professionally-represented or otherwise.

ACS welcomes the introduction of a streamlined process for small businesses to navigate their way through the system. In our submission to the Department for Communities and Local Government consultation on the Check, Challenge, Appeal in January 2016 we highlighted the need for great transparency of information at the check stage, extensions to timeframes for considering and presenting evidence and for fees to be proportionate to not act as a barrier to appeals. The draft regulations have not addressed the majority of these concerns and have created a new problem in relation to the definition of 'reasonable professional judgement'.

- The 'reasonable professional judgement' test must be removed from the regulations. The regulations in their current form will allow the VTE and VOA to work to an undefined margin of error resulting in ratepayers paying inflated rates bills with no grounds to appeal.
- The timeframes for appeal have not been changed from the original consultation and give unrepresented rate payers little time to gather evidence at Challenge Stage, the only point where evidence can be submitted.
- The current regulations provide support for micro businesses, not small business. The definition of small business should be extended so a wider group of businesses can benefit from lower fees and the fast track system. We recommend using the small business definition set out in the Companies Act
- The VOA should be more transparent with business by providing a comprehensive breakdown of the evidence used to reach the rating list entry. Ratepayers should not

⁹ ACS Voice of Local Shops Survey: February 2015

have to submit a 'Check' and 'Challenge' with an alternative valuation and evidence to view this evidence.

ACS has responded to the relevant consultation questions below:

Q1. Do you agree that the draft Regulations put in practice the agreed policy intention as set out in the Government policy statement?

The regulations in their current form would bring forward a system with limited disclosure of information to ratepayers and a defensive approach to dealing with the dispute. The draft regulations will not deliver a transparent system which works for business because of the lack of information available to the ratepayer at the earliest stages in the process. The timeframes of the Check, Challenge, Appeal process have also not been revised in the regulations meaning that the start to finish process for appealing would be longer than the current system.

Timeframes for the VOA and ratepayer should be revised to give ratepayers more time to gather evidence. The VOA would have 12 months before the trigger point is reached to move an appeal from 'Check' to 'Challenge' stage, from then a ratepayer only has 4 months to submit a technical 'Challenge'. Unrepresented retailers, even with the publication of specific guidance, will struggle to complete a 'Challenge' in 4 months and collect all relevant evidence. Ratepayers will also not be able to submit additional evidence after the 'Challenge' stage even if relevant evidence emerges.

The regulations have delivered a change in the definition of small businesses that can benefit from the fast track rating system and reduced fines. In the Government's previous consultation, it stated the definition of small business would be based around the Companies Act definition. In the new regulations the Government is using the micro business definition from the Small Business, Enterprise and Employment Act, which will benefit far few businesses – the Government should revert to using the Companies Act small business rates definition or the equivalent definition in the Small Business, Enterprise and Employment Act.

There is unified concern from the business community about the introduction of inaccurate rating being defined as "outside the bounds of professional judgement". This gives the VTE and VOA significant scope to ignore inaccurate rating valuation and would increase businesses rating liabilities without grounds for appeal. ACS signed a letter from eleven different business organisations calling on the Government to remove this proposal¹⁰. On this basis we do not believe that the draft regulations meet the agreed policy intention as set in the Government's policy statement.

¹⁰ <http://www.telegraph.co.uk/business/2016/09/24/business-groups-unite-against-changes-to-rates-appeal-system/>

Q2. We would welcome your views on the approach to implementing fees for the appeal stage.

We welcome that no fees will be charged at the Check and Challenge stage of the rating process and that Government will introduce a lower fee band for small businesses. We are sceptical whether the lower fee band will be used when all parties agree that a determination can be made without a formal hearing at the appeals stage. It is unlikely that a rate payer will reach the appeals stage and decline to have a formal hearing.

We discuss in more depth later the implications of the definition of reasonable professional judgement but it is relevant to moving to a fee paying model. There is significant injustice to ratepayers being charged a fee for appealing their rates bill only to discover that their rates bill cannot be amended because it sits within the bounds of 'reasonable professional judgement'. This is unacceptable and the Government must rethink this element of the regulations.

Q3. We would welcome your views on the approach to implementing penalties for false information.

We recognise that it is established practice in the tax system to have penalties in place to deter the submission of false information. However, we stand by the concerns raised in our previous submission to the Government. Ratepayers engaging in the new system may submit information incorrectly because of their limited knowledge of the rating system. It is equally possible that rating agents could submit false information only for ratepayers to then be liable for the fine.

We do not object to the use of fines for the submission of false information but we urge the VOA to think carefully about how they enforce these penalties as the new system beds in. We look forward to consulting further on the guidance the VOA develops to support the application of penalties.

Q4. We would welcome your views on the approach to implementing the package for small businesses and small organisations.

It is difficult to provide views on the approach to implementing the package for small businesses without having a full understanding of the VOA online system, the supporting guidance and the capacity of the VOA to deliver direct contact with unrepresented ratepayers.

From the outset we have expressed concerns about the ability of unrepresented ratepayers to engage with the 'Check, Challenge, Appeal' system without professional support. The agreement or disagreement of facts at the 'Check' stage and the evidence presented at the 'Challenge' stage will have great bearing on the success or failure of an appeal at later stages in the process. Ratepayers are unlikely to progress taking the case forward by themselves without professional support.

It is unlikely that unrepresented retailers will have the ability to produce all relevant evidence in relations to the rateable in the 4-month period. The system would work considerably better

for small businesses if they could present new evidence through the 'Challenge' Stage. Even with the development of a package of advice and online systems we believe the majority of unrepresented ratepayers in the convenience sector will still seek advice from a professional rating agent.

We are concerned that the Government has moved away from using the Companies Act definition of small business as the qualifier for small businesses to benefit from the fast track system. In the Government's response to its consultation¹¹ in July 2016 it stated; *"For the purposes of this process [small business fast track], the definition of 'small businesses' will be broadly aligned with that in the Companies Act 2006, namely those where two of the following apply – annual income or expenditure of not more than £10.2m, aggregate assets of not more than £5.1m, and not more than 50 employees"*

In the consultation on the regulation the Government has now moved to the definition within the Small Business, Enterprise and Employment Act 2015 (SBEE), which is far more restrictive. The SBEE Act restricts the benefits of lower fines and fast track systems to micro businesses, which are defined as having a headcount of staff of less than 10 and a turnover or balance sheet total of less than £2 million. We recommend that the Government revert to using the Companies Act definition or the SBEE Act definition of small business which accounts for business with up to 50 employees.

Q5. We would welcome your views on the approach to dealing with Material Changes in Circumstances

The consultation proposes that where a Material Change in Circumstance (MCC) occurs the ratepayer should submit a 'Check' to set the 'material date' of any change, meaning the date at which the physical circumstances of the property have changed. A ratepayer will then have a 16-month period to submit a 'Challenge' using evidence gathered during that period.

We welcome that the rate payer will have a 16-month period to determine the impact that a material change in circumstance will have and time to gather evidence. We seek further clarity about the definition what constitutes "as soon as possible" after the MCC to establish the material day. For instance, will the time period left between the MCC event and the material day have any bearing on the overall judgement?

Q6. We would welcome your views on the amended approach to determining appeals against valuations.

Responses to the Business Rates Review highlighted cross-sector support for the bespoke nature of rating valuations which properly reflects the characteristics of individual property. Although cases will be heard on an individual basis under these proposals, this would be caveated by a system of approximation through the 'reasonable professional judgement' test which denies the beneficial effects of bespoke valuations.

The consultation document fails to specify how 'reasonable professional judgement' should be measured – whether this would be a 1%, 2%, 10% error or another approach. It also fails

¹¹ Reforming Business Rates Appeals Government Response, page 7 July 2016

to consider how the reform would affect deliberations made by the VOA at 'Check' and 'Challenge' stage, where it seems this test will not apply.

Common acceptable percentages of error in accountancy may be 1 – 2 % of assets, liabilities and expenses¹². Through the 'reasonable professional judgement' test, a forecourt in the convenience sector with a rateable value of £100,000 could be overcharged by £10,000 in a system with a 10% margin of error. This over expenditure on business rates will clearly have a substantial impact on a retailer and negatively impact their business investments.

In this case, using the 2016 – 17 standard multiplier in England of 49.7p, the forecourt could be liable to pay £49,700 in rates annually. If the ratepayer was provided with an accurate valuation, the forecourt would be liable to pay £44,730. Over the lifetime of a five-year rating list, this would amount to an overpayment of £24,850 in business rates. The premise that a valuation error of this size may be determined too small to warrant a correction is unacceptable and this system of 'reasonable professional judgement' would lead to large discrepancies for the sake of reducing administrative burdens on the VOA.

The business community is united in its opposition to the introduction of a margin of error poorly defined as 'reasonable professional judgement'. Eleven business organisation have written to the Minister expressing concerns about this and highlighting that previous Governments have rejected the idea of blunt margins of error suggested in the 'Modernising Local Government Finance' policy paper back in 2000¹³. The Government should be aware that the introduction of the 'reasonable professional judgement' test would further clog up the appeals system. This is because the inevitable response from industry would be to legally challenge a significant VTE decision not to revise the rating list and set a legal precedent. This would result in significant delays to appeals.

We recommend that the Government removes the 'bounds of reasonable professional judgement' from the regulations and delivers a system that assesses each appeal on its own merits.

For further information on this submission please contact Steve Dowling, ACS Public Affairs Assistant via steve.dowling@acs.org.uk or call 01252 515001.

¹² <http://www.accountingweb.com/community-voice/blogs/admin/good-error-analysis-a-key-to-audit-quality>

¹³ Department for Transport, Local Government and the Regions. [Modernising Local Government Finance: A Green Paper](#). 2000.

Annex C

ACS Property Group: Check, Challenge, Appeal

ACS (the Association of Convenience Stores) values the opportunity to inform the development of the VOA's business rates appeals system. This submission summarises the key topics raised during the VOA meeting with the ACS Property Policy Group on 24th October.

ACS (the Association of Convenience Stores) represents 33,500 convenience stores and forecourt shops including Co-op, McColls, BP and thousands of independent retailers, many of which trade under brands such as Spar, Nisa and Costcutter. One-in-three convenience stores have reported increased bills since the 2017 revaluation¹⁴. Further information about ACS is available at Annex A.

ACS is committed to working with the VOA to deliver an effective appeals system that ensures accurate bills for ratepayers on the 2017 rating list. 32% of convenience retailers lodged an appeal against the 2010 rating list, with two-thirds (64%) seeing their bills decrease¹⁵. We believe the business rates system should be supported by a reliable, consistent and transparent appeals system and have welcomed the VOA's approach for open engagement with business through the HMRC Digital Taskforce.

Please find below some of the discussion points covered during our previous meeting;

- **Personal Verification** - The requirement for an employee to provide personal details to create a business account should be removed to mitigate access issues following a change in employment. These personal details should also not be visible on the dashboard hub.
- **Bulk Uploading** – The inability for ratepayers with multiple properties to upload documents in bulk is slowing down the appeals process for business, who have not been able to claim properties with rateable values they are planning to appeal.
- **Agent Access** - Ratepayers should be able to appoint agents for part of or their entire property portfolio, rather than per property.
- **Searching and filtering claimed properties** – The update to allow property searching is welcome, but this feature should allow searching by postcode as well as address.
- **Removing claimed properties** – Ratepayers should be able to remove claimed properties from the dashboard where duplicate records exist on the portal. This will prevent confusion for agents accessing ratepayer cases.
- **Property history** – Ratepayers would welcome details about a property's previous appeals and transitional relief certificates becoming accessible on the portal.
- **Notifications** – Ratepayers with a large property estate would welcome the facility to remove e-mail notifications. Notifications could alternatively be offered through the dashboard as status updates.

¹⁴ ACS Voice of Local Shops Survey: November 2016

¹⁵ ACS Voice of Local Shops Survey: February 2015

- **Error Messages** – There has been a marked decline in Error 500 crash messages when using the portal. However, 1-in-20 customer journeys are still not completed successfully.
- **Challenge Stage** – The VOA should provide an electronic PDF form for the challenge stage to replicate the 2005 and 2010 rating lists. The current PDF form is labour intensive to complete.
- **Guidance** – Improved guidance for property claiming and the check stage is welcome. The VOA should also consider guidance for ratepayers at the challenge stage.

The transfer of case data held by the VOA when a challenge progresses to the appeal stage should also be considered as more cases reach this stage. VOA engagement with the Valuation Tribunals should prevent this process from placing further administrative requirements on ratepayers for case data they have already supplied to Government.

We welcomed the VOA's published programme of improvements to the portal for 2017/18, with businesses valuing notice of specific down periods when updates are being made to the service. ACS believes the VOA must be adequately resourced to administer a rise in case volumes, with some businesses reporting they are waiting until further improvements have been made to the portal before using the appeals system.

For further information on this submission please contact Steve Dowling, ACS Public Affairs Executive, via steve.dowling@acs.org.uk or 01252 533009.