

Reforming the Non-Domestic rates appeals system in Wales

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

The hydropower sector has experienced a rating methodology that is clearly colossally unfair and inappropriate and a fundamental review of the overall methodology is urgently required to be undertaken by Welsh Government

The appeals process as laid out does not allow an appellant to make appeal based on the rating not necessarily being wrongly calculated, but through the VOA using a methodology with which the VOA are satisfied, but industry believes is flawed, creating wholly unacceptably high RVs which in many cases are jeopardising the future viability of some hydropower schemes in Wales.

The appeals process must include a section where an appellant can lodge an appeal against the valuation method not just the individual valuation level.

We propose that there is a new process included where the individual Valuer from the VOA can be reported to the RICS if there is dissatisfaction with the professional competence of the valuation.

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

The BHA agrees that the appellant must register before initiating any stage of the appeals process. Agents can continue to act on behalf of an appellant once the appellant has registered.

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

By the ratepayer referring the VOA to the Land Registry for England and Wales

4. What are your views on introducing time-limits for different stages of the appeals process? Do you think the suggested time-limits are appropriate? What do you think would be appropriate time-limits?

The BHA agrees in principle with a 12-month time frame for the VTW to deal with an appeal, though with the caveat of 'time not of the essence' as far as the appellant is concerned.

5. 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?

The BHA agrees with the principle of the provision of additional detailed information to assist the appellant; however we have grave concerns about the proposal that this information be accessed via the VOA web site.

It is very clear from feedback from a ROI request that 89% of respondents are either dissatisfied or very dissatisfied with the VOA appeals website and the service they received. This has not changed since the web site was launched in the autumn of 2017 and so we are concerned that this approach is being considered. From this ROI request there are 118 separate faults identified by the VOA in their own web site.

We agree that an appellant provides a reasonable amount of relevant information from the outset that they are able to access.

What is unacceptable is for the VOA to continually request extra and in many cases unnecessary information, as they often do, that may eventually dissuade the appellant from continuing with an appeal.

The presentation of evidence has to be borne equally by both the appellant and the VOA.

6. What additional information could help ratepayers to understand how individual valuations have been calculated?

1. That all valuations are cross-checked with another relevant valuation methodology to clearly demonstrate that the VOA have considered more than one methodology.
2. That all ratepayers must be provided with clear, easy to understand and accurate RV calculations from the outset

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

We believe that any successful appeal should be backdated to the date the hydro scheme was entered onto the rating list and therefore see no need to change the current system. However we would want to see an additional change. This is that any appellants rates payable are suspended during the appeal process

8. 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?

The BHA is concerned about this proposal. The responsibility for the provision of accurate and genuine information as part of the appeals process is a duty for both the appellant and the VOA. There have been examples where the VOA has calculated an RV based on their own inaccurate information which they have not noticed until pointed out by the appellant or the appellants representative.

We are also very concerned that the proposed arbiter of what is 'false' information and whether it is provided knowingly, carelessly or recklessly is the VOA.

What criteria will the VOA use to decide what is 'knowingly', 'carelessly' or 'recklessly' provided?

We are not clear about the amount that is being proposed as the 'civil penalty' being set at £500. Is this £500 for every piece of 'false' information provided or collectively for an appellant's entire appeal?

There is a distinct possibility that the VOA will use this as a money making exercise which must not be underestimated.

The arbiter of what is 'false' information should be determined by an independent arbiter and not the VOA, but ultimately the BHA does not agree with the implementation of a civil fine as it will not enhance the appeals process.

9. What are your views on the introduction of fees and the levels of such fees?

The BHA fundamentally disagrees with the proposal to introduce a fee system as outlined in the consultation. There is no need to further burden the appellant, who already believes that they are paying too much for their NDR due to the flawed valuation methodology being used by the VOA.

10. 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?

The BHA agrees with this proposal

11. We would like to know your views on the effects that changes to the NDR appeals system would have on the Welsh language, specifically i. on opportunities for people to use Welsh and ii. on treating the Welsh language no less favourably than English. What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated?

Treating the Welsh language no less favourably than English is critically important as part of this process.

12. Please explain how you believe the proposed changes to the NDR appeals system could be formulated or changed so as to have i. positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and ii. no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.

We have no views on any further changes to address point i and ii

13. 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.

The very fact that an appeals system and relief schemes exist is, in the opinion of the BHA, a reflection of the problem at the very core of the entire NDR valuation methodology for hydropower. If the methodology produced RVs that were fair, reasonable and affordable, then there would be no need for any appeals or relief schemes.

If there is to be a long-term solution to NDR valuation methodology for hydropower, it is not through rounds of relief and in many cases lengthy appeals, but through a fundamental change in the methodology.

You are about to submit your response. Please ensure you are satisfied with the answers you have provided before sending.

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