



Business Rates: Rateable Values

Each commercial property, be it an office or a factory, has its own rateable value from which its business rates are calculated.

Valuation Officers working for the Valuation Office Agency are responsible for setting the rateable value for each commercial property.

This is based on the rent that the property would command on the open market in its area. The rateable values are fixed on a particular date, and are re-assessed by law once every five years.

In order to calculate exactly how much a business needs to pay in rates, the local council will multiply the rateable value of the property by the Uniform Business Rate, which is determined by the government.

The rateable values for each part of the country can be checked on the Valuation Office Agency website at www.voa.gov.uk

Contesting a rateable value

A business, whether it owns or leases the property, is entitled to contest the rateable value of its premises. There are a number of grounds on which a business may consider contesting the rateable value assigned to its property.

A business can do this if it thinks that the rateable value arrived at by the Valuation Officer is wrong or if the description of the building is incorrect.

If there has been an alteration to the property or a change in its use, the business may also challenge the rateable value. The same applies if the area in which the building is situated has altered or if nearby properties have changed in their use.

Where a rateable value does not take into account an area of the building that is domestic in use, then the business may similarly argue for a re-evaluation. And it may do so if the rateable value fails to acknowledge that one property has been divided into a number of separate properties or vice versa.

The first step for any business that believes it has an argument for amending its rateable value is to contact the Valuation Office Agency and explain its case. The VOA runs a special helpline for just this purpose.

If the VOA does not think that the rateable value is incorrect, the business may appeal.

It does this by putting together what is called a proposal, which requests in writing that the rateable value of the property be reviewed by the VOA. The appeal or proposal can be sent to the VOA online or by post.

Once it has received the appeal, the VOA will let the business know when its case is to be



considered. The majority of appeals reach an agreed settlement.

When they do not, the appeal is referred to the Valuation Tribunal Service. The VTS is an independent authority with legal powers and operates locally. If no agreement is still forthcoming, the Tribunal will consider the appeal at a formal hearing. The business is not required to attend the hearing, but its presence is usually a good idea. Should the Tribunal find for the business, the local authority must reimburse the business equivalent to the amount that has been overpaid in business rates.

Until the appeal has been agreed with the VOA or any disagreement resolved by the VTS, the business must continue to pay its business rates at the level set by the local council.