

## **Scrutiny Board (Strategy and Resources)**

### **Scrutiny Inquiry into Business Rates Valuation Tribunal Hearing – Doncaster**

**12 December 2017**

#### **Briefing Note**

The purpose of this briefing note is to provide some background information regarding the Valuation Tribunal, including the Valuation Tribunal for England (VTE), and the Valuation Tribunal Service (VTS) – which provides the administrative support to the VTE.

#### **The Valuation Tribunal**

The Valuation Tribunal is an independent appeals body for citizens to use when challenging decisions of the Valuation Office Agency or local councils in matters of council tax or business rates.

The Valuation Tribunal receives public funding (allocated from Parliament's Public Spending Review). The service it provides is free for council tax payers; those making an appeal against the 2017 rating list pay a fee in most cases.

The Tribunal cannot award costs: People making an appeal have to meet their own costs, for example for travelling to the tribunal hearing or paying for someone to represent them if they decide not to represent themselves.

The Valuation Tribunal is the name that includes the judicial and administrative parts of the service. The judicial part is a statutory body called the Valuation Tribunal for England (VTE), which is supported by the administrative part (also a statutory body), the Valuation Tribunal Service (VTS).

#### **History of the Tribunal**

The Poor Relief Act of 1601 is generally recognised as the legislation that brought in a rating system, a property tax based on the value of real estate. The Overseers of each parish were empowered to make a rate and collect it from every inhabitant or occupier of land, to support the poor of that parish. At that time you could appeal to the Quarter Sessions about the rate, but not about your individual assessment for it.

The Union Assessment Committees Act 1862 brought Local Assessment Committees into being for hearing appeals against the rate. These were judicial but informal, an ethos that is retained today. These committees became Local Valuation Panels in 1948 and were renamed Valuation and Community Charge Tribunals in 1988. In 1992, with the demise of community charge ('poll tax'), they were again renamed as Valuation Tribunals, of which there were 56 throughout the country.

Until 1 April 2004, these Valuation Tribunals employed their own staff, but relied on a government department for overall management and funding. Following the Local Government Act 2003, from 1 April 2004, the Valuation Tribunal Service was set up to provide administrative support services, including staff and accommodation, to all the Valuation Tribunals. The Local Government and Public Involvement in Health Act 2007 created a single Valuation Tribunal for England (VTE), replacing the 56 separate tribunals, under a President with effect from the 1 October 2009.

### Valuation Tribunal for England

The VTE is the judicial arm of the Valuation Tribunal. In 2009 it replaced the 56 valuation tribunals that existed previously in England and a national President was appointed.

There are three Vice-Presidents. The President and the Vice-Presidents are all appointed by the Lord Chancellor and receive remuneration for the work they do.

The VTE chairmen and members are volunteers who receive training and are experienced in hearing appeals. They come from a wide cross section of society. They are not paid but they may claim expenses and, where necessary, earnings lost due to their tribunal duties.

Normally two members will hear an appeal, though any number may, provided it is on the direction of the President, and that at least one is the President, a Vice-President or a chairman.

By law, the Valuation Tribunal can look at appeals about

- the council tax band of a residential property
- whether you should be paying council tax
- how much council tax you pay (your entitlement to a reduction)
- whether the date shown on a completion notice for your property is correct
- the rateable value on your business premises
- an invalidity notice issued by a valuation or listing officer
- a penalty notice you have received for failing to provide certain information

There are a number of Acts of Parliament and Statutory Instruments (SIs) which set out the jurisdiction of the Valuation Tribunal and the way it works.

The Local Government Finance Act 1988 as amended gives the Tribunal the authority to deal with appeals against non-domestic (business) rates assessments and completion notices, since the revaluation of properties for the 1990 rating list.

The Local Government Finance Act 1992 as amended empowers the Tribunal to deal with council tax valuation, liability, penalty and reduction (support) appeals.

Local Government Act 2003 gives the Tribunal responsibility for dealing with appeals against penalty notices issued by the Valuation Office Agency.

The Tribunal is independent and can only do what the law gives it the power to do. It must be fair and impartial to both sides involved in appeals. The Tribunal cannot:

- change the law. The Tribunal has to apply the law as it stands, even if that leads to an outcome that you think is unfair;
- take into account whether you can pay your council tax or non-domestic rates demand;
- hear appeals about why you have not paid your council tax bill;
- award costs;
- advise on the merits (or otherwise) of a case;
- give an opinion about whether individuals / companies are likely to win or lose an appeal;
- advise whether individuals / companies should appeal or not;
- help individuals / companies prepare their appeals / case.

### **Valuation Tribunal Service**

The Valuation Tribunal Service (VTS) supports the Valuation Tribunal for England (VTE) by arranging or providing accommodation, staff, IT, equipment, training and general advice.

The VTS is sponsored by the Department for Communities and Local Government (DCLG) and works in accordance with a corporate governance framework and requirements laid down by DCLG.

The VTS has a Head Office based in London and about 60 other staff working in offices in London and Doncaster, or from their homes.

Administrators and case managers assist in the day-to-day operations, acting as contact points with the parties to appeals, giving general advice about the process, making arrangements for hearings and sending out notices and guidance.

Tribunal clerks attend hearings to welcome those who attend and to advise the VTE members on points of procedure and law.

### **Valuation Tribunal hearing**

The Tribunal usually sits in panels of two people, with one of them acting as chairman. The chairmen and members are local people who, like magistrates, are lay volunteers. They receive training and are experienced in hearing appeals.

The members of the panel are independent of both the Valuation Office Agency and the council. Panels are assisted by a clerk who offers advice on the relevant law, practice and procedure.

Individuals / companies can attend the Tribunal hearing or they can have or appoint a representative to speak on their behalf. Individuals/ companies not planning to attend the tribunal hearing must provide a letter before or at the hearing confirming that the person(s) attending may represent them.

It has been stated that Valuation Tribunal Service statistics show that a higher percentage of appellants succeed in their appeal if they attend or are represented at the hearing.

All hearing days start at 10.30am.

### **Other information**

Please note that there is a series of short video clips aim on the valuation tribunal service website to help provide an idea of the set up at a valuation tribunal hearing and what happens. The video clips provided specifically relate to a council tax valuation (banding) appeal hearing, but many of the features are common to the procedure for all appeals. The video clips are available using the following link: <https://www.valuationtribunal.gov.uk/about-the-hearing/photos-videos/>

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