



Rate Payer News Update – don't score an own goal

Penalty charges for incorrect business rate information

Another deterrent in the already cumbersome business rates challenge process is being introduced by the Government as part of the changes to the rating appeal system from 1st April 2017 the government had intended to introduce a penalty charge for supplying incorrect information to the Valuation Office Agency.

The launch of this did not coincide with the start of the new 2017 rating list as there was no existing legislation in place to allow it. The draft regulations to enable this have been laid before parliament in January 2018.

These impose a penalty of £500 (or £200 if a small proposer) for incorrect information supplied to the VOA in or in connection with a proposal to alter the rating list. This appears to include all stages of the new "check, challenge, appeal" process.

The penalties apply when the information supplied is "false in a particular material" and has been supplied "knowingly, recklessly or carelessly".

The Valuation Officer will serve a penalty notice on the person who supplied the information. Appeals against any penalty notice are to the Valuation Tribunal (VT) within 28 days. However, if an appeal to the VT is made then the timescale for concluding any proposal made to challenge the rateable value is extended and the proposal cannot be determined by the Valuation Office until the VT has decided the penalty appeal – adding further delay to the process. These are in addition to the existing powers for civil penalties for supply of incorrect information to the VOA out-with the check, challenge, appeal process.

(continued)

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We already have issues where correct information that is supplied on statutory questionnaires or appeals does not match the information the VOA retains.

The draft legislation does not state how information will be deemed to be false. We can see circumstances where the VOA will issue a penalty notice where the information is actually correct.

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