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*Dear Clive,*

**Business Rates Appeals**

Thank you for your letter of 31 October 2018, regarding the operation of Check, Challenge, Appeal (CCA). You asked about the possible reasons for apparently low engagement of users with CCA and for an assessment of operation of the system so far.

I understand the Valuation Office Agency has recently published updated statistics on use of the new system, which show that over 50,000 'checks' had been made by the end of September 2018, with nearly 39,660 of those resolved. So it is clear that ratepayers are making use of the new system.

Your letter specifically highlighted the higher numbers of appeals made in the last year of the previous rating list, compared to cases to date under CCA. On this point it is important to recognise the significant differences between the old system and CCA, which make it difficult to make any direct comparison on volumes. Under the old system, proposals from ratepayers could be made without any supporting evidence and automatically turned into appeals to the Valuation Tribunal after three months. This led to large volumes of speculative and 'protective' proposals being made, causing delays for those with genuine cases. CCA was designed to deliver a more structured process, with clear requirements for supporting evidence and more timely engagement between the ratepayer and VOA.

Nonetheless, in terms of assessing the operation of the system so far the Government recognises that there have been some challenges, particularly around the transition to a new online portal, and that this may have had some impact on the volumes of cases to date. I understand that stakeholders raised early concerns, for example, over the lack of specific functionality to support their use of the system.

The Government is of course committed to having a fair and effective appeals system that gives ratepayers the right to challenge their valuations.

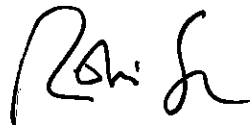
I understand that the VOA has worked closely with stakeholders to understand their concerns and to consider potential improvements to the operation of the system. The Government's response to the Committee's April 2018 report noted that the VOA published a 'roadmap' in May for the introduction of improvements and additional functionality to the CCA system. I was glad to recently receive assurances from the VOA that they had so far been able to deliver these commitments on

or ahead of time – and that these included some key asks from users, for example around the ability to register multiple properties more easily.

You also asked for an assessment of reasons why the number of appeals appear low compared to the number of challenges. Under the new system, ratepayers decide whether they want to appeal following the completion of the challenge stage. As I set out above, this is different to the previous system where challenges automatically turned into appeals to the tribunal after three months. The decision of ratepayers on whether to appeal will depend, of course, on the individual circumstances of the case.

More broadly, under CCA the check and challenge stages are intended to support more structured engagement between the VOA and ratepayers and, where possible, to support the earlier resolution of cases. In this context it may be helpful to note that the most recent available data from the VOA shows that of the 1680 challenges that had been resolved by September 2018, 1,010 had resulted in agreement between the VOA and ratepayer, while 120 had been withdrawn by the ratepayer.

I hope this update is helpful.

A handwritten signature in black ink, appearing to read 'Rishi Sunak', written in a cursive style.

**RISHI SUNAK**