

Stop Rate Increases

Help to NFAN Members

© NFAN November 2020 – Webinar

Your Speakers Today

Both RICS qualified surveyors:

Kate Lord – Cotswold Farm Park

Katie Milbourn– Walby Farm Park



What shall we cover?

- Why we are concerned about rate increases?
- How to find out how your business rates are calculated?
- How to get a calculation of what your rates should be?
- What you can do to stop rate increase for our sector?



But first...what are business rates?





Business rates are....

- A property Tax for businesses
- Set by the Valuation Office Agency (VOA), based on your 'rateable value'. The VOA is part of HMRC.
- Reassessed every few years. The last was 2017 and the next was due 2021 but COVID has delayed this to 2023.



Business rates valuations

- The VOA should set 'reasonably' accurate valuations: the Rating Value (RV).
- There are 3 methodologies to value rates;
 - **1.** Comparing rents with similar properties elsewhere.
 - Receipts & Expenditure (R & E) based on profits (usually 3 years' accounts)
 - **3.** Contractors Basis (CB) based on cost / valuation of site & buildings (often used to value properties that are not normally rented like Farm Attractions).



Why are rates increasing?

- The VOA is understaffed: an officer has 2 hours to make a revaluation.
 - There are over 2m properties and only 300 farm parks we don't merit much effort
- Taking a percentage of sales is quick, but
 - Makes it easier for the VOA to increase rates
 - This is not a proper valuation method or related to one, it is a working shortcut
- The VOA is aiming to set rates at 6-9% with an average of 7%
 - Already achieved for many farm parks current average = 6.7%
 - As the VOA's attention widens all will be in this range
 - If you have already had one big jump in rates you are in their sights and more jumps will follow



Proof of 6%

Detailed valuation

The rateable value is: £49,750

Rating list

Primary description

Effective date

2017

FARM PARK & PREMISES (PART EXEMPT) 01-APR-2017







Farm Park Rates are increasing far quicker than the average





We've evaluated a lot of data...

The VOA only publish individual Rateable Values from 2010 onwards +50% just since 2010.

Top 100 Farm Attractions RVs (£)	2010	2017	2010-2017
Combined	3,871,200	5,806,850	50.0%



Valuations rises are not slowing

These are just 2 examples of many – big increase are happening even between revaluations see below.

Marsh Farm RV (£)	Roar RV (£)
2010 60,000	2010 100,000
2017 72,500	2017 203,000
2020 87,750	2020 222,500



How is this happening?....

- The VOA argues that by not "Checking" or "Challenging", owners are agreeing:
 - that the level of rates is right
 - the method, i.e. a percentage of receipts their 'working shortcut', is also accurate and can be used
- A high percentage at some farms is then used as the 'accepted' level and applied to others – a spiral is started
- Fear is spread by suggesting a Challenge could increase your RV or if you don't settle, they will set an even higher level
- The VOA set FMTs substantially lower than actual sales to dissuade you from Challenging – but unless the FMT is around 30% of actual sales, you will likely be paying too much
- However, even when businesses lose appeals, rates are confirmed or reduced slightly by the Valuation Tribunal



Some facts

- Silence (not doing a "Check") is taken as acceptance and is or will hurt all attractions
- Only 5 farm parks have gone to appeal since 2005 the last one was in 2019 and won, but the vast majority settle with the VOA rather than ask the Valuation Tribunal
- For the winning attraction, the VOA had used an FMT 25% below actual sales and also 35% above actual sales in its assessments - these FMTs are designed to get you to pay higher rates than you should - beware
- The VOA uses negotiation as a way to ramp rates higher



What is NFAN doing?

NFAN has retained Mark Wasilewski:

- A former member, who reduced his rates back to 2000 levels
- Before buying an attraction he was a financial analyst
- Mark won his own case at Valuation Tribunal (VTE) in 2019, using R&E and the CB calculations which need financial analytical skills

Mark has 'challenges' nearing completion

- On 15 January Mark has an Appeal Hearing which could have major implications for the rest of the sector
- Another is awaiting an appeal date and three other Challenges are ready for filing once the VOA Checks are returned
- The battle is on, but winning one challenge is unlikely to change the VOA's approach, winning over and over time will

NFAN made a submission in October to the current Government review of business rates



We need your help

Philosopher Plato said:

"I shall assume your silence gives consent"



Henry Ford said:

"Coming together is a beginning; keeping together is progress and working together is success"





What you can do?

Simply by checking how the VOA values your farm helps.

It signals that the sector is organising itself to combat rates and generally unhappy with the valuation. We can talk you through how to do this.

2 Feedback to us how your rates are valued to add to our data pool and also share your 2005 valuation.

3

Provide financial information to Mark for him to do a R&E calculation to identify if you are paying too much.

Even if your agent has done a R&E Calculation – please ask Mark to do another for comparison.



Why check your rateable value?

Mark Wasilewski's research & analysis has told us.

•In-depth CB and R&E calculations suggest RVs should be 2-2.5% of sales

•These valuations are consistent with each other and anchored by land registry sales of farm parks

Mark will identify if you are paying too much

•Mark can support you through the Check process and prepare the valuations necessary to support a Challenge.

•We are providing this because we believe it will help our members get fair and reduced rates.

- •But time is of the essence
- •If you don't know what your RV is, you can make a "Check"
- •This will also tell you how the valuation has been calculated
- •Doing just this and providing the answer to NFAN will help everyone

Time is of the essence.

- Preparing proper evidence to make a formal "Challenge" by you/your agent takes time, so be well prepared or don't leave it too late
- Current valuations can be Challenged until April 2023 (not in Scotland)
 - If you win, you receive a refund backdated to the start of the cycle, i.e.
 April 2017
 - But because this cycle has been extended, it is likely refunds for "Challenges" made after April 2021 will only be backdated to April 2021
 - You can only formally "Challenge" once in each cycle, but a win in January will allow a second Challenge
- A win in January will NOT lead to automatic reductions for other attractions and may not stop rises being applied
 - But it will make winning new "Challenges" easier
 - Several or many wins will mean the VOA will concede



The goal

- NFAN believes it can reduce rates for attractions
- Not by 20%, but by a lot 50%+

Doing nothing hurts hugely

- Farm attractions doing nothing is almost all of the VOA's argument
- Even just "Checking" means your silence cannot be used against others

We want a new rate framework

- We want to make rates easier to understand and calculate; fairer; more accurate and predictable
- If Mark has more valuations to work with, NFAN aims to get a framework in place that will allow RVs to be easily calculated
- A valuation does not mean Mark becomes your agent. You can continue with your existing agent but use his calculations
- We hope to get this framework approved by a professional body like RICS
- If we achieve this, then getting fair rates will become straightforward: reducing the stress and costs involved in fighting high valuations

The Government are currently reviewing how the rates system works.

Mark has helped NFAN create a 57 page submission for the Government's 'Call for Evidence'





The first step

How to claim a property and check your valuations

We'd like to thank Barry Davies who put an original step by step guide available.

We've created and uploaded an up-to-date version.

https://www.farmattractions.net/wp-content/uploads/2020/11/Claiming-a-property.pdf



A recap of what we'd like you to do.

Simply by checking how the VOA values your farm helps.

It signals that the sector is organising itself to combat rates and generally unhappy with the valuation. We can talk you through how to do this.

Please feedback to us how your rates are valued to add to our data pool and also share your 2005 valuation.

3

Provide financial information to Mark for him to do a R&E calculation to identify if you are paying too much.

Even if your agent has done a R&E Calculation – please ask Mark to do another for comparison.



Go to <u>https://www.gov.uk/correct-your-business-rates</u>. You can get to this by entering VOA Check your business rates in the internet search engine.

You should see:





You should then come to a screen looking like:





Enter the postcode of your farm, and it should appear on a list such as:

 $\leftarrow \rightarrow c$ tax.service.gov.uk/business-rates-find/list-valuations?searchBy=Postcode&postCodeQuery=MK44+2EE8istreetQuery=8trownQuery=8tprimaryCriteria=ADDRESS8ibaRef=8tnumb...



Thurleigh Farm Centre, Cross End, Thurleigh, Bedford, MK44.2EE	Tourist attraction and premises	Not published	Not published	£0
<u>Thurleigh Fruit Farm, Cross End, Thurleigh, Bedford,</u> MK44 2EE	Tourist attraction and premises	N/A	N/A	Deleted

My property does not appear on the list



Select your property by clicking on the blue 'Address'.

If your property does not appear on the list (which may go to more than one page) it is likely that the postcode you are using is not the same as that recorded by the VOA. In some cases, this is because the VOA has got the wrong postcode and in others, it is because you perhaps use a postcode more helpful to visitors in finding your entrance than that used officially. If you have an alternative postcode, then try this first.

If not, then try searching on 'Street and Town' by selecting this middle option under 'Select an option to search for property information:'

If you select 'Street and Town' you will come up with a screen like:



Once you select your property, you will come to a screen like:

← → C 🗎 tax.service.gov.uk/business-rates-find/summary/22221728000?uam=11352029000

Current valuation	Other valuations		
Description	Tourist attraction and premises	Special category code	284S
Local authority reference	1127420	Effective date	21 November 2017
Transitional Relief certifica issued	iteNo 🕜	List alteration date	4 February 2020

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(M) (C)

This valuation is not available to the public. Only the owner or occupier may view the valuation details for this property.

This valuation is not available to the public due to the type of property or the valuation method used.

If you're the owner or occupier you can register or sign in and claim this property to:

- request the detailed valuation
- · confirm your property details or tell us that something is incorrect (check)
- · tell us that you disagree with the valuation (challenge)



https://www.tax.service.gov.uk/business-rates-property-linking/start



To Claim this property you need to Register by clicking on the green button which will bring up the following screen, the top part will look like:

←	→ C	<u> </u>	tax.service.gov.uk/business-rates-property-linking/start	
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Register to use this service

If you're a returning user, you can sign in to use this service.

If you've already registered for this service and other people from your business want to register, you need to <u>add them to your business Government</u> Gateway account **r**.

To register for this service you'll need to verify your identity by providing your National Insurance number, date of birth and details from at least one of the following:

- payslips
- UK passport
- P60

You should allow approximately 15 minutes without interruption to complete the registration process.

I don't have these details



And the remainder:



Most members will already have a Government Gateway Account used for things such as Rural Payments or VAT. This will be the easiest way to register. 'Sign in' once you have entered your Gateway user ID and matching password.



Step 7 (Part 1) This will then lead you to:





Step 7 (Part 2)

You may be asked to complete your contact details such as:

\leftrightarrow \rightarrow C \oplus tax	.service.gov.uk/business-rates-property-linking/com	plete-contact-details	\$ 0
	🏟 GOV.UK	Check and challenge your business rates valuation	Î
	BETA This is a new service – your feedby	ack will help us to improve it.	
	Complete you details	ur contact	
	First name		
	Last name		
	Wasilewski		
	Address		
	This should be your preferred postal Strawberry Field, Thurleigh Farm C	l contact address for your business. Cen	
	Thurleigh Road		

After this stage, you may need to go through an identity check which will require you to enter your passport details.



If not, make sure you are on your 'Home Page' which should look like:

← → C == tax.service.gov.uk/business-rates-dashboard/home



Mark Wasllewski | Sign out Help with Business Rates · How to check and challenge your rateable value How business properties are valued Claiming a property How to submit a check

쇼

Inbox

You have no unread messages from the VOA in your inbox

Your properties

You haven't claimed any properties yet. You need to <u>claim a property</u> before you can check or challenge the rateable value.

It may take several hours for your property to appear here once you have claimed it.

Get help with this page.

In the middle of the screen, there is a paragraph under 'Your properties' and claim a property. Click on this link.



Step 9 You will next be shown a screen:



Click the green 'Start >' button.



You will come to a familiar screen:



Enter your postcode or address by which you could call up your property. You will get a screen:





🗧 🔶 🕐 📋 tax.service.gov.uk/business-rates-find/list-valuations?searchBy=Postcode&postCodeQuery=Mk44+2EE&streetQuery=&townQuery=&primaryCriteria=ADDRESS&baRef=&tnumbe... 🏠



0 0

My property does not appear on the list



Step 12 TOU WILL ATTIVE HELE.

🗧 🔶 🔿 😋 🗯 tax.service.gov.uk/business-rates-property-linking/my-organisation/claim/property-links/capacity/11352029000?address=THURLEIGH+FARM+CENTRE%2C+CROSS+END%2C+T... 🏠

BETA This is a new service - your feedback will help us to improve it.

Back

Home | Mark Wasilewski | Sign out

Claim this property

THURLEIGH FARM CENTRE, CROSS END, THURLEIGH, BEDFORD, MK44 2EE

You're claiming you're the owner or occupier of this property.

If this isn't the right property you can search for a different property

- I'm the owner or occupier for only part of this property.
- I'm not the owner but I let the property to someone else, as a sublet
- I'm an agent acting on behalf of the owner or occupier for this property.

What is your relationship to the property?



) Occupier



When did you become the owner or occupier of the property?



After 1 April 2017

Do you still own or occupy the property?



Add property

Step 13. Select the options appropriate to you and click on the green 'Add property' button

You will see:

← → C 📫 tax.service.gov.uk/business-rates-property-linking/my-organisation/claim/property-links/evidence



📾 GOV.UK

Check and challenge your business rates valuation

BETA This is a new service - your feedback will help us to improve it.

Back

Home | Mark Wasilewski, | Sign out

Provide a copy of your business rates bill

Please upload a copy of the business rates bill for this property.

This business rates bill should be the most recent bill that you have for the property, for the period that you were the owner or occupier.



I have a business rates bill



I don't have a business rates bill

Continue



Select the grey button 'Choose a file to upload' which will allow you to select from your computer the folder under which you have saved the pdf of your rates bill.

Follow the remaining instructions and await your Claim to be confirmed by the VOA which may take only a few days to complete.

business rates bill

Your file must be:

 Only Word, Excel, PDF and JPEG files can be accepted and maximum file size is 10MB



Step 16

Select the grey button 'Choose a PDF upload' which will allow you to select from your computer the folder where you have saved the PDF of your rates bill.

Follow the remaining instructions and await your Claim to be confirmed by the VOA which may take a few days.



Checking your valuation

On the home page which if you sign in will look like:

Step 1

Go to your Home Page and click on your property for the latest data

erties
GOV.UK Check and challenge your business rates valuation
We've recently removed the 'gsi' from our gov.uk email addresses. All emails from the VOA will now come from an @voa.gov.uk address. For example: emails from donotreply@voa.gsi.gov.uk will now be donotreply@voa.gov.uk. Please check that you are using the correct email address when contacting us and update any mail forwarding that you have set up.
This is a new service - your feedback will help us to improve it.
Back Home Mark Wasliewski-QTAdventure Playgrounds Ltd, Sign out
Your properties
Search your properties Address Local authority reference Agent Search Clear search
ddress . Local authority reference Status Appointed agents
hurleigh Farm Centre-Cross End. 1127420 Approved hurleigh.Bedford.MK44 2EE
hurleigh Fruit Farm-Cross End, 1127420 Approved QT Adventure hurleigh.Bedford.MK44.2EE Playgrounds Ltd
hurleigh Eruit Earm. Cross End. 1127420 Declined hurleigh. Bedford. MK44 2EE

This process can also be found at ...

https://www.farmattractions.net/wp-content/uploads/2020/11/Claiming-a-property.pdf



€ → C (# taxaervice.gov.uk/business-tates-property-linking);	roperty-link/PLZG37/assessments		🖈 🖪 🌲 🕲 (Update]
	BETA This is a new service - your feedback will help us to improve it.		
	4 Back	Home Mark/Wasilewski-GTAdventure/Playgrounds.Ltd. Sign.out	
	Valuations for		

Thurleigh Farm Centre, Cross End, Thurleigh, Bedford, MK44 2EE

You can view your rateable value and start a new check or view the previous cases

Valuations

Effective date	Rateable value	Capacity	From	То
21 November 2017	£0	Owner	4 February 2020	Present
21 November 2017	£9500	Owner	3 June 2019	3 February 2020
21 November 2017	£16500	Owner	15 October 2018	2 June 2019
21 November 2017	£35000	Owner	2 March 2018	14 October 2018

4 Back

Get help with this page.



Click on the green Request a valuation button.



The valuation will take some while to come through – but usually a few days. You may get notification in your normal inbox. You may have to visit your VOA Inbox on the Home page. Please email a copy of this to Mark or NFAN.



You will receive a 'Check your property facts' form to reconfirm information you have previously supplied.

This will either be online or follow a few days after you press the 'Request a valuation' button. An example can be found at https://www.farmattractions.net/wp-content/uploads/2020/11/Check-your-property-facts-form.pdf

You will be asked to:

- confirm the facts at the date of submitting this form
- provide details for any information that is missing from the detailed valuation provided

It can take up to three months for you to obtain a response, so time is of the essence.



NFAN's offer of help

Help with the 'check'

- If you need help to "Check" your valuation get in touch. We, or Mark, will talk you through it remotely.
- Mark is based in Bedford but is happy to visit if you are struggling with this or want to discuss rates in more detail.

Identify if your valuation is correct, without any cost to you.

- If you are willing to provide Mark with:
 - data on the buildings & land you use
 - 3 years of accounts up to April 2015
- He will calculate your RV without cost to you as this part of NFAN's agreement.
- Contact Mark on 01234 771599, 07872 592 941 or <u>markwas@zoho.com</u> or via NFAN.

What happens next is in your hands.

- Your information is confidential, but we will ask if we can use the results (without identifying which park), to help get rates reduced for everyone.
- If your existing agent has an R&E calculation, please ask Mark to create a comparison. It is likely they have been calculated a bit differently and we'd like a unified approach.
- Encourage others to engage with NFAN on this strategy.

Please speak to other farm parks

Encourage them to view this presentation And engage with NFAN

We are stronger together.

