

NFAN Information Sheet:

Dealing with the Request for Information received from the VOA regarding Revaluation 2023.

If you have not already received a 'request for information' form, you should be receiving it shortly from the valuation agency (VOA). This relates to the rateable value of your farm attraction for the revaluation 2023.

As part of NFAN's ongoing objectives to ensure that farm parks are rated accurately and reasonably, we have produced this document in consultation with RICS Rating Specialist, Barry Davies, to help you get it right. Please read the information below:

1 Check your form is the correct one

You should be completing a VO6036 form, it is a legal requirement. The reference VO6036 should be on the front page, bottom lefthand corner. **If you receive a VO6030, do not fill it in.** You will be able to request a VO6036 form or download it from the gov.uk website.

The VO6030 form asks for receipt information only, which the VOA will use to calculate your Rateable Value (RV) applying a percentage of your turnover only. This is incorrect and will lead to escalation of Rateable Value's in the farm attraction industry sector.

The VO6036 form requests information on your income and expenditure as would be recorded in your profit and loss account.

2 Check the details

If you are already on the VOA database, then your form should come pre-populated.

Check the details are correct on page one that your farm park is described correctly. Most will be recorded as "farm park and premises". If it does not have this description, then we advise strongly that you record in question 4 of the form the correct present use of the property.

Members who still farm (arable and/or live stock) should be listed on page 1 of the form after the description of the property as "(Part Exempt)". This could relate to land and/or farm buildings that are solely used for the purposes of agriculture.

3 Financial Information

Part B of the VO6036 asks for detailed financial information for the last three years, ensure you do not include income or expenditure relating to "agricultural exempt activity".

For businesses that are owner occupied and do not have a lease or tenancy, "at arm's length unconnected parties" we recommend you submit the following: -

- a) The actual P&L accounts for the last 3 years, along with an accompanying letter from your accountant stating that the financial information submitted is a true and fair representation of the business' financial performance. We recommend that you **DO NOT** submit your full accounts, only the P&L

information. This information can be submitted either by filling in the information tables in the form, or attaching your Profit and Loss accounts to the form as supporting evidence along with your accountant's letter using your own format.

and/or

- b) A Receipts and Expenditure Valuation (R&E) prepared jointly by your accountant in conjunction with a qualified rating agent.

It is vital that you get this information right, so you may need to seek the assistance of your accountant and/or rating agent. NFAN can help point you to someone suitably qualified.

4 Lease or Tenancy Information

Part D of the VO6036 form asks for rental information. and details can also be given on the last page of the form "further information or remarks". If there is a rent being paid (whether a lease or tenancy is in place or not), it should be stated.

5 Keep a Copy

This may sound obvious but...keep copies of the forms that you submit!

6 Choosing Professional Help

If you are using a professional rating agent to help you in regard to the completion of the VOA form, and/or negotiations with the VOA, then do make sure they are representing you correctly. We recommend that you ask the rating agent if he/she are members of one or more of the professional bodies listed below:

- Royal Institution of Chartered Surveyors (RICS)
- Institute of Revenues Rating and Valuation (IRRV)
- The Rating Surveyors Association (RSA)

As you are the instructing client you need to ensure that any negotiation that your agent conducts with the VOA on your behalf is based on results of the full R&E calculation to ensure fair and accurate rateable values are achieved.

It has come to our attention that some agents are negotiating with the VOA and settling RV's based on percentages of Fair Maintainable Trade (FMT) figures – or percentage of turnover. This is **NOT** a primary method of valuation, and we believe will cause long term damage to farm parks if it becomes established as 'normal'.

...And finally: NFAN is keeping a very careful watch on the exponential rises in members' business rates. It is a subject of real concern, and we are actively engaged in trying to ensure that rates are calculated correctly and fairly by the VOA. If you are concerned about increases in your rates bills, then please contact the NFAN office and we can recommend several professional rating agents who can help.