

# Rating Consultancy Code of Practice

RICS/IRRV/RSA Code of Practice



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**RICS/IRRV/RSA Code of Practice**

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# Status of this Code of Practice

This Code of Practice has been jointly adopted by the Royal Institution of Chartered Surveyors (RICS), the Institute of Revenues, Rating and Valuation (IRRV) and the Rating Surveyors' Association (RSA).

RICS Rules of Conduct require that any member (or any person acting on his or her behalf) shall not act in a manner which compromises or impairs, or is likely to compromise or impair, compliance with any codes of the Institution which are in force at the time. RICS members are therefore required to comply with this Code of Practice.

Under the IRRV Code of Conduct it is the duty of every member in private practice to comply with the contents of this document.

This Code of Practice has also been endorsed by the executive committee of the RSA on behalf of their membership which is in any event, individually, subject to the RICS Code of Conduct.

When an allegation of professional negligence is made against a surveyor, the court is likely to take account of any relevant code published by RICS, IRRV and RSA in deciding whether or not the surveyor acted with reasonable competence. Failure to comply with this Code of Practice is likely to be adjudged negligent.

In the opinion of RICS, IRRV and RSA, a member conforming to the requirements of this Code of Practice should have at least a partial defence to an allegation of negligence by virtue of having followed its requirements.

# Rating Consultancy Code of Practice

## 1 Introduction

- 1.1 With the aim of improving consumer protection and maintaining professional standards this Code of Practice sets out the standards of practice that rating consultants must adopt in all cases where they are either seeking instructions, or are approached by a new or existing client, to provide advice in relation to non-domestic rating matters. It has mandatory application in relation to rating consultancy work.
- 1.2 This Code of Practice applies only in England, Wales and Scotland. Although the rating systems in England and Wales and in Scotland are similar there are differences in procedure and terminology. Therefore, for clarity, the Codes of Practice applicable to each system are set out separately reflecting the specific circumstances.
- 1.3 This Code of Practice comes into effect on 1 April 2004 and will apply to contracts for Rating Consultancy services entered into or renewed on or after this date.
- 1.4 This Code of Practice does not provide any guidance on the details of rating procedures, valuations or technical terms. Further information on these matters may be obtained from the publications and sources of information listed in Appendix C.

# The Code of Practice applicable in England and Wales

## 2 Background

- 2.1 The cost of rates to many businesses may be substantial and ratepayers often need advice on establishing their liability and understanding how assessments may be challenged. Rating advice has become an important area of work for members and others who have recognised a business opportunity.
- 2.2 In order to obtain instructions to act, some firms have made misleading and inaccurate claims as to the prospects of obtaining business rate reductions or have persuaded ratepayers to enter into contracts of service under terms that can be disadvantageous to the ratepayers concerned. Some of these practices have been the subject of criticism in the media, and investigation and prosecution by Trading Standards Officers and the Department of Trade and Industry.
- 2.3 The purpose of this Code of Practice is to set out a mandatory code of best practice which reinforces both the RICS Rules of Conduct (RoC), in particular the requirement for rating consultants to be open and transparent in all their dealings (Rule 3), and the IRRV Code of Conduct.
- 2.4 The legislative background to the rating system is complex and rating consultants will need to understand the principles and the effect of them before seeking or accepting instructions.
- 2.5 The rating terms used in this Code of Practice have the same meaning as defined in the governing statutes and associated regulations. Further information on the statutory background may be obtained from the publications and sources of information listed in Appendix C.

## 3 Seeking instructions

- 3.1 When seeking instructions to advise on rating matters, or responding to an invitation for such advice, the rating consultant must not:
- (a) make any misleading statements or support directly or indirectly misleading statements made by others as to the service to be supplied or its possible outcome;
  - (b) make, or claim to have made, a Proposal to Alter the Rating List on a ratepayer's behalf without proper authority to do so.
- 3.2 These requirements reinforce RoC Rule 5 a) which states:

*'any publicity, method of advertising or marketing activity for which he is responsible is not inaccurate, misleading or likely to cause public offence or annoyance'.*

- 3.3 As ratepayers may not be familiar with the complexities of rating valuation practice and procedures it is essential that the rating consultant makes it clear at the outset that there can be no guarantees of success. Where transitional arrangements apply, the rating consultant should make it clear that even if a rateable value is reduced this does not necessarily mean that a refund of rates paid will be due or future liabilities will be reduced.
- 3.4 The following list, which is not exhaustive, indicates statements that may be misleading:
- to state or imply that a revaluation increase in rateable value of the prospective client's property is too high by misleading comparison, or calculation, with average changes in rateable value between Rating Lists;
  - to state or imply that a reduction in the rateable value of the prospective client's property will automatically follow from reductions in rateable value of other property in the locality;
  - to imply that the Valuation Officer would do otherwise than to accept a valid proposal;
  - to suggest that acknowledgement by the Valuation Officer of a proposal can be construed as acceptance that the proposal has been validly made;
  - to suggest that acknowledgement by the Valuation Officer of a proposal implies that a reduction in the rateable value, or rates liability, will automatically result.
- 3.5 Where it is proposed that the rating consultant acts as a subcontractor to a principal not bound by this Code of Practice, the rating consultant should endeavour to ascertain whether the manner in which the principal contractor was instructed complied with the principles governing this Code of Practice. If in doubt rating consultants should carefully consider their position and whether it is proper to accept the instruction.

## **4 Terms of Engagement**

- 4.1 As a minimum the Terms of Engagement for the provision of rating advice must include the following:
- (a) identification of the client;
  - (b) confirmation that the service relates only to a single specified general rating revaluation unless clearly and unambiguously stated otherwise;
  - (c) confirmation of the extent to which the service includes assessment alterations during the revaluation period and an outline of the service to be provided;
  - (d) identification of the property/properties in respect of which the service is to be provided together with the extent to which the property/properties will be inspected;
  - (e) details of how the fees will be calculated and when they are due;

- (f) details of the handling of any rate refunds if these are to be payable to the rating consultant;
- (g) terms relating to the consequences of the instructions being cancelled;
- (h) a statement that a copy of the firm's complaints handling procedure is available on request;
- (i) a copy of Appendix A: Information for ratepayers (England and Wales).

4.2 The RoC, Rule 8 states:

*'... a member shall provide written notification to his client or prospective client of the terms on which he is to act and shall inform his client in writing that a copy of the member's complaints handling procedure is available on request'.*

4.3 RICS, IRRV and RSA do not recommend any particular form of contract because such matters are for agreement between the parties. It is in the interest of all parties that the Terms of Engagement are clearly understood from the outset and the requirement to include these minimum terms is intended to clarify the extent of the client's commitment.

4.4 It is misleading practice for the summary terms on the face of the document to be substantially affected or extended by other conditions and definitions, especially if these are in small print or if they appear separately on the back of, or elsewhere within, the document.

4.5 Where there is an ongoing relationship between the rating consultant and the client it may be appropriate to establish standing Terms of Engagement incorporating the minimum terms. This will avoid the need to agree and confirm revised terms for each new instruction or re-instruction.

4.6 The following commentary on each of the minimum requirements is intended to assist rating consultants in the formulation of Terms of Engagement.

**a. Identification of the client**

The identification of the client should be straightforward.

**b. Confirmation that the service relates only to a single specified general rating revaluation unless clearly and unambiguously stated otherwise**

It is misleading to extend the contract to cover more than one general rating revaluation by including such an extension in the supplementary conditions not appearing on the face of the contract. Coupled with other conditions, such extension could commit the client to pay for a future service that was not fully appreciated when the contract was signed and may not be required.

However, provided it is clear in the Terms of Engagement that the client agrees to retain the rating consultant to act in relation to more than one rating revaluation and provided the consequential liability for fees is clearly stated, including the method by which they will be calculated, there is no objection to such terms being included.

**c. Confirmation of the extent to which the service includes assessment alterations during the revaluation period and an outline of the service to be provided**

It is expected that the rating consultant will offer a service which will normally include:

- carrying out inspections and investigations to the extent necessary to undertake a rating valuation which is professionally adequate for its purpose;
- making proposals when required;
- negotiating with the Valuation Officer and settling appeals;
- calculating estimated rate liability;
- advice on action required to minimise rate liability;
- acting in relation to certificates for transitional arrangements as they arise or need to be applied for.

**Whilst each instruction will reflect its own circumstances the Terms of Engagement must include a reference to the following matters:**

- whether the client shall receive prior recommendation of any settlement reached by the rating consultant with the Valuation Officer, either by agreement or withdrawal, or if authority is to be given to conclude a rating appeal without seeking approval from the client;
- the extent of the action to be taken in the event of disagreement with the Valuation Officer and possible hearing of the Appeal by the Valuation Tribunal;
- the extent to which the rating consultant will advise on rates liability including the application of the transitional arrangements and any associated certification procedures;
- confirmation whether the rating consultant is to be responsible for supplying to the Valuation Officer properly requested information. If the rating consultant is to be responsible, confirmation that the client will provide accurate information to the rating consultant in order that a timely response may be made;
- where the Terms of Engagement do not include the provision of valuation advice (for instance, advising only on rates administration and rates mitigation), they must make it clear that the service is so restricted. In these circumstances the rating consultant should seek to ascertain whether the client has employed a consultant to advise on rating valuation and appeals and, if so, should seek to consult and liaise with that rating valuation consultant to avoid possible duplication of work and the making of misleading statements.

**d. Identification of the property/properties in respect of which the service is to be provided together with the extent to which the property/properties will be inspected**

Where there is more than one property they may be identified either by way of a list or a general description, for example, all properties for which the client has a rates liability or for which a liability will exist during the period of the contract.

The degree of on-site inspection that is appropriate will vary according to the circumstances and is a matter for the rating consultant's professional judgement in each case. The Terms of Engagement should make it clear that the property will be inspected and measured to the extent necessary to provide the consultancy service.

**e. Details of how the fees will be calculated and when they are due**

RICS, IRRV and RSA do not prescribe scales of fees and they have to be agreed with the client for each instruction. In addition to stating the circumstances in which a liability for fees arises and how they will be calculated, the terms must also clearly state the fee liability in the following circumstances:

- if a fee is payable on receipt of the Valuation Officer's acknowledgement or acceptance of the proposal;
- if a fee is payable notwithstanding the withdrawal of a proposal;
- where an assessment is reduced but there is no immediate or anticipated monetary benefit to the client, in the form of refunds or reduced liability until the next general revaluation, the terms must state whether any fee is payable and, if so, how it is to be calculated;
- the extent to which the fee covers work preparatory to a possible Valuation Tribunal hearing and confirmation that a separate fee basis will apply for the presentation of a case before the Tribunal as an advocate, an expert witness, or both. Rating consultants are reminded that RICS, IRRV and RSA consider that any form of contingency fee arrangement is incompatible with the duty of impartiality and independence required of an expert and that, accordingly, contingency fees for Tribunal work should be avoided (see *Surveyors Acting as Expert Witnesses* and *Rating Appeals*, details in Appendix C).

**f. Details of the handling of any rate refunds if these are to be payable to the rating consultant**

Where the rating consultant agrees with the client that any rate refunds from the billing authority are to be paid to the rating consultant, such an arrangement must be clearly stated in the Terms of Engagement.

In these circumstances any monies received by the agent must be held in a client account which complies with RoC, Rules 30 and 31 and the IRRV code.

**g. Details of the consequences of the instructions being cancelled**

Conditions that relate to the cancellation of the contract by either party must be clear and understood by the client. Where the terms of cancellation provide for the payment of a fee, whether in addition to an agreed fee or in substitution for such a fee, it is considered to be good practice to base the fee on the work done rather than an arbitrary calculation such as a percentage of the rateable value.

**h. A statement that a copy of the firm's complaints handling procedure is available on request.**

This requirement is included to reinforce the need to comply with RoC, Rule 8.

**i. A copy of Appendix A: Information for ratepayers (England and Wales)**

The purpose of this requirement is to ensure that the prospective client is provided with some information about the rating system and its procedures, the liability for fees and the possible outcomes following the making of a proposal, before entering into a contractual commitment.

The appendix must be provided without any alteration of the text and in a type size not less than that in which it is printed in this Code of Practice.

# The Code of Practice applicable in Scotland

## 5 Background

- 5.1 The cost of rates to many businesses may be substantial and ratepayers often need advice on establishing their liability and understanding how assessments may be challenged. Rating advice has become an important area of work for members and others who have recognised a business opportunity.
- 5.2 In order to obtain instructions to act, some firms have made misleading and inaccurate claims as to the prospects of obtaining business rate reductions or have persuaded ratepayers to enter into contracts of service under terms that can be disadvantageous to the ratepayers concerned. Some of these practices have been the subject of criticism in the media, and investigation and prosecution by Trading Standards Officers and the Department of Trade and Industry.
- 5.3 The purpose of this Code of Practice is to set out a mandatory code of best practice which reinforces the RICS Rules of Conduct (RoC), in particular the requirement for rating consultants to be open and transparent in all their dealings (Rule 3), and the IRRV Code of Conduct.
- 5.4 The legislative background to the rating system is complex and rating consultants will need to understand the principles and the effect of them before seeking or accepting instructions.
- 5.5 The rating terms used in this Code of Practice have the same meaning as defined in the governing statutes and associated regulations. Further information on the statutory background may be obtained from the publications and sources of information listed in Appendix C.

## 6 Seeking instructions

- 6.1 **When seeking instructions to advise on rating matters, or responding to an invitation for such advice, the rating consultant must not:**
- (a) **make any misleading statements or support directly or indirectly misleading statements made by others as to the service to be supplied or its possible outcome;**
  - (b) **make, or claim to have made, an appeal on a ratepayer's behalf without proper authority to do so.**
- 6.2 These requirements reinforce RoC Rule 5.a) which states:

*'any publicity, method of advertising or marketing activity for which he is responsible is not inaccurate, misleading or likely to cause public offence or annoyance'.*

- 6.3 As ratepayers may not be familiar with the complexities of rating valuation practice and procedures it is essential that the rating consultant makes it clear at the outset that there can be no guarantees of success. Where transitional arrangements apply, the rating consultant should make it clear that even if a rateable value is reduced this does not necessarily mean that an equivalent refund of rates paid will be due or future liabilities will be reduced in proportion to the reduction in rateable value.
- 6.4 The following list, which is not exhaustive, indicates statements that may be misleading:
- to state or imply that a revaluation increase in rateable value of the prospective client's property is too high by misleading comparison, or calculation, with average changes in rateable value between Revaluation Rolls;
  - to state or imply that a reduction in the rateable value of the prospective client's property will automatically follow from reductions in rateable value of other property in the locality;
  - to imply that the Assessor would do otherwise than to accept a valid appeal;
  - to suggest that acknowledgement of an appeal by the Assessor can be construed as acceptance that the appeal has been validly made;
  - to suggest that acceptance of an appeal by the Assessor implies that a reduction in the rateable value, or rates liability, will automatically result.
- 6.5 Where it is proposed that the rating consultant acts as a subcontractor to a principal not bound by this Code of Practice, the rating consultant should endeavour to ascertain whether the manner in which the principal contractor was instructed complied with the principles governing this Code of Practice. If in doubt rating consultants should carefully consider their position and whether it is proper to accept the instruction.

## **7 Terms of Engagement**

- 7.1 **As a minimum the Terms of Engagement on the provision of rating advice must include the following:**
- (a) identification of the client;**
  - (b) confirmation that the service relates only to a single specified general rating revaluation unless clearly and unambiguously stated otherwise;**
  - (c) confirmation of the extent to which the service includes assessment alterations during the revaluation period and an outline of the service to be provided;**
  - (d) identification of the property/properties in respect of which the service is to be provided together with the extent to which the property/properties will be inspected;**
  - (e) details of how the fees will be calculated and when they are due;**

- (f) details of the handling of any rate refunds if these are to be payable to the rating consultant;
- (g) details of the consequences of the instructions being cancelled;
- (h) a statement that a copy of the firm's complaints handling procedure is available on request;
- (i) a copy of **Appendix B: Information for ratepayers (Scotland)**.

7.2 The RoC, Rule 8, states:

*'...a member shall provide written notification to his client or prospective client of the terms on which he is to act and shall inform his client in writing that a copy of the member's complaints handling procedure is available on request'.*

7.3 RICS, IRRV and RSA do not recommend any particular form of contract because such matters are for agreement between the parties. It is in the interest of all parties that the Terms of Engagement are clearly understood from the outset and the requirement to include these minimum terms is intended to clarify the extent of the client's commitment.

7.4 It is misleading practice for the summary terms on the face of the document to be substantially affected or extended by other conditions and definitions, especially if these are in small print or they appear separately on the back of, or elsewhere within, the document.

7.5 Where there is an ongoing relationship between the rating consultant and the client it may be appropriate to establish standing Terms of Engagement incorporating the minimum terms. This will avoid the need to agree and confirm revised terms for each new instruction or re-instruction.

7.6 The following commentary on each of the minimum requirements is intended to assist rating consultants in the formulation of Terms of Engagement.

**a. Identification of the client**

The identification of the client should be straightforward.

**b. Confirmation that the service relates only to a single specified general rating revaluation unless clearly and unambiguously stated otherwise**

It is misleading to extend the contract to cover more than one general revaluation by including such an extension in the supplementary conditions not appearing on the face of the contract. Coupled with other conditions, such extension could commit the client to pay for a future service that was not fully appreciated when the contract was signed and may not be required.

However, provided it is clear in the Terms of Engagement that the client agrees to retain the rating consultant to act in relation to more than one rating revaluation and the consequential liability for fees is clearly

stated, including the method by which they will be calculated, there is no objection to such terms being included.

**c. Confirmation of the extent to which the service includes assessment alterations during the revaluation period and an outline of the service to be provided**

It is expected that the rating consultant will offer a service which will normally include:

- carrying out inspections and investigations to the extent necessary to undertake a rating valuation which is professionally adequate for its purpose;
- lodging valid appeals when required;
- negotiating with the Assessor and resolving appeals;
- calculating estimated rate liability;
- advice on action required to minimise rate liability.

**Whilst each instruction will reflect its own circumstances the Terms of Engagement must include a reference to the following matters:**

- whether the client shall receive prior recommendation of any settlement reached by the rating consultant with the Assessor, either by agreement or withdrawal, or if authority is to be given to conclude a rating appeal without seeking approval from the client;
- the extent of the action to be taken in the event of disagreement with the Assessor and possible hearing of the Appeal by the Valuation Appeal Committee or the Lands Tribunal for Scotland;
- the extent to which the rating consultant will advise on rates liability;
- confirmation whether the rating consultant is to be responsible for supplying to the Assessor properly requested information. If the rating consultant is to be responsible, confirmation that the client will provide accurate information to the rating consultant in order that a timely response may be made;
- where the Terms of Engagement do not include the provision of valuation advice (for instance, advising only on rates administration and rates mitigation), they must make it clear that the service is so restricted. In these circumstances the rating consultant should seek to ascertain whether the client has employed a consultant to advise on rating valuation and appeals and, if so, should seek to consult and liaise with that rating valuation consultant to avoid possible duplication of work and the making of misleading statements.

**d. Identification of the property/properties in respect of which the service is to be provided together with the extent to which the property/properties will be inspected**

Where there is more than one property they may be identified either by way of a list or a general description, for example, all properties for which the client has a rates liability or for which a liability will exist during the period of the contract.

The degree of on-site inspection that is appropriate will vary according to the circumstances and is a matter for the rating consultant's professional judgement in each case. The Terms of Engagement should make it clear that the property will be inspected and measured to the extent necessary to provide the consultancy service.

**e. Details of how the fees will be calculated and when they are due**

RICS, IRRV and RSA do not prescribe scales of fees for valuation services and they have to be agreed with the client for each instruction. In addition to stating the circumstances in which a liability for fees arises and how they will be calculated, the terms must also clearly state the fee liability in the following circumstances:

- if a fee is payable upon receipt of the Assessor's acknowledgement of the appeal;
- if a fee is payable notwithstanding the withdrawal of an appeal;
- in the event that an appeal proceeds to the Valuation Appeal Committee, the Lands Tribunal for Scotland, or the Lands Valuation Appeal Court, it must be made clear to the client whether an additional fee will apply for the presentation of a case before the Committee as an advocate, an expert witness, or both, and how it will be calculated. Rating consultants are reminded that RICS, IRRV and RSA consider that any form of contingency fee arrangement is incompatible with the duty of impartiality and independence required of an expert and that, accordingly, contingency fees for Valuation Appeal Committee or Lands Tribunal work should be avoided (see *Surveyors Acting as Expert Witnesses and Rating Appeals*, details in Appendix C).

**f. Details of the handling of any rate refunds if these are to be payable to the rating consultant**

Where the rating consultant agrees with the client that any rate refunds from the rating authority are to be paid to the rating consultant, such an arrangement must be clearly stated in the Terms of Engagement.

In these circumstances any monies received by the agent must be held in a client account which complies with RoC, Rules 30 and 31 and the IRRV Code.

**g. Details of the consequences of the instructions being cancelled**

Conditions that relate to the cancellation of the contract by either party must be clear and understood by the client. Where the terms of cancellation provide for the payment of a fee, whether in addition to an agreed fee or in substitution for such a fee, it is considered to be good practice to base the fee on the work done rather than an arbitrary calculation such as a percentage of the rateable value.

- h. A statement that a copy of the firm's complaints handling procedure is available on request**

This requirement is included to reinforce the need to comply with RoC, Rule 8.

- i. A copy of Appendix B: Information for ratepayers (Scotland)**

The purpose of this requirement is to ensure that the prospective client is provided with some information about the rating system and its procedures, the liability for fees and the possible outcomes following the making of an appeal, before entering into a contractual commitment.

The appendix must be provided without any alteration of the text and in a type size not less than that in which it is printed in this Code of Practice.

# Appendix A to the RICS/IRRV/RSA Rating Consultancy Code of Practice :

## Information for ratepayers (England and Wales)

**This document contains important information. It must be provided as part of the written confirmation of the Terms of Engagement for Rating Consultancy advice.**

Your business rates bill, which may be a substantial part of your outgoings, is calculated by applying a national multiplier, known as the 'uniform business rate', to your property's rateable value. A rateable value is an estimate made by the Valuation Officer, representing the Inland Revenue, of a property's rental value at a particular date specified for each general rating revaluation. You may challenge the rateable value but the uniform business rate is set annually by central government. Following a revaluation, the government may provide for adjustments to rate liability by phasing increases, and decreases, in rates payable. These transitional arrangements are governed by very complex statutory regulations and may affect your rate liability calculation.

Your rating consultant will be able to explain the effect of the procedures in your particular circumstances, but to help you to understand some of them this document, which is not intended to be a comprehensive statement of the law, gives you outline information.

A general revaluation of rating assessments is normally undertaken every five years. New rateable values came into effect on 1 April 2000, and the next general revaluations will be in 2005 and 2010. The Valuation Officer may alter your assessment at any time to keep it up to date and to reflect the results of appeals and will notify you of any alterations to your assessment, including their effective date. Challenges to individual rateable values, known as 'proposals', can usually only be made against the assessment which is in force at the time the proposal is made.

If your property has been affected by a material change of circumstances, for example, a physical change to the property or its locality which affects its value, you may have a right of appeal. A proposal may also be made challenging an assessment alteration made by the Valuation Officer.

Briefly, a rating assessment may be challenged by completing a standard 'proposal' form and sending it to the appropriate Valuation Officer who will acknowledge it. After a valid proposal is made there will be an opportunity to discuss the assessment with the Valuation Officer but if agreement is not possible the matter will be determined at a Valuation Tribunal hearing. The Valuation Tribunal may dismiss an appeal, or amend the assessment, including increasing it in exceptional circumstances. There is a further right of appeal from the Valuation Tribunal to the Lands Tribunal and, on points of law, to the higher courts. There are no charges made by either the Valuation Officer or the Valuation Tribunal, but fees are payable for appeals to the Lands Tribunal and the higher courts, and additional fees will be charged by your professional advisers and legal representatives.

You should be aware that appeals are rarely dealt with quickly. When the Valuation Officer receives a valid proposal you will be advised of the timetable for negotiation. You have to continue paying full rates until any appeal is determined.

Following the agreement, or determination by the tribunals, of a rateable value, the local billing authority will be notified by the Valuation Officer of the revised value and will recalculate the rates payable, having regard to the consequential transitional arrangements if they apply. You should be aware that even if the rateable value is reduced there is still a possibility that, where transitional arrangements apply, the rates payable will not necessarily reduce and in very limited circumstances may increase. Your consultant will usually explain what effect a change to the rateable value will have on your bill and estimate the amount of any refund to which you may be entitled.

Your consultant must provide written Terms of Engagement which set out the minimum information required by the RICS/IRRV/RSA *Rating Consultancy Code of Practice*. The proposed terms for providing rating consultancy advice must make it clear whether the contract, and fee liability, will apply to just a single general rating revaluation or several, and whether it includes assessment alterations that may occur between revaluations. Where ratepayers seek professional assistance in the challenging of a rating assessment they will be responsible for any fees that may arise in accordance with the Terms of Engagement. Your consultant is required to explain to you, in the written Terms of Engagement, how the fees will be calculated and when they are payable.

**The provision of this information complies with the requirements of the RICS/IRRV/RSA *Rating Consultancy Code of Practice*. A copy of the Code of Practice will be provided by your rating consultant on request.**

**The Royal Institution of Chartered Surveyors (RICS) represents 110,000 individually qualified professional members worldwide who provide expert advice on all land, property, and construction issues. The Institute of Revenues Rating and Valuation (IRRV) represents practitioners in the valuation, administration and adjudication of local property tax and business rate matters. Rating consultancy is a specialist service provided by some members of RICS and IRRV. Membership of the Rating Surveyors' Association (RSA) is restricted to members of RICS with a minimum of five years' specialist experience.**

# Appendix B to the RICS/IRRV/RSA Rating Consultancy Code of Practice:

## Information for ratepayers (Scotland)

**This document contains important information. It must be provided as part of the written confirmation of the Terms of Engagement for Rating Consultancy advice.**

Your non-domestic rates bill, which may be a substantial part of your outgoings, is calculated by applying a non-domestic rate poundage to your property's rateable value. A rateable value is an estimate made by the Assessor of the property's rental value at a particular date specified for each general revaluation. You may challenge the rateable value but the non-domestic rate is set annually by the Scottish Executive. Following a revaluation the Executive may provide for adjustments to rate liability by phasing increases and decreases in rates payable. These transitional arrangements are governed by complex statutory regulations and may affect your rate liability.

Your rating consultant will be able to explain the effect of the procedures in your particular circumstances, but to help you to understand some of them this document, which is not intended to be a comprehensive statement of the law, gives you outline information.

A general revaluation of rating assessments is normally undertaken every five years. New rateable values came into effect on 1 April 2000 and the next general revaluation will be in 2005. The Assessor may alter your assessment at any time to keep it up to date and to reflect the results of appeals made and will notify you of any alteration to your assessment. Challenges to individual rateable values, called 'appeals', can only be made within certain time limits which are generally within six months of the issue of a Valuation Notice or the date you acquired an interest in the property. If your property has been affected by a material change of circumstances, for example, a physical change to the property or its locality which affects its value, you may have a right of appeal.

Briefly, a rating valuation may be challenged by writing to the appropriate Assessor. After a valid appeal is lodged there will be an opportunity to discuss the valuation with the Assessor but if agreement is not possible the matter can be determined following a hearing by a local Valuation Appeal Committee, or, in certain cases, the Lands Tribunal for Scotland. The Valuation Appeal Committee has the power to dismiss an appeal, or amend the valuation by reducing it. There is a further right of appeal from the Valuation Appeal Committee or the Lands Tribunal for Scotland to the Lands Valuation Appeal Court only on a point of law. There are no charges made by either the Assessor or the Valuation Appeal Committee, but administration fees are payable for appeals to the Lands Tribunal and the Lands Valuation Appeal Court, and additional fees will be charged by your professional advisers and legal representatives.

You have to continue paying full rates until any appeal is determined.

Following the agreement, or determination, of an appeal the rating authority will be notified by the Assessor of the decision and will recalculate the rates payable including transitional arrangements if they apply. Your consultant will usually explain what effect a change to the rateable value will have on your bill and estimate the amount of any refund to which you may be entitled.

Your consultant must provide written Terms of Engagement which set out the minimum information required by the RICS/IRRV/RSA *Rating Consultancy Code of Practice*. The proposed terms for providing rating consultancy advice must make it clear whether the contract, and fee liability, will apply to just a single Valuation Notice or otherwise and whether it includes assessment alterations that may occur between revaluations. Where ratepayers seek professional assistance in the challenging of a rating assessment they will be responsible for any fees that may arise in accordance with the Terms of Engagement. Your consultant is required to explain to you, in the written Terms of Engagement, how the fees will be calculated and when they are payable.

**The provision of this information complies with the requirements of the RICS/IRRV/RSA *Rating Consultancy Code of Practice*. A copy of the Code of Practice will be provided by your rating consultant on request.**

**The Royal Institution of Chartered Surveyors (RICS) represents 110,000 individually qualified professional members worldwide who provide expert advice on all land, property, and construction issues. The Institute of Revenues Rating and Valuation (IRRV) represents practitioners in the valuation, administration and adjudication of local property tax and business rate matters. Rating consultancy is a specialist service provided by some members of RICS and IRRV. Membership of the Rating Surveyors' Association (RSA) is restricted to members of RICS with a minimum of five years' specialist experience.**

## Appendix C to the RICS/IRRV/RSA Rating Consultancy Code of Practice:

### Publications and sources of information

#### RICS publications

Available from RICS Books, Surveyor Court, Westwood Way, Coventry, CV14 8JE or at [www.ricsbooks.com](http://www.ricsbooks.com):

*Rating Appeals*, RICS guidance note, RICS Books, Coventry, 2001 (ISBN 1 84219 064 4)

*Code of Measuring Practice: A Guide for Surveyors and Valuers* (5th edition), RICS guidance note, RICS Books, Coventry, 2001 (ISBN 1 84219 060 1)

*Surveyors Acting as Expert Witnesses* (2nd edition), RICS practice statement and guidance note, RICS Books, Coventry, 2001 (ISBN 0 85406 960 7)

Joint Professional Institutions' Rating Valuation Forum, *The Contractor's Basis of Valuation for Rating Purposes*, Guidance Note, RICS Books, Coventry, 1996 (ISBN 0 85406 712 4)

Joint Professional Institutions' Rating Valuation Forum, *The Receipts and Expenditure Method of Valuation for Non-domestic Rating*, Guidance Note, RICS Books, Coventry, 1997 (ISBN 0 85406 833 3)

#### RICS contacts

Royal Institution of Chartered Surveyors  
12 Great George Street  
London  
SW1P 3AD

[www.rics.org/business](http://www.rics.org/business)

This site gives useful and practical information about business premises.

RICS Contact Centre on 0870 333 1600 or Email [contact@rics.org.uk](mailto:contact@rics.org.uk)

The range of services available through the RICS Contact Centre includes:

Lists of firms who deal with rating valuations

RICS Rating helpline – for half an hour's free advice from a rating specialist

Professional information service – for general advice on working with your surveyor

## **Institute of Revenues, Rating and Valuation sources**

Institute of Revenues, Rating and Valuation  
41 Doughty Street  
London  
WC1N 2LF  
[www.irrv.org.uk](http://www.irrv.org.uk)

The Institute of Revenues, Rating and Valuation is the professional body for local taxation, benefits and valuation. It promotes best practice and supports the professional activities of its members working in government and commerce. With valuation members drawn from local government, the Inland Revenue Valuation Office Agency, the Valuation Tribunal Service and private practice the Institute includes and represents those directly involved with all aspects of valuations for non-domestic rating and council tax across the UK whilst maintaining a strong international profile for rating and valuation matters practised abroad. The IRRV is the leading examiner in UK local taxation practice and provides extensive career development opportunities for its membership at large.

Dixon, T. and Heath, G., *Business Rates: Your Guide* (a booklet giving a brief guide to the business rate), IRRV, 2003 (ISBN 1 90195 622 9)

## **Government sources**

Valuation Office Agency: [www.voa.gov.uk/business\\_rates/index.htm](http://www.voa.gov.uk/business_rates/index.htm)

This site gives access to the VOA instructions on rating procedures, guidance on making proposals and VOA policy statements together with electronic versions of every rating list in England and Wales with a search facility.

[www.mybusinessrates.gov.uk](http://www.mybusinessrates.gov.uk)

This is a site supported by the Valuation Office Agency which provides general information and links to other government sites that have information about business rates.

Office of the Deputy Prime Minister: [www.odpm.gov.uk](http://www.odpm.gov.uk)

[www.local.dtlr.gov.uk/finance/busrats1.htm](http://www.local.dtlr.gov.uk/finance/busrats1.htm)

These sites give access to information about business rates.

[www.valuation-tribunals.gov.uk/index.html](http://www.valuation-tribunals.gov.uk/index.html)

This site gives information about Valuation Tribunals. It includes appeals listed for hearing and decisions issued by Valuation Tribunals.

[www.inlandrevenue.gov.uk/stats/non\\_domestic/ndrrieaw\\_b\\_1.htm](http://www.inlandrevenue.gov.uk/stats/non_domestic/ndrrieaw_b_1.htm)

This site contains detailed rating statistics for England and Wales.

## **Rating Surveyors' Association**

The Rating Surveyors' Association: [www.ratingsurveyorsassociation.org](http://www.ratingsurveyorsassociation.org)

The Rating Surveyors' Association (RSA) was founded in 1909 and membership is restricted to chartered surveyors with a minimum of five years specialist experience as rating surveyors. The RSA has over 400 members drawn from private practice, corporate bodies, the Valuation Office Agency (VOA) and local authorities. Whilst independent of the Royal Institution of Chartered Surveyors (RICS), the RSA seeks to act, as far as possible, in conjunction with RICS.

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