



Valuation Office Agency

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Mr Roger Berry
To request-237347-
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Email: foi@voa.gsi.gov.uk

Our Reference: 11767546

Date: 28 November 2014

Dear Mr Berry,

Thank you for your enquiry of 3.November 2014 which you have submitted as a Freedom of Information Act (FOIA) request. Under the FOIA you are entitled to recorded information the Valuation Office Agency (VOA) holds within scope of your request, having stated:

'I have a really strange problem. I run a business which is paid to occupy and deliver a service at various Public Conveniences around the UK. The properties we have in some cases are not owned by the Local Authority but gifted at nil rent to them. In some cases where they are owned by them they simply cannot command any value and do not have any rentable value at all for the service they provide.

Of the 4627 Public Conveniences on the VOA list some have an RV of £0 (in fact 4137 are less than £7000 RV) and the most expensive has an RV of £46750 there seems to be no rhyme or reason to the charges and they do not appear to comply with the VOA guidance. I wonder why? There is simply no real rule associated with this.

My question is if the standard process of RV is all about rental value why does something with no rental value or even a NEGATIVE rental value have an RV at all?

I know many of the loos on the list and cannot see why the valuations vary''''

You have asked:

'Can you please explain why a building that has a net cost to run (ie a negative value as it is) attracts any NDR at all?'

The VOA publishes its guidance to its staff on 'Public Conveniences' this sets out our approach to the valuation of this class of (hereditament¹) property in Section 625 of our Rating Manual which is published on our corporate website².

I have had regard to an exemption when considering this request and I have set out the legislation (section 21) in the Appendix with this reply.

Outside of the FOIA

¹ This is the legal term for a rating unit of assessment which is wider than 'property' for example land.

² http://www.voa.gov.uk/corporate/publications/Manuals/RatingManual/RatingManualVolume5/sect625/5b-rat-man-vol5-s625.html#P74_1003



I appreciate you are seeking a better understanding of what the VOA does, as well as being advised of what is in the public domain, as you are asking why Public Conveniences attract a rateable value (RV) when you believe they have no rental value or may even have a negative value.

For the purpose of non domestic rates (NDR) the VOA are required to establish the rental value of any non-domestic hereditament, other than for a small number of exempt classes.

This rental value represents the value of the hereditament (often a property), vacant and available to rent as at levels of value at a fixed date in time, currently 1 April 2008.

It is a well established principle of rating valuation that the value we place on a hereditament should represent the value of that occupation to the occupier. The motive for occupation for many local authority occupations such as Libraries, Schools and Public Conveniences is not profit, but the provision of services to the local community. In the hypothetical rating world a local authority would make a positive rental bid for such a property as part of the delivery of those services.

In terms of how that value is arrived at for properties that are usually not rented, or that do not operate for profit, the approach taken is to estimate the replacement build cost, allowing for age and obsolescence on the actual building. This capital sum is then expressed as a rental amount by applying a statutory de-capitalisation rate set by Government. The current rate for this type of property is 5%.

Broadly speaking therefore you will see higher RV's for facilities that would be more expensive to replace in terms of size, quality and location.

The circumstances where Public Conveniences appear in the Valuation List at a figure of nil or £1 will typically arise where they are part of a shopping centre development where the tenants of the shops (and their customers) have the benefit of these facilities already reflected in the rents they pay. The RV of each shop therefore reflects this benefit and the RV applied to the public convenience is nominal.

One of the exempt classes for rating purposes is Public Parks, so you may also find a Public Convenience situated within a Park is treated as exempt and will either not be shown in the Rating List or have nominal value attributed to it.

I hope this explanation is satisfactory, but should be happy to provide a more detailed response, outside of FOIA, if you require one please contact me direct via foi@voa.gsi.gov.uk.

Your formal appeal rights

If you are not happy with this reply you may request a review by writing to The Chief Executive's Office: Customer Service Team, Valuation Office Agency, Wingate House, 93/107 Shaftesbury Avenue, London, W1D 5BU.

email: foi@voa.gsi.gov.uk.

You must request a review within 2 months of the date of this letter. It would assist our review if you set out which aspects of the reply concern you and why you are dissatisfied.



If you are not content with the outcome of the internal review, you have the right to apply directly to the Information Commissioner (ICO) for a decision. Generally, the ICO cannot make a decision unless you have exhausted the complaints procedure provided by the Valuation Office Agency. The Information Commissioner can be contacted at: Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF.

Yours sincerely

Alan Colston



Appendix

Freedom of Information Act 2000 (FOIA)

<http://www.legislation.gov.uk/ukpga/2000/36/contents>

Section 21 of the (FOIA) relates to information accessible to an applicant by other means.

(1) Information which is reasonably accessible to the applicant otherwise than under section 1 is exempt information.

(2) For the purposes of subsection (1)—

(a) information may be reasonably accessible to the applicant even though it is accessible only on payment, and

(b) information is to be taken to be reasonably accessible to the applicant if it is information which the public authority or any other person is obliged by or under any enactment to communicate (otherwise than by making the information available for inspection) to members of the public on request, whether free of charge or on payment.

(3) For the purposes of subsection (1), information which is held by a public authority and does not fall within subsection (2)(b) is not to be regarded as reasonably accessible to the applicant merely because the information is available from the public authority itself on request, unless the information is made available in accordance with the authority's publication scheme and any payment required is specified in, or determined in accordance with, the scheme.

