

All Party Parliamentary Beer Group Inquiry

July 2nd 2019

From: Anthony Miller, The White Swan, Twickenham TW1 3DN

Introduction

I write concerning my previous experience as a senior rating advisor in private practice and my current activity as part-owner of The White Swan, a Public House in Twickenham.

I attended the All Party Parliamentary Beer Group Inquiry as an interested observer on 2nd July, not as a witness, but I was particularly interested in the impact the current rating of Public Houses has on inspiring good licensees in the industry.

When the session was over I spoke to the members of the committee and was invited to put forward a paper with my thoughts on the Rating of Public Houses with particular reference to our personal experiences on the outstanding appeal on the White Swan, Twickenham TW1 3DN.

Whilst there is widespread agreement that the business rates system overall needs to change, there also need to be fairer options and an efficient system for licensed property rating, which is a particular property specialism.

Qualifications

Until semi-retirement I was a Fellow of the Royal Institution of Chartered Surveyors in private practice. Our major practice concentrated almost solely on the valuation of leisure properties, such as pubs, hotels, golf courses, visitor attractions, health and fitness centres and holiday parks. We had 5 offices around the country with 50 employees. Our instructions related to property mainly in the UK and Europe and I was personally responsible for rating and conducting rating appeals, either at local valuation court or Lands Tribunal.

The White Swan, Twickenham, TW1 3DN

I, together with 4 other investors own the freehold interest of this public house, which was acquired in early 2010. The pub is operated under management as a real ale Free House, offering a good food menu with quality, locally sourced home cooked food. The pub is located off Lebanon Park in Twickenham, fronting onto the River Thames. The premises are on both sides of Riverside with one side of the road having the main building comprising the pub and, opposite, the Beer Garden which overlooks the river. Outside there is a double garage used as an empties and dry goods store. There is no car park. Parking is restricted to residents' parking. There is a two bedroom self-contained flat for the manager on the two upper floors.

Rating Assessment

Our rating assessment, appearing in the 2010 Valuation List, was £66,500 RV with a description of Public House and Premises. This was increased to £134,000 RV, effective from 1st April 2017, a substantial increase, but with a similar description (i.e. 2.01 multiplier increase).

We started our appeal process on 28th April 2017 with help of chartered surveyors GVA. The basis of valuation was disclosed and in turn we proved ownership of the property. At the check stage in March 2019 we were advised by VOA that their assessment of £134,000 RV was correct.

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On 30th April we submitted a challenge, providing a valuation of the property at £83,500 RV, backed up by evidence of comparables in the immediate neighbourhood of the White Swan, showing how the proposal for the White Swan was totally at odds with the local evidence.

The valuation we submitted took account of the expertise of our management team being above that of the definition of an average hypothetical tenant, supported by a recent Lands Tribunal case on a pub, the poor layout of the premises, the Grade 2 listing, flooding, and the division of the site by Riverside.

Our challenge was acknowledged with reference CHG1000084615, saying the papers had been passed on to the relevant team, but stating that it might take up to 18 months for us to receive a reply. We asked for details of the team to which the challenge had been passed and with whom we could communicate, but nothing has so far been forthcoming.

We have now received a Form of Return 6011 from the VOA, requesting turnover details of the last 3 years trading for an appeal on the current list or the next revaluation, which we are reluctant to complete given the state of our outstanding appeal and we have been told to wait 18 months for a future reply. This trading information is not relevant to the appeal in hand.

Unfortunately there is a threat to us as owners and operators of a £100 fine if our form is not returned within 56 days.

Our concerns are:-

1. The appeal process appears unnecessarily complicated and is clearly designed to discourage appeals being made, even though assessments may be known to be wrong. It would be so helpful to be able to return to the old method of making an appeal which has withstood the passage of time for previous rating lists.
2. Why does the challenge stage require up to 18 months for a response from an unidentified team in the VOA to acknowledge?
3. Why cannot the ratepayer or his agent meet with an identified VOA employee to discuss the appeal as previously existed, due to licensed property being of a specialist nature?
4. Research into comparables has caused us to consider how the assessments of public houses in the 2017 Valuation List may actually have been carried out.

There appear to be so many inconsistencies (and we would suggest possible inaccuracies) in evidence. As an example, can it be realistic to believe that a rental value of a pub fronting the Thames in a suburban area has increased its rental value by more than 6 times between the valuation date for the 2010 List (which was 2008) and the valuation date for the 2017 list (which was carried out in 2015)?

We are also aware of inconsistencies in public house rating valuations between 2010 and 2017 in other locations throughout the South East.

5. At least with the Licensed Property Valuer's Department, the licensee had someone to discuss an appeal with who had some local knowledge of the valuation of nearby pubs.

Our concern is that that expertise no longer exists within the VOA, to inspire licensees and reassure them that someone understands their problem.

It therefore appears that the disbanding of the previous Licensed Property Valuer's Department (LPV) has removed a centre of expertise required in licensed property, which no longer exists.

There is a huge worry about how the valuation of pubs for rating can be undertaken in the future and how to address the rating system itself if it is to have future credibility and the support of licensees, many of whom are doing their utmost to support their local communities with much needed services and amenities.

A.J.Miller

14th July 2019