

# **The Reality of the Future of the Rating System in Wales**

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# **What are the Wider Arguments about The Non Domestic Rate?**

- Is it fair?
- Is it too much of a burden on the ratepayer?
- Is the assessment methodology appropriate to the 21<sup>st</sup> Century?
- The wider argument on the contribution that industry and business should make to local services or for that matter to the Exchequer generally.

# **Is There Anything Really Wrong with the Non Domestic Rate in Wales?**

- The overall argument about the burden
- The breadth and depth of the tax base
- The structure of the tax base
- The distribution of liability in relation to the market
- The ability to pay
- The efficiency, effectiveness and accountability of the administration

# The Arguments for Change

- The burden is too large and makes business uncompetitive
- The system is damaging the overall structure of commerce
- The distribution of the tax is unfair
- There must be a better alternative or additional solution

# The Reality – What Can be Changed?

- Broaden the tax base
- Localise effectively
- Increases the frequency of revaluations or design an indexing mechanism to avoid dramatic shifts in liability
- Modernise all rate relief schemes
- Carryout a wholesale review of exemptions

# If you Reform – What Are the Drivers?

- The Treasury demand that any changes must be revenue neutral, will that apply to Wales?
- Acceptable to the tax payers, specifically and/or generally
- Meeting the challenge of state aid
- The search for alternative or additional sources of revenue

# Who Should Pay?

- Where should the funding burden of local government fall?
- If it is to be a property tax, what is the fair way to distribute the burden?
- Should we look for a better solution to the link to the ability to pay
- Can you afford to ignore the IMF, remember the PIGS

# In Conclusion

- Is the Rating System important to the Welsh/GB economy?
  - As a percentage of GDP?
  - As an income tax substitute?
  - As a reflection of the business community's contribution to society?
- Is there anything wrong with the Rating System?
  - Approach to valuation
  - Transparency
  - Tax base coverage
  - Avoidance
- What can be done to improve the Rating System?
  - Digitise key aspects
  - Invest in the assessment process
  - Better use of technology
  - Modernise the law
  - Broaden and restore the integrity of the tax base

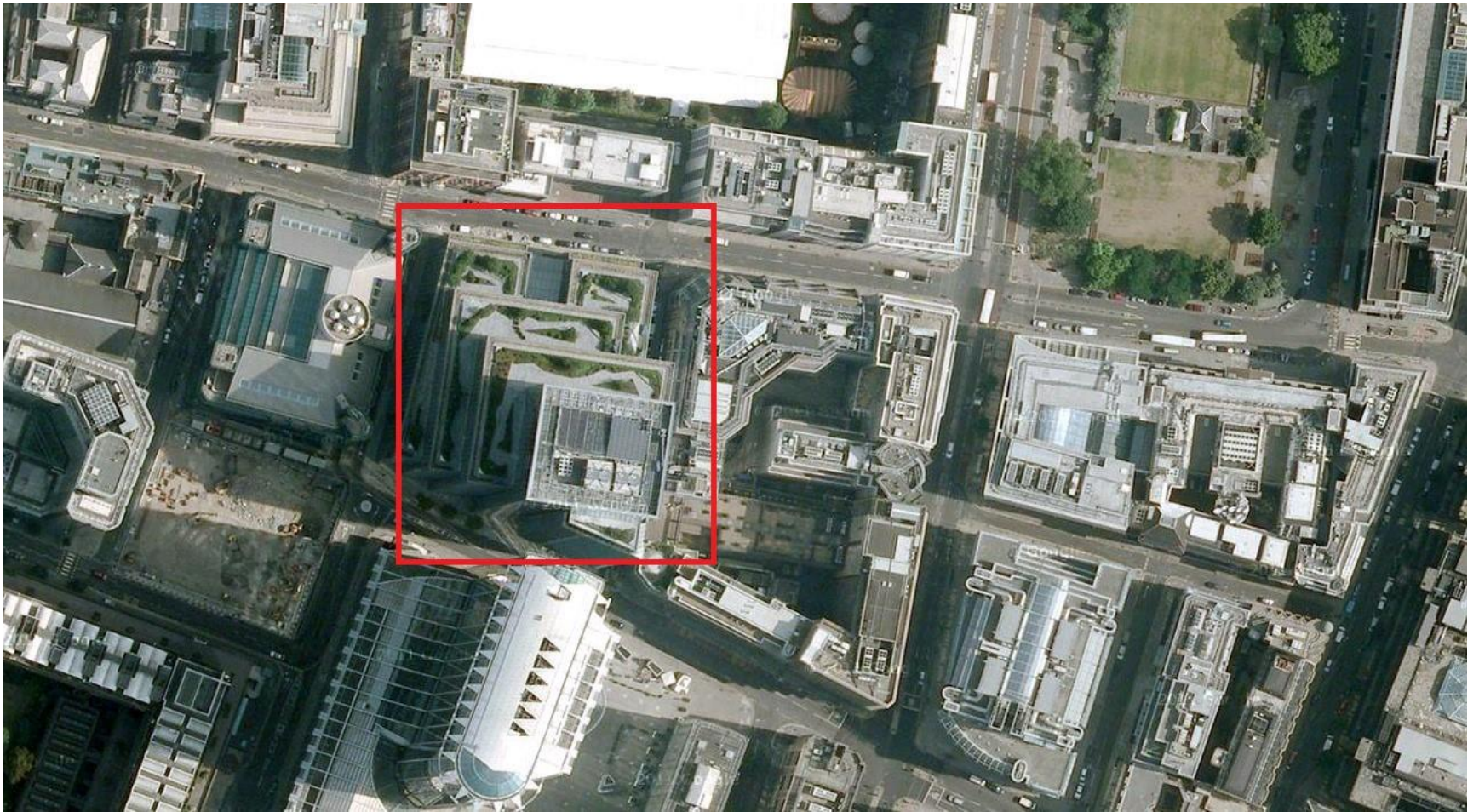


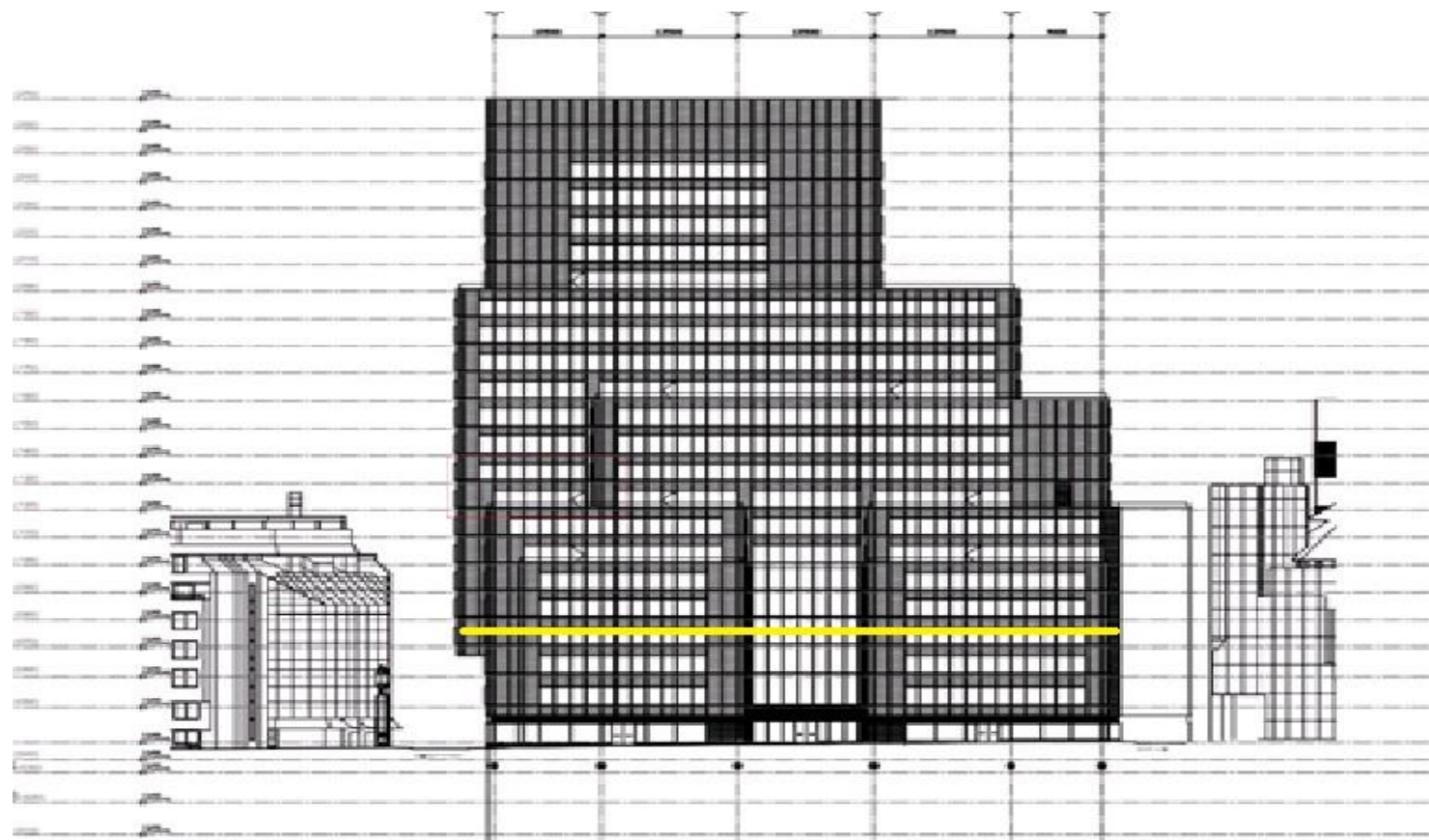
# What Could Be Missing?

- 23 years of pooled non domestic rate
  - No incentive to maximise income
  - Non domestic rate became the Cinderella service
  - Even though in Wales the Chief Financial Officer had a statutory duty
- Neglect was and is endemic
  - Planning Consents not properly scrutinised
  - Extensions and conversions not properly monitored
  - Allowances not removed

In England

# A Major Office Block in Central London

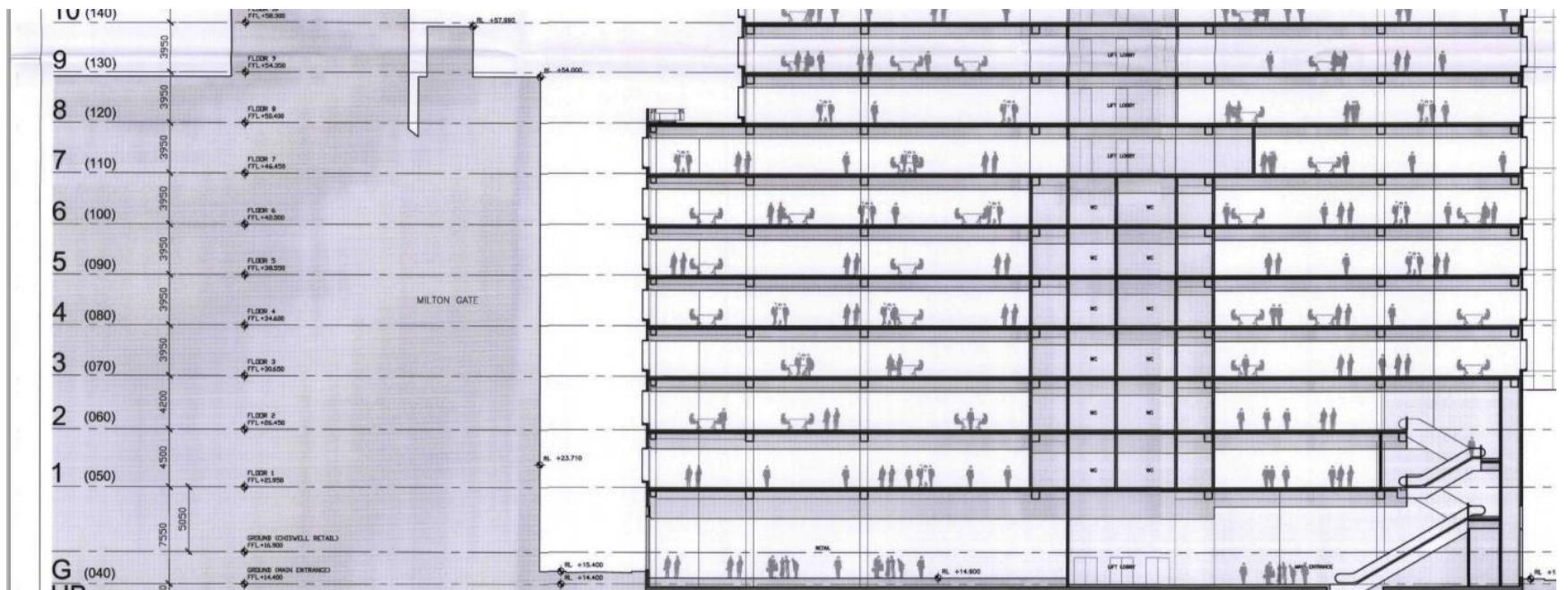








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# A Former Airfield in Herefordshire

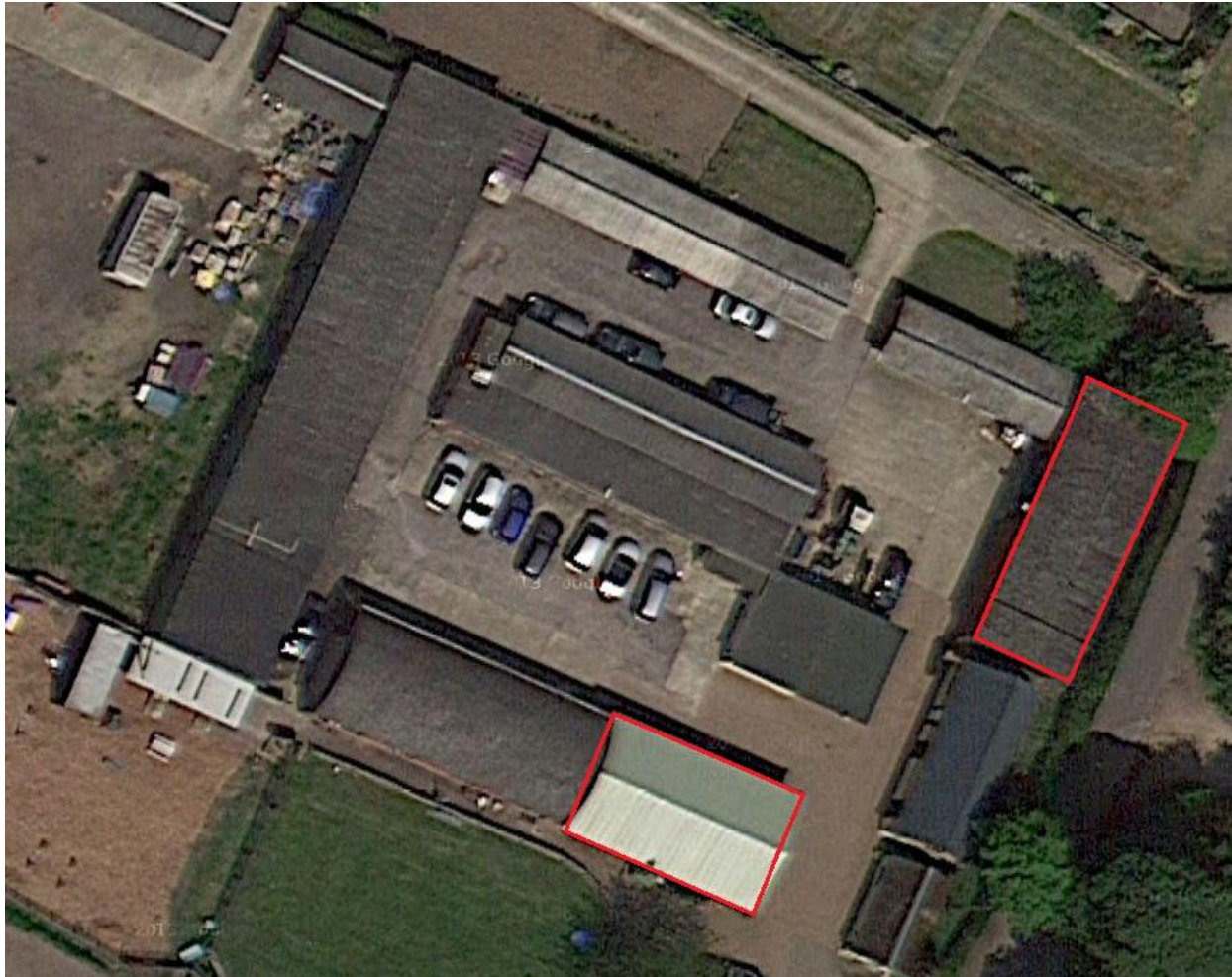




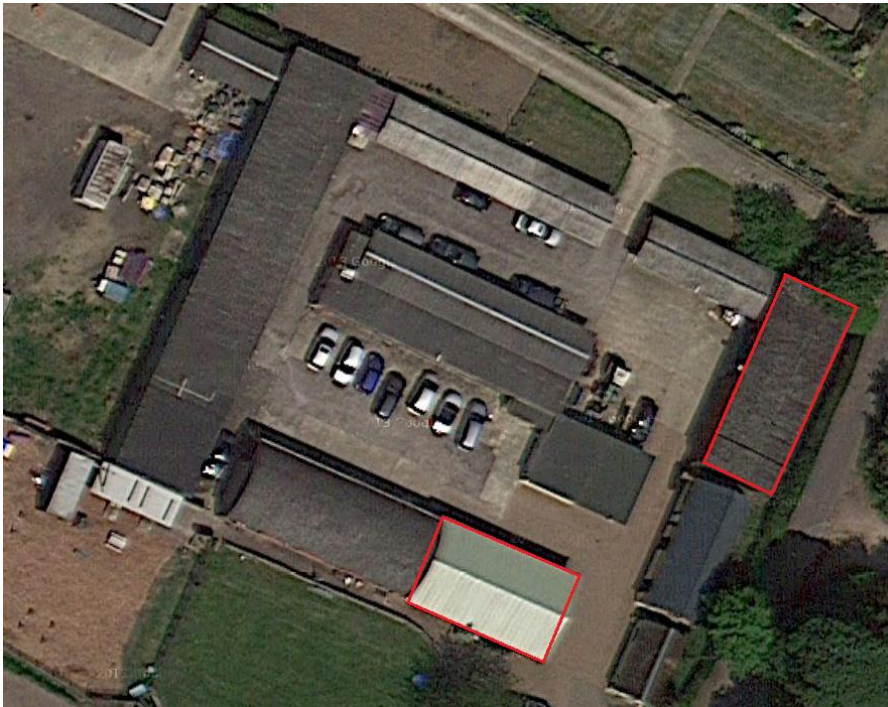




# Buildings on Agricultural Land



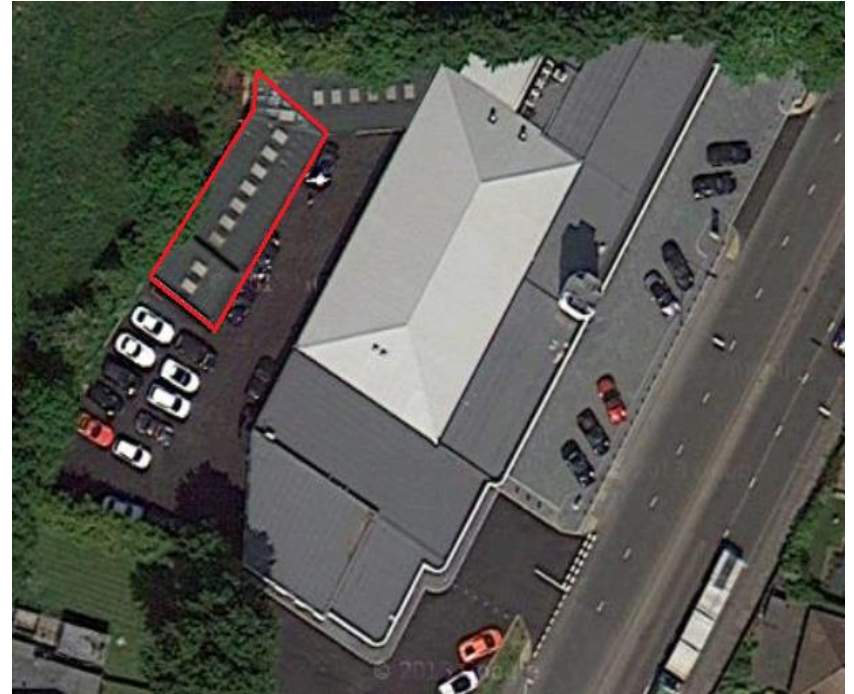
# Case Study 1



- Commercial property sited on a farm
- Investigation found previously exempt buildings being used for warehouse and retail distribution and a completed extension to the existing rated hereditament
- Total additional RV £13,750

# Case Study 2

- Car sales site occupied by an established business for a number of years
- Investigation identified additional workshop areas at the rear of the main building that were not reflected in the valuation
- Total additional RV £15,000





# Case Study 3



- Saw mill sited in a rural area
- Research showed that the site had been significantly increased to include additional production and storage areas
- Total additional RV £38,500

# Case Study 4



- Multiple seafront commercial properties
- Research found that an end allowance had been given for work to renovate the seafront. Work had completed two years ago, but the allowance was still in place
- Total additional RV £85,000

In Scotland

# Aberdeen City Council





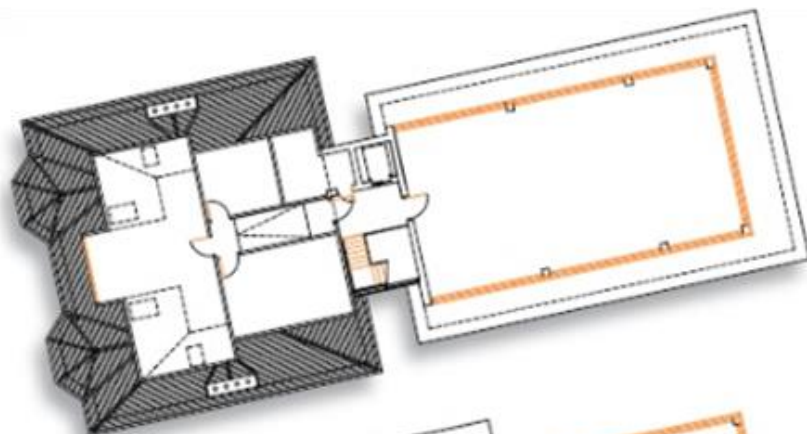




## SECOND FLOOR

[210.8 SQ M / 2,269 SQ FT]

3 offices / comm's room / plant room



## FIRST FLOOR

[251.0 SQ M / 2,702 SQ FT]

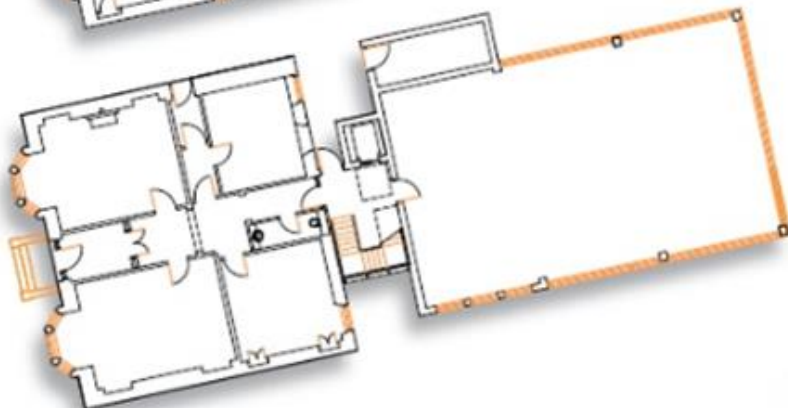
4 offices / shower room / toilets  
kitchen / print and copy area



## GROUND FLOOR

[289.2 SQ M / 3,113 SQ FT]

5 offices / toilet





# Aberdeenshire Council

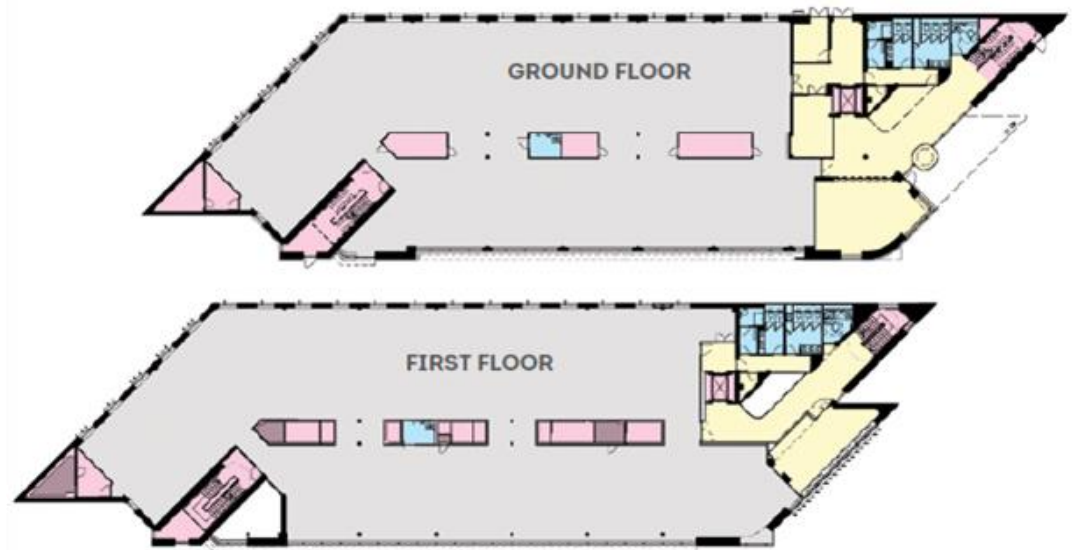






# Argyll & Bute





8 sq ft)  
 sq ft)  
 sq m (20,516 sq ft)

- Laboratory / Office Space
- Stairwells / Lift / Service Ducts
- Toilets
- Common Parts



# East Ayrshire



# Stewart Road - Falkirk





In Northern Ireland

# Warehouse becomes retail

Before

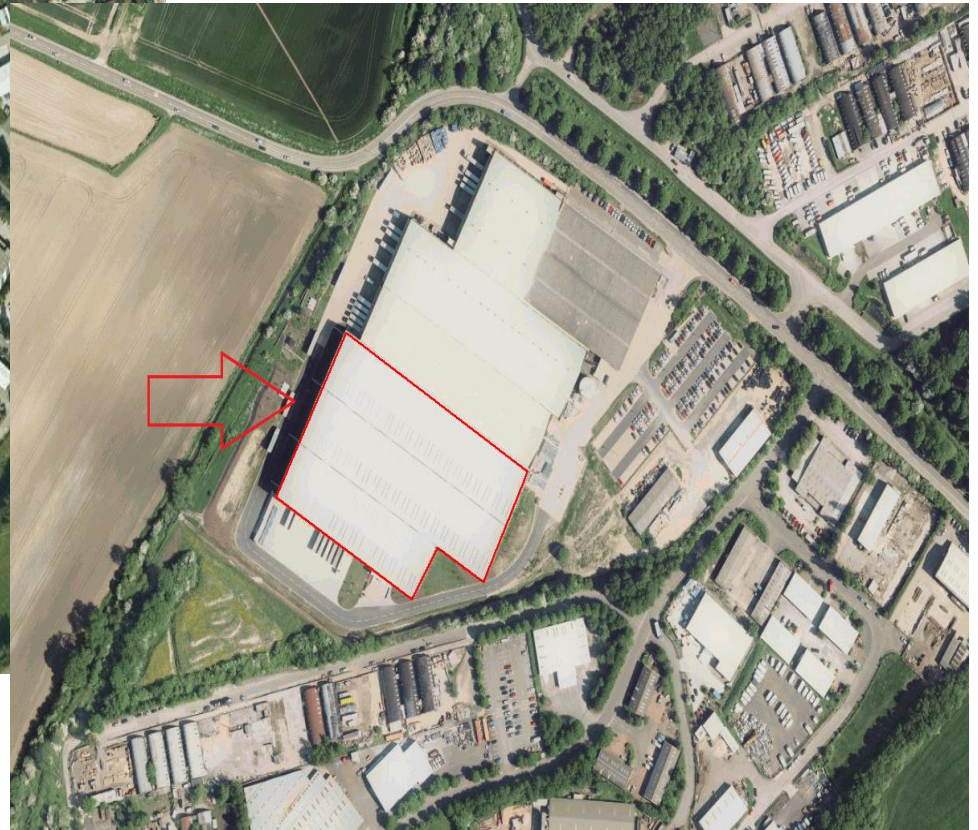
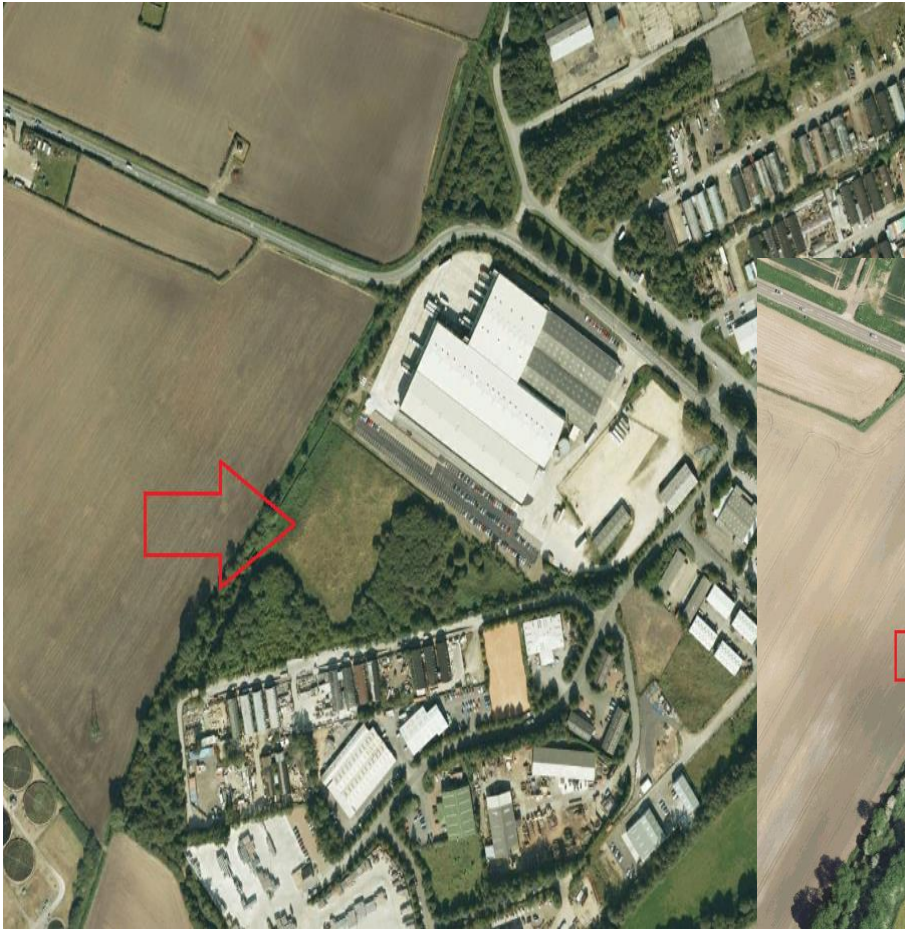


After



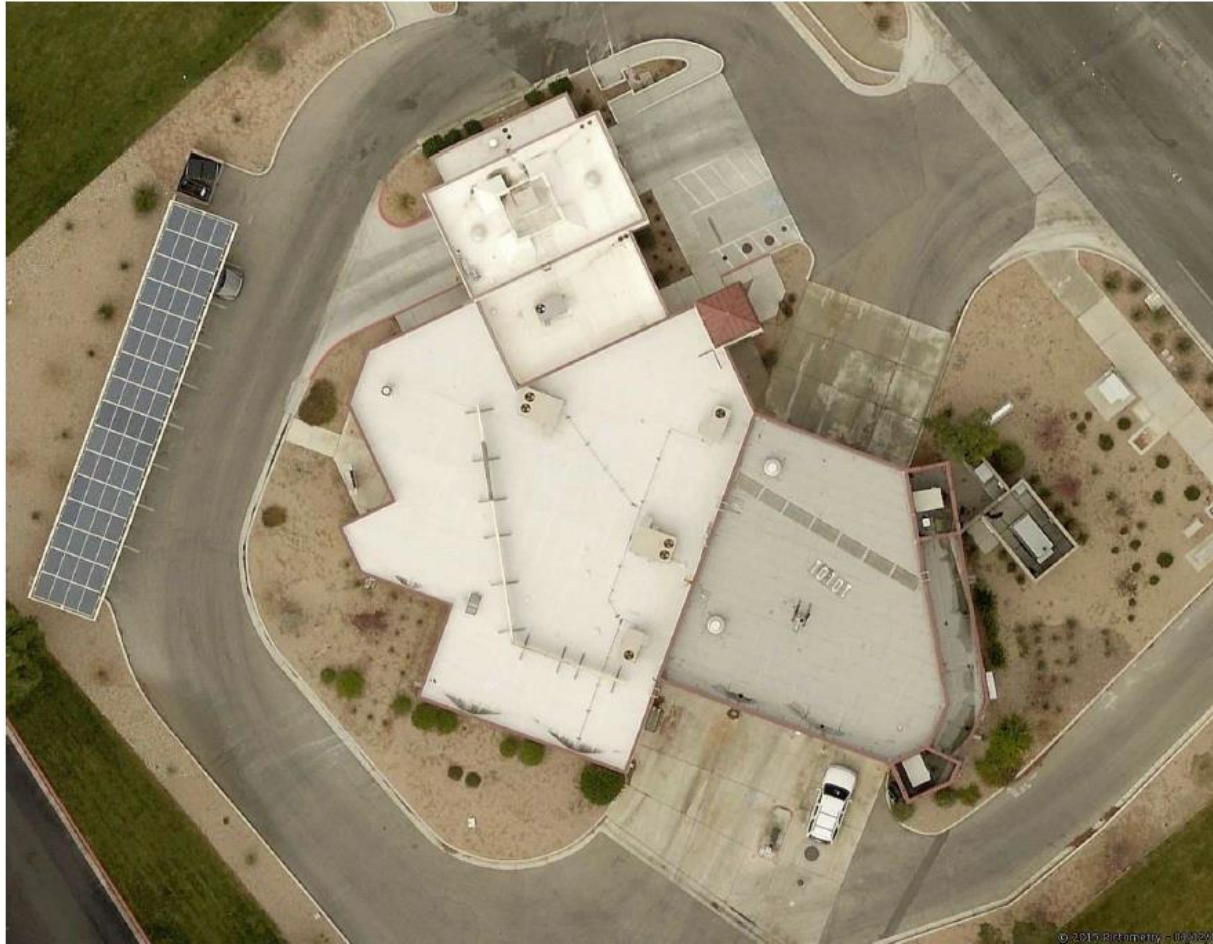


# A Warehouse Extension



Digital Revolution  
How do you measure?

# Aerial





# North and South



# East and West



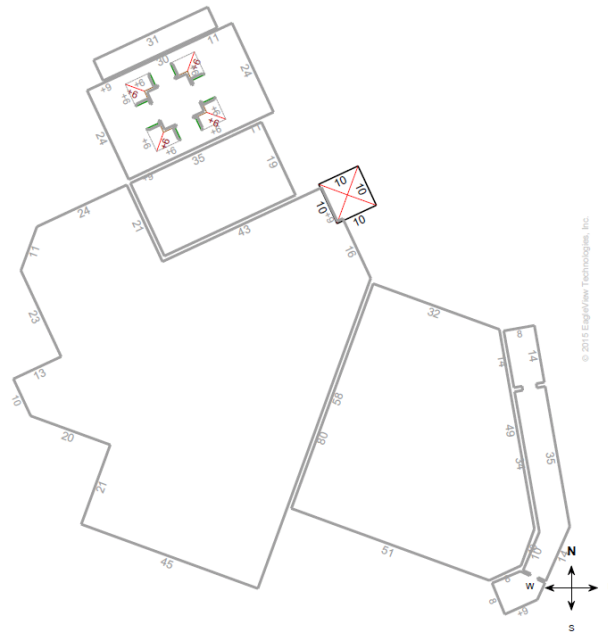
## LENGTH DIAGRAM

Total Line Lengths:

Ridges = 0 ft  
Hips = 54 ft

Valleys = 0 ft  
Rakes = 37 ft  
Eaves = 42 ft

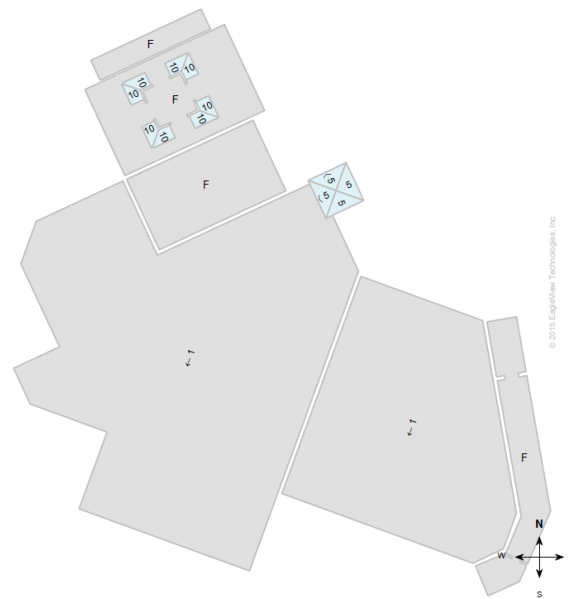
Flashing = 22 ft  
Step flashing = 0 ft  
Parapets = 1,096 ft





## PITCH DIAGRAM

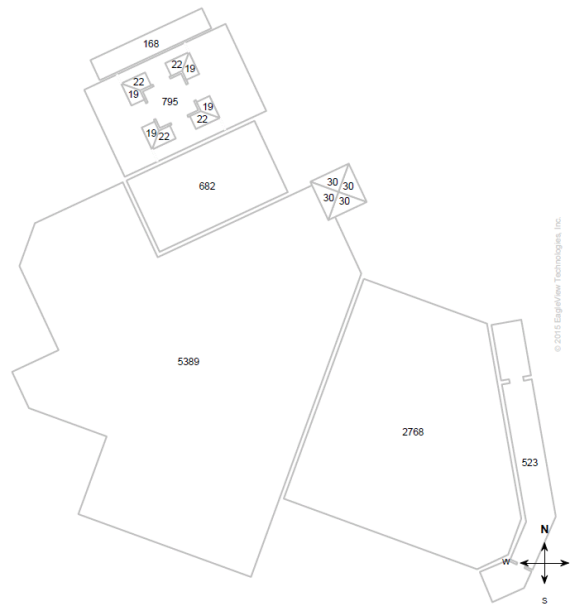
Pitch values are shown in inches per foot, and arrows indicate slope direction. The predominant pitch on this roof is 1/12.



**Note:** This diagram contains labeled pitches for facet areas larger than 20 square feet. In some cases, pitch labels have been removed for readability. Blue shading indicates a pitch of 3/12 and greater. Gray shading indicates flat, 1/12 or 2/12 pitches. If present, a value of "F" indicates a flat facet (no pitch).

## AREA DIAGRAM

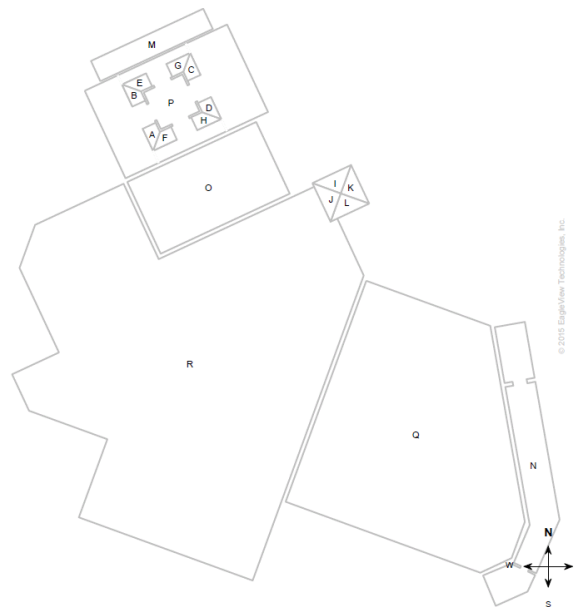
Total Area = 10,610 sq ft, with 18 facets.



Note: This diagram shows the square feet of each roof facet (rounded to the nearest foot). The total area in square feet, at the top of this page, is based on the non-rounded values of each roof facet (rounded to the nearest square foot after being totaled).

## NOTES DIAGRAM

Roof facets are labeled from smallest to largest (A to Z) for easy reference.



Note: This diagram also appears in the Property Owner Report

## PENETRATIONS NOTES DIAGRAM

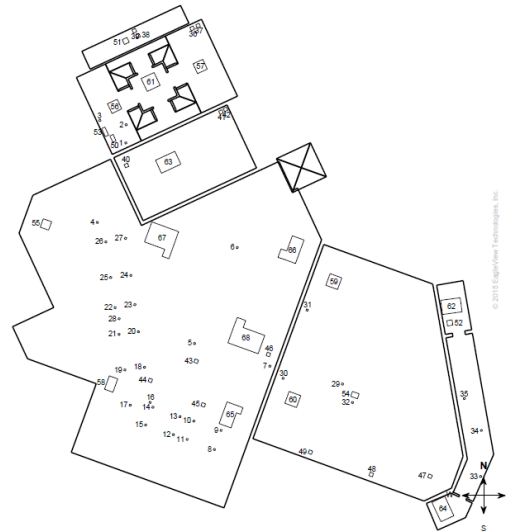
Penetrations are labeled from smallest to largest for easy reference.

Total Penetrations = 68

Total Penetrations Perimeter = 421 ft

Total Penetrations Area = 341 sq ft

Total Roof Area Less Penetrations = 10,269 sq ft





# REPORT SUMMARY

## Areas per Pitch

Roof Pitches	0/12	1/12	5/12	10/12
Area (sq ft)	2168.8	8157.4	119.6	164
% of Roof	20.4%	76.9%	1.1%	1.5%

The table above lists each pitch on this roof and the total area and percent (both rounded) of the roof with that pitch.

## Waste Calculation Table

Waste %	0%	10%	12%	15%	17%	20%	22%
Area (sq ft)	10,610	11,671	11,883	12,202	12,414	12,732	12,944
Squares	106.1	116.7	118.8	122.0	124.1	127.3	129.4

This table shows the total roof area and squares (rounded up to the nearest decimal) based upon different waste percentages. The waste factor is subject to the complexity of the roof, individual roofing techniques and your experience. Please consider this when calculating appropriate waste percentages. Note that only roof area is included in these waste calculations. Additional materials needed for ridge, hip, valley, and starter lengths are not included.

Penetrations	1-20	21-35	36-49	50	51-52	53	54	55	56-57	58
Area (sq ft)	0.2	0.3	1	2	2.3	2.5	3	6.3	9	10
Perimeter (ft)	2	2	4	6	6	7	7	10	12	13
	59-60	61	62	63-64	65	66	67	68		
Area (sq ft)	12.2	16	22	24	25.2	28.8	52.2	54.8		
Perimeter (ft)	14	16	19	20	22.4	24.4	32.2	33.2		

Any measured penetration smaller than 3x3 feet may need field verification. Accuracy is not guaranteed. The total penetration area is not subtracted from the total roof area.

\* Rakes are defined as roof edges that are sloped (not level).

\*\* Eaves are defined as roof edges that are not sloped and level.



Total Roof Facets = 18  
Total Penetrations = 68

#### Lengths, Areas and Pitches

Ridges = 0 ft (0 Ridges)  
Hips = 54 ft (8 Hips)  
Valleys = 0 ft (0 Valleys)  
Rakes\* = 37 ft (8 Rakes)  
Eaves/Starter\*\* = 42 ft (4 Eaves)  
Drip Edge (Eaves + Rakes) = 79 ft (12 Lengths)  
Parapet Walls = 1,096 (99 Lengths)  
Flashing = 22 ft (8 Lengths)  
Step flashing = 0 ft (0 Lengths)  
Total Area = 10,610 sq ft  
Total Penetrations Area = 341 sq ft  
Total Roof Area Less Penetrations = 10,269 sq ft  
Total Penetrations Perimeter = 421 ft  
Predominant Pitch = 1/12

#### Property Location

Longitude = -00.0000000  
Latitude = 00.0000000

#### Notes

This was ordered as a commercial property. There were no changes to the structure in the past four years.

#### Measurements by Structure

Structure	Area (sq ft)	Ridges (ft)	Hips (ft)	Valleys (ft)	Rakes (ft)	Eaves (ft)	Flashing (ft)	Step Flashing (ft)	Parapets (ft)
1	9483	0	31	0	0	42	0	0	833
2	1127	0	23	0	37	0	22	0	263

All values in this table are rounded up to the nearest foot for each separate structure. Measurement totals displayed elsewhere in this report are added together before rounding which may cause totals to differ.

The table above lists each pitch on this roof and the total area and percent (both rounded) of the roof with that pitch.

#### Parapet Wall Area Table

Wall Height (ft)	1	2	3	4	5	6	7
Vertical Wall Area	1096	2192	3288	4384	5480	6576	7672

This table provides common parapet wall heights to aid you in calculating the total vertical area of these walls. Note that these values assume a 90 degree angle at the base of the wall. Allow for extra materials to cover cant strips and tapered edges.

#### Online Maps

Online map of property

[http://maps.google.com/maps?f=q&source=s\\_q&hl=en&geocode=&q=123+Main+St,City,ST,00000](http://maps.google.com/maps?f=q&source=s_q&hl=en&geocode=&q=123+Main+St,City,ST,00000)

Directions from EagleView Technologies to this property

[http://maps.google.com/maps?f=d&source=s\\_d&saddr=321+Main+St,City,ST,00000&daddr=123+Main+St,City,ST,00000](http://maps.google.com/maps?f=d&source=s_d&saddr=321+Main+St,City,ST,00000&daddr=123+Main+St,City,ST,00000)