Thank you for your helpful contributions to the recent debate on reforms to the business rate appeals system, following the motion of regret laid by Earl Lytton.

I promised to write regarding your question on the funding of the Valuation Office Agency (VOA), and whether Government had decided on a figure. The VOA has published its business plan for 2017-19, which sets out how it expects to deliver and transform its services over this period. The VOA is resourced to deliver against that business plan. The agency’s expenditure in 2016-17 was around £206 million, and is expected to decrease to approximately £195m in 2018-19. This reflects a transformation plan that will enable the agency to operate more efficiently. The VOA’s business plan is available at: [www.gov.uk/government/uploads/system/uploads/attachment_data/file/556272/VOA_Business_Plan_2016-18.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/556272/VOA_Business_Plan_2016-18.pdf).

I will also use this opportunity to clarify the position in relation to the question of revenue neutrality, raised by the Noble Lord, Lord Naseby. He referred to earlier assurances from Government, indicating that the net result of changes to business rates would be revenue neutral. I expect he was referring to previous statements from Government regarding the impact of the business rates revaluation. On that point I can certainly confirm that the revaluation is a fiscally neutral exercise. Revaluation of non-domestic properties process does not raise additional income.

I hope this is helpful in setting out the issues raised by stakeholders, the decisions subsequently taken by Government, and the reasons for those decisions.

I have placed a copy of this letter in the House library. I have also copied this letter to Noble Lords who participated in the debate.

LORD BOURNE OF ABERYSTWYTH