

United Kingdom Onshore Pipeline Operators' Association

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Mr C Smithson
Unit Controller
Valuation Office Agency
Specialist Valuation Unit
4th Floor
25 Queen Street
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14 June 2005

Dear Mr Smithson,

2005 Rating List – Cross Country Pipelines

I am writing on behalf of UKOPA whom you originally approached in 2003 with a view to discussing a basis for cross country pipelines on the 2005 Rating List. Since that initial approach UKOPA members and their rating advisers have put in a substantial amount of work and attended a number of meetings with you in order to achieve the objectives set out in your paper entitled "Revaluation 2005 Pipeline Rating Forum".

The members of UKOPA welcomed the opportunity provided by the establishment of the forum and in particular the stated aim of the Valuation Office Agency (VOA) to secure the correct Rateable Value in advance of a Revaluation. Your paper had a number of stated aims and objectives, one of which was to encourage participation by ratepayers in the system of valuation for rating. A further specific objective was to ensure that the rating valuation process was efficient and business ratepayer friendly.

We were extremely surprised therefore to see a copy of the e-mails advising that the VOA had withdrawn from an agreement reached in Leeds on 19 April 2005. The decision of the VOA not to abide by agreements reached with the forum leads us to question the VOA's commitment to these objectives and it appears contrary to the Government's DTI five year programme, Creating Wealth From Knowledge. Having personally attended some of the meetings, and in particular the final one in Leeds, I am left in no doubt that both sides had made every effort to understand each other's interpretation of the evidence available and reached a conclusion which was mutually acceptable.

We are particularly concerned about the process undertaken within the Valuation Office Agency following the meeting which led you to the conclusion not to honour the agreement reached and why. We would be grateful for written confirmation of the criteria and basis on which this reversal was based, including confirmation that matters outside of relevant valuation considerations have not affected the VOA's objectivity.

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We are sure you will appreciate the frustration of UKOPA members and its agents at having readily responded to the VOA's invitation to participate in the forum and having invested significant time to achieve the aims and objectives of that forum, to have found that a decision has been taken which is contrary to the agreement reached between the respective parties. I understand our agents have responded to their counterparts in the VO restating the forums position.

UKOPA would be pleased to receive your comments on the concerns expressed above and to this end look forward to hearing from you.

Yours sincerely,

Roger A Ellis

Deputy Chairman UKOPA

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