



The Scottish Ratepayers' Forum

Newsletter

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From the Editor's Desk

Early in my career I was advised never to start anything with an apology so purely as an item of fact, this edition is later than expected. It does however contain a contribution from the Scottish Government and the Lothian Assessor. A hoped for article from a surveyor in private practice has not emerged due to pressure of work. It also displays the new "geographically correct" map of Scotland (and the Northern Isles) which appears on the SAA Portal.

We are now on the cusp of two revaluations. All Reval 2005 appeals have to be dealt with by local Valuation Appeal Committees by 31 December this year and valuations for 2010 will be provided to the Scottish Government by the end of August 2009 to allow for budgetary planning.

Public notification of values will begin in January 2010 and summary valuations for the majority of ratepayers will also be available then on the SAA Portal www.saa.gov.uk

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Revaluation 2005 - Almost There!

1 April 2005 saw the formal publication of the ninth general revaluation in Scotland. Almost 207,000 subjects with a rateable value of £5,082M had been valued by Assessors. By 30 September 2005 some 57,770 appeals had been lodged and representing £3,450M RV (67.9%). Local Valuation Appeal Committees have until 31 December 2008 to dispose of these appeals and progress is on target. A number of more contentious cases have however been referred to the Lands Tribunal for Scotland for determination and it will be some time yet before the final out-turn of the Revaluation exercise is known.

The latest figures provided to the Scottish Government (as at 30 September 2008) show 1,933 appeals unresolved but of the others the overall adjustment on appeal is just 1.84%. The aim of every Assessor is to minimise appeal adjustment and to give certainty to ratepayers that values fixed at revaluation are fair and reasonable. Cash flow is not improved by the receipt of a rebate received three years after the bill was originally paid and close contact between Assessors and ratepayers will avoid this happening.

If you receive a request for information from your local Assessor it is in your own interest to provide a prompt and accurate response, whether this is in relation to rent, cost, turnover, throughput, output or any other information. Assessors have no interest in publishing high values, only in getting them correct. By providing the information required you will help the Assessor and yourself ensure certainty and accuracy.

From the Scottish Government

As many of you will already know, the Small Business Bonus Scheme came into effect on the 1 April 2008, replacing the Small Business Rate Relief Scheme. The Scheme, which is being introduced progressively, will be fully implemented by 1 April 2009.

The new Small Business Bonus Scheme offers rates relief to businesses with properties of which the combined rateable value is £15,000 or less. If the combined rateable value is -£8,000 or less, the relief available is 80% (rising to 100% from 1 April 2009); £8,001 to £10,000, the relief available is 40% (rising to 50% from 1 April 2009); £10,001 to £15,000, the relief available is 20% (rising to 25% from 1 April 2009).

Businesses are required to complete a simple application form to benefit from the Scheme although local authorities have the discretion to award relief if they are satisfied that the information they already hold is complete, accurate and up-to-date. This is only likely to be the case if businesses previously benefited from the Small Business Rates Relief Scheme. (Continued over)

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If a business is already in receipt of one of the other mandatory rates reliefs, then the amount of Small Business Bonus relief available will be reduced in like amount.

Larger businesses with a rateable value above £29,000 continue to make a small contribution towards the cost of the Small Business Bonus via the poundage supplement, which stands at 0.4p in 2008-09. The supplement has been capped at the level set in England, so the additional benefits available to small businesses under the SBBS are fully funded by the Scottish Government.

Further details are available from the Scottish Government at www.scotland.gov.uk

City of Edinburgh Tramway Construction

The City of Edinburgh is the first city in Scotland to construct a modern Tramway system. The completed tramway will provide an excellent eco-friendly public transport system which will connect the airport, city centre and Leith waterfront. The completed system will be of great benefit to all Council Taxpayers, Ratepayers and visitors.

The major gain for Edinburgh will not happen overnight and will not happen without some disruption to the economy, traffic flow, pedestrian footfall and general living conditions of the population. Excellent communication between all interested parties has ensured that everyone is kept well informed of progress, possible disruption and mitigation measures as they are introduced.

As Assessor I was included in early meetings of the planning for the tramway construction. Senior staff met with engineers, surveyors and planners to discuss the routes and affected properties. As the construction plans were finalised meetings took place to discuss the possible affect on property values and any assistance that could be given to affected properties. The Federation of Small Business, TIE, Chambers of Commerce and the City of Edinburgh Council met with me prior to the commencement of works to discuss proactive mechanisms for minimising the problems and easing the burden financially.

I normally deal with cases of disruption retrospectively to ensure all the facts are known and to measure the effect of the actual disruption on the value of affected properties. Generally a disturbance would need to be in place for a year or at least over 6 months to have an affect on value. My senior staff and I considered the expert evidence provided by contractors and compared the works with various other cases that have existed over previous years. I was able to estimate the probable impact by reviewing valuation appeal decisions and building on my department's knowledge and experience gained through analysing rents and turnovers for businesses affected by comparable disturbances.

Based on the anticipated affect on rental values it was agreed with stakeholders attending the meetings that an allowance of 20% from the Net Annual Value would be given to properties of a retail nature, which relied on public resort and were situated on the tram construction path. The allowance would be applied when the tram works commenced and would be removed when the works stopped. All works would be fully considered at the start of each stage to measure the likely impact on value.

Some construction works have been deemed to have no affect on value because of the distance from the properties to the actual barriers and construction site. Unlike the majority of disturbance cases where disturbance allowances have been granted, it was agreed that the allowances would be applied for fairly short periods of time and removed on a regular basis. The overall effect of disturbance was viewed as an entire project covering a period of 3 years but with the affect on value varying between 0% and 20% at various locations throughout the construction period.

Unfortunately even with the proactive approach taken and the excellent communication system in place many ratepayers remain dissatisfied with the allowances given. Ratepayers have lodged many appeals the first of which was heard on 13th November 2008 and from my point of view I am glad to say that the appeal was dismissed without further adjustment. Other similar appeals have still to be heard.

Joan Hewton BSc FRICS is the Lothian Assessor, Chair of the SAA Commercial Subjects Committee and Vice-Chair of its Electoral Registration Committee.

Any articles for publication should be submitted to the Editor (Details overleaf)