

The Scottish Ratepayers' Forum

Newsletter

R 2005 Issue 1 December 2006

Welcome

SAA

Scottish Assessors Association

to the first issue of The Scottish Ratepayers' Forum Newsletter which will be circulated electronically to Scotland's business organisations bringing information about Forum meetings and news concerning business rates.

The Scottish Ratepayers' Forum (SRF) was created in 2003 as a result of a request from Scotland's business community to the then Scottish Executive Finance Minister, Andy Kerr. The Forum was established by Business organisations and the Scottish Assessors' Association (SAA). It includes representation from Finance Officers, the Executive and a range of business groups.

The SAA is a non statutory body representing Scotland's 14 Assessors who are responsible for fixing Rateable Values which are used by local councils to calculate Business Rates Bills for all non-domestic ratepayers. If you want to read more about Assessors, what they do and how they do it, log on to www.saa.gov.uk, the SAA Portal a single point of access for information about rateable values across Scotland. Within the Portal there is a section dedicated to the SRF from which all Minutes of its meetings and this Newsletter can be downloaded - www.saa.gov.uk/ratepayersforum.html

The membership of the Scottish Assessors' Association consists of the 14 Assessors together with senior members of staff, all of whom are Chartered Surveyors, who form the various committees and working groups that prepare the valuation recommendations and Practice Notes used by Assessors to ensure uniformity of valuation approach across Scotland.

The current President is Billy Sommerville, Assessor and Electoral Registration Officer to the Ayrshire Valuation Joint Board. He is joined on the Executive Committee by Douglas Gillespie (Highland & Western Isles VJB), Mike Lithgow (Lanarkshire VJB) and Sandy McConochie (Grampian VJB)

One of the aims of the SAA, as expressed in its constitution, is to promote consistency in the operation of the Valuation Acts

Contact details for all Assessors are available from the SAA Portal.

www.saa.gov.uk/saacontacts.html

If you want to contact the Editor of this Newsletter contact:

assessor@grampian-vjb.gov.uk

Next Meeting (contd.)

Offers to host meetings, or suggestions for locations are always welcome. At our next meeting Borders Assessor, Les Walker will give an update on developments in relation to the SAA Portal.

The date of the next meeting will be arranged by agreement but is likely to be held in May 2007 after the Scottish Parliamentary Elections.

STOP PRESS

For 2007 the business rate in Scotland will be the same as in England at 44.1p

Scottish Assessors

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Welcome

Council Tax Bands
For information about a Council Tax Band, enter postcode or address and click GO
Type here GO

Rateable Values
For information about a Rateable Value, enter postcode or address and click GO
Type here GO

Select your area
For information about your area, select a region from the map or identify your Assessor from the local council area list below. Click to be taken to the home page for that region.

Councils Help

Interactive Services
Non domestic ratepayers are able to appeal against their rateable value on-line from this site. Council Tax payers can also appeal by lodging a Proposal against their Band from here [more...](#)

SAA
Scottish Assessors Association

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The SAA Home Page (screen shot)

Next Meeting of the SRF

The next meeting of the Scottish Ratepayers' Forum will be held at the offices of the Scottish Executive, Victoria Quay, Edinburgh. A recent consultation on the future of the Forum resulted in agreement that outwith the immediate Revaluation preparation period bi-annual meetings would be suitable and that these should probably rotate between venues.

Smoking Ban

The following is the text of an article, provided by the SAA, which appeared in the June 2006 issue of "Scottish Licensee", the official publication of the Scottish Licensed Trade Association.

"Rates are always a hot topic and more so at the moment with the introduction of the smoking ban on 26 March. The SLTA has raised this issue with the Scottish Assessors' Association (SAA) through the Scottish Ratepayers Forum. Here, Sandy McConochie, the Assessor for Grampian and a member of the SAA Executive, gives some general guidance.

It came as quite a surprise to me when reading the February "Smoking Ban – Special Issue" of the "Scottish Licensee", that none of the contributors made any reference to the effect of the ban on rates bills. The topic has however been raised with Assessors, notably by SLTA President Jim Hughes and his predecessor, Alistair Don.

As most, if not all, licensees will know, your rates bill depends on the level of rateable value fixed by the local Assessor and that the rateable value is related to turnover. At each revaluation (the last one was effective from 1 April 2005), the Scottish Assessors' Association analyses details of rents paid and the turnovers achieved by licensees to produce Practice Notes used by individual Assessors in valuing pubs, hotels and restaurants.

Actual turnovers are subject to adjustment to arrive at a "Fair Maintainable Turnover" to take account of the mix of wet and other trade, adjusting eg food sales, machine income and tobacco sales. In a non-revaluation year, rateable values are fixed at the Revaluation level and will not simply be altered because there is a change in the level of turnover. The reasons for fluctuations in annual income are of course many and varied but unless the change amounts to a "material change of circumstances" Assessors are prohibited from increasing values when incomes rise but equally barred from reducing values when incomes fall. Similarly, unless the ratepayer can prove a "material change of circumstances" has occurred, an appeal would not be competent.

The expression "material change of circumstances" (MCC), is defined in legislation but put simply means any change of circumstances affecting value such as eg an extension or other physical change to the property. This area is not free from difficulty however and whilst the ban on smoking in public places is undoubtedly a change of circumstances, the question to be asked by Assessors and the independent Valuation Appeal Committees who determine appeals (in the absence of agreement between the Assessor and the Ratepayer) is "is the change material, ie has it affected value?"

Only evidence will allow that question to be answered. Has turnover fallen and has this resulted in reductions in rent? Is the fall in turnover merely temporary? Is the fall in turnover permanent? Is that fall significant? Does it affect value?

In order to provide evidence in any appeal, licensees can assist by recognising the need to be able to prove how turnovers have been affected throughout the period of the ban. And appeals can be lodged at any time. There is no need to appeal hard on the heels of the ban. If an appeal is lodged before 31 March 2007, any reduction in value will be backdated to 1 April 2006 (the start of the rating year). Appeals lodged after 31 March 2007 will be effective from 1 April 2007.

Assessors, with the agreement of the SAA, will have issued an annual return seeking details of turnover for the 2005/06 year and in some cases for earlier years also. Next year there will be another return issued and this will show the broad effect of the smoking ban on turnovers across Scotland. Assessors will, however, not be able to backdate value changes unless an appeal has been lodged by 31 March 2007. It will be in everyone's interest to be able to demonstrate how rents have been affected and also how the pattern of turnover has developed (perhaps on a monthly basis) since the introduction of the ban.

Your local Assessor will be pleased to answer queries on individual premises but establishing any effect of the smoking ban on turnovers and rents will not be possible until much later in this financial year and possibly even not until after 1 April 2007. Whilst there is no panic to appeal now, licensees should monitor their own position bearing in mind that appeals lodged by 31 March 2007 will cover the whole year from 1 April 2006.

You can find out more about Assessors and rateable values on the website www.saa.gov.uk."

Annual Returns

Related to the matter of evidence referred to in the SLTA article and with a view to a general improvement in information gathering, Assessors have issued annual returns to licensed properties seeking information on turnover levels covering the period from 2004. Rental return forms are also issued on a regular basis to all rented properties and it is vital that all of these forms are returned. Assessors are dependent on co-operation from ratepayers to ensure that decisions made on valuation levels are correct so that correct rates bills are issued. There is little point in holding back information from the Assessor only to have to pay a consultant to provide it later in connection with a valuation appeal to achieve the rateable value the Assessor would have fixed had he had the correct information.