

**MINUTE OF THE SCOTTISH RATING
SURVEYORS' FORUM (SRSF)**

Held at Victoria Quay,

Edinburgh EH6 6QQ

On 29 January 2018 at 14.00

Present

Marianne Barker (Scottish Government), Gary Bennett (SAA Secretary), Colette Brough, (Whitelaw Baikie Figes), Louise Daly (Colliers International), Gordon Fettes (Knight Frank), Kevin Fraser (IRRV), Rosemary Greenhill (Scottish Government), Lorna Greig (Ryden), Michael Harkin (BNP Paribas), Graham Howarth (Gerald Eve), Derek Kidd (GL Hearn), Alastair Kirkwood (SAA Vice President), Ian Milton **Chair** (SAA President), Billy McKaig (WYM Rating), Niall Rankin (JLL), Brian Rogan (CBRE), Tony Rosenthal (Cushman Wakefield), Peter Wilkinson (Savills)

Ian Storrie (Scottish Government) attended for item 1 of the meeting.

Apologies

Ken McCormack (Montagu Evans)
Douglas McLaren (Scottish Government)
David Thomson (SAA)

1. Welcome & Introductions

I Milton extended a warm welcome to all present.

M Barker introduced I Storrie as a new member of the Local Government team within the Scottish Government and indicated that he would replace D McLaren who would be moving to another part of the Scottish Government.

2. New Consultation Framework & Remit

I Milton spoke to a consultation framework, which was circulated with the papers. He indicated that following the Barclay report the SAA had reviewed its consultation processes and had determined to establish two separate bodies; the Scottish Ratepayers' Forum – at which ratepayers' organisations would be able to attend and meet with SAA and Scottish Government representatives directly, and the Scottish Rating Surveyors' Forum – at which rating professionals would have similar access. It is anticipated that the two Forums would meet on the same day and cover similar issues, although the detail of the topics covered would vary as appropriate for each distinct group.

He highlighted the remit and purpose of the Scottish Rating Surveyors' Forum as follows:

- The remit of the Forum is to provide an opportunity for rating surveyors to meet directly with representatives from the Scottish Assessors Association, government, finance and related bodies such as the water industry.

- The purpose of the forum is to provide an opportunity for the exchange of ideas, improve understanding and facilitate dialogue between stakeholders.
- The forum is chaired by the SAA and the business will be focussed around lands valuation assessment issues for NDR. Wider NDR issues will also be within the remit of the forum.
- In the interests of fairness, the Scottish Rating Surveyors Forum rather than the Scottish Ratepayers Forum will be the appropriate forum for surveyors who act as agents for a number of ratepayers.
- That approved minutes of meetings would be published on-line via the SAA website.

There was general consensus that the proposed framework and remit was appropriate and that meetings should normally take place twice yearly.

It was agreed that although there may be merit in another Forum being convened to consider issues relevant to Valuation Appeal Committees or the Accounts Commission, this would require to be separate to the SRSF.

3. 2005 & 2010 Revaluation and 2010 Running Roll

3a. Appeals Update

I Milton advised that the 2005 appeals and the vast majority of 2010 outstanding appeals are referred to the Lands Tribunal. Most of the appeals (over 1,000) related to telecoms subjects and a meeting had taken place between the Lands Tribunal, the SAA and the main agents involved to discuss these on 5 October 2017. Since that date a significant number had been resolved and there were now 473 mobile telecom appeals and 167 fixed line appeals outstanding. It was highlighted that these remaining appeals require to be dealt with as a matter of priority.

Other appeals referred to the Lands Tribunal include 103 non-telecom subjects, mainly gas, oil, MOD and energy related subjects (including small hydro subjects), and again progress requires to be made with these. However, it was noted that some outstanding small hydro cases in Tayside are still subject to consideration by the Local Valuation Appeal Committee. I Milton queried whether the Lands Tribunal should be requested to expedite hearings for any of the above categories but no suggestions were made.

I Milton referred to the latest decision of the Lands Valuation Appeal Court in relation to an open cast mine in Fife. Additionally, he noted that several thousand running roll appeals had been lodged in the north east of Scotland in relation to material change of circumstances. The LVAC had considered this issue on 23 January and it is expected that a decision will be issued in the next few months. A further appeal in relation to a large retail warehouse had also been considered by the LVAC and a decision is expected.

3b. Appeal Volumes and Issues

As covered at agenda item 3a.

3c. Lands Tribunal Update and Cases

As covered at agenda item 3a.

3d. Lands Valuation Appeal Court Cases

As covered at agenda item 3a.

4. 2017 Revaluation

4a. Update

I Milton advised the meeting appeal volumes at the 2017 revaluation were similar in proportion to those at the 2010 revaluation. Some 67,519 appeals have been lodged (29% of all properties) for the 2017 revaluation. This is roughly at the same percentage as the 2010 revaluation, although the number of entries in the valuation roll at the 2017 revaluation was circa 233,000 properties, whereas in 2010 this amounted to 213,000. Whilst the percentage of all properties under appeal was the same as 2010, the number of appeals had risen from circa 62,000 to circa 67,500 between the 2010 revaluation and the 2017 revaluation.

At 2017, the rateable value under appeal was circa £7.358 billion which is approximately 68% of total rateable value in Scotland; at 2010 this figure was £6.612 billion which was 71% of total rateable value in Scotland.

4b. Consultation

I Milton indicated that, in addition to the Scottish Ratepayers' Forum and the Scottish Rating Surveyors' Forum, the SAA also met with the Scottish Business Ratepayer's Group. It was hoped that each of these organisations would be consulted on matters of interest. It was anticipated that this may be undertaken via the twice yearly meetings or by email out-with that cycle as necessary.

4c. Appeal Procedures

I Milton referred to the changes to the Valuation Appeal (Procedures in Appeals under the Valuation Acts) (Scotland) Regulations 1995. These changes, among other things, extended the period of notice of a hearing from 70 days to 105 days. In the light of these changes a framework has been discussed with the Scottish Business Ratepayer's Group. The purpose of the framework is to achieve as much consistency as possible in the procedures for resolving appeals, although it was recognised that overall control of the process lay with the Secretary of Local Valuation Appeal Committees. Of particular relevance was the commitment to commence discussion of all appeals at an early date such all discussions should be concluded by 35 days before the hearing. This, it is anticipated, will be helpful to ratepayers, agents and Assessors alike as appeals which can be resolved will be cleared before the 35 day cut off. Detailed written grounds of appeal will therefore require to be lodged only for appeals which are progressing to hearing and greater focus and resources will be able to be allocated by both parties to allow these cases to be better presented before Appeal Committees.

During discussion it was highlighted that the essence of the framework (and particularly the 35 day cut off) would apply in all Assessors' areas although some local variations may be required as directed by each Local Valuation Appeal Panel.

A further matter raised concerned the withdrawal of without prejudice offers at the 35 day cut off, particularly in the context of where factual matters were at issue. I Milton noted that offers made on an entirely factual basis were unlikely to be withdrawn. Where offers comprised both valuation judgement and factual matters these would be withdrawn but each party of course has a responsibility to the Committee to present accurate factual evidence during the hearing of any case.

A number of procedural issues were raised in connection with the first citation packs that had been issued, particularly regarding the timing and issue of S10(2)(a) notices. It was acknowledged that there were likely to be some teething difficulties at the start of any new process and that these matters should be raised in the first instance with the Assessor concerned.

All parties expressed general agreement with the proposed approach.

4d. Shooting Rights

I Milton reported that the majority of shooting rights were entered in the valuation roll at 30 September 2017. This represents circa 10,400 shooting related entries with an RV of some £16.4 million. There is still information being ingathered and more entries are likely to be made before the end of the financial year.

In response to a question regarding the number of additional entries to be made, I Milton responded that this was still being researched and no figures were currently available.

In response to a question regarding water and sewerage charges, R Greenhill indicated that these charges would only arise where subjects were connected to services. It was thought likely that such subjects would already have water meters installed.

5. Barclay Review of Non Domestic Rating

5a. SAA Action Plan

I Milton advised that the action plan is published on the SAA website as is an issues log which records matters raised under investigation. He invited group members to raise any matter that they felt should be considered by the SAA and documented on the issues log. It was agreed that SRSF members will be notified when the action plan is updated.

I Milton also highlighted that a list of SAA contact persons was also available on the web-site.

With regard to new build properties, I Milton highlighted that following the Cabinet Secretary's announcement following the Barclay review, a temporary hold had been placed on making new vacant entries within the Roll. This hold will be lifted once the proposed action by the Scottish Government is clarified.

M Barker indicated that the first meeting of the NDR Advisory Group will take place on 30 January 2018 and advised that representations can be made by SRSF members to that group. She further advised that the forum was only one channel of engagement and that bi-lateral engagement will be undertaken with various stakeholders on different issues as contained in the Barclay Review.

5b. Provision of Information to Ratepayers (Barclay Recommendation 9)

With regard to the sections of the Barclay Report which recommended better information be provided to ratepayers, M Barker indicated that the Scottish Government is reviewing its website content to see how this can be improved for both ratepayers and councils.

5c. Plant & Machinery Review

The meeting noted that a narrow review of the plant & machinery regulations will be underway soon which will focus on the hydro generating subjects. David Tretton had been appointed as Chair to that review group and other members of the group will be confirmed in due course. The British Hydro Association will be consulted. Following this review a wider review of the plant and machinery regulations will take place.

6. Scottish Water – Proposed Changes to Charging Scheme

R Greenhill from the Scottish Government confirmed that current rateable values will be used for water and sewage charges with effect from 1 April 2018 as decided by Scottish Ministers. Transitional arrangements to ameliorate significant changes in charging levels will be in place until 2021.

R Greenhill indicated that a letter had been prepared to give affected users details of the change. It was agreed that this should be circulated to the Forum.

In response to concerns raised by members of the Forum, R Greenhill advised that, following consideration by the industry regulator, it has been decided that any changes in value will, in terms of water and sewage charges, be effective from the date of the valuation notice. This means that, for example, an appeal resulting in a value change would only be backdated in respect of such charges to the date of the valuation notice. This reflects the fact that there could be a change in licensed water retailers over the period since the appeal was lodged and that the process to accommodate backdating to the actual date of the value change would be extremely complicated and difficult to administer.

I Milton advised that any queries in relation to water or sewage should be directed in the first instance to the licensed provider as this was not a matter for Assessors.

7. Scottish Government

7a. Policy Update

M Barker advised that the rate poundage for 2018/19 is proposed at 48p which is capped at CPI uplift subject to parliamentary approval. Again subject to parliamentary approval, she confirmed that the majority of rating relief schemes would remain unchanged for 2018/19 and this included renewable relief, transitional relief e.g. for offices in Aberdeen and hospitality subjects with values under the threshold of £1.5m. Relief for small hydro subjects was expected to remain at 60%

until the outcome of the plant and machinery review was known. Fresh start relief would continue subject to state aid considerations.

With regard to the proposed business growth accelerator, M Barker indicated that legislation was currently being drafted. Similarly, the position for new build subjects was actively being considered.

In response to a question from B Rogan, M Barker indicated that current policy was that only offices in Aberdeen and Aberdeenshire would receive relief and that ratepayers should submit applications where appropriate. Similar rights of appeal will apply as apply to other forms of relief.

7b. Privacy Impact Assessment for Valuation Roll P/T/O Address Information

I Milton advised of the situation in relation to the cessation of publishing address information for proprietor/tenant/occupier (P/T/O) and that a privacy impact assessment is being carried out.

Members of the forum had raised that the cessation of the sale of data held by Assessors was not a welcome move and I Milton advised that this based upon legal advice. In respect of the P/T/O address information, the SAA were working with the Scottish Government regarding possible amendments to legislation to allow for the publication of such information. The members were agreed to participate in a consultation in this regard.

8. AOCB

In response to a question as to whether legislation would be introduced in Scotland to overturn the Woolway v Mazars decision of the Supreme Court, M Barker advised that whilst the Scottish Government continued to monitor the position, this was not under active consideration. It was noted that the decision primarily rested on Scottish case law and that as such the impact of change was significantly less in Scotland than in England & Wales.

9. Date of Next Meeting

It was agreed to continue with bi-annual meetings and that a date would be set for the next meeting in due course.