

Draft

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

Held at Victoria Quay,

Edinburgh EH6 6QQ

On 22 January 2019 at 14.00hrs

Present

Gary Bennett (SAA Secretary), Anouk Berthier (Scottish Government), Colette Brough, (Whitelaw Baikie Figes), Gordon Fettes (Knight Frank), Kevin Fraser (IRRV), Kirsty Gordon (FG Burnett), Lorna Greig (Ryden), Michael Harkin (BNP Paribas), Graham Howarth (Gerald Eve), Derek Kidd (GL Hearn), Alastair Kirkwood (SAA Vice President), Roger Littlewood (Tesco), Stephen McIntosh (Scottish Water), Gordon Martin (GVA), Billy McKaig (WYM Rating), Ian Milton **Chair** (SAA President), Niall Rankin (JLL), Mike Rose (CBRE), Ian Storrie (Scottish Government), David Thomson (SAA Past President),

1. Apologies

Louise Daly (Colliers International), Moira Gordon (FG Burnett), Brian Rogan (CBRE), Peter Wilkinson (Savills).

2. Minute of previous meeting of 16 November 2018

2a. Accuracy

The minute of previous meeting was approved with a minor typographical amendment. It was noted that the approved minutes are published on the SAA Portal.

2b. Matters arising not on agenda

I. Milton referred to item 8 of the minute of 16 November and a request made by M. Rose as to the number of additional entries created as a result of the Supreme Court Decision in the Case of Woolway v Mazars (2015). He was able to confirm that overall some 3,314 previous entries had been subdivided to form 9,967 entries following that decision. 801 of these entries related to car parking spaces only.

3. 2005 & 2010 Revaluation and 2010 Running Roll

3a. Appeals Update

I. Milton advised that as at 15 January 2019 there remained 330 outstanding telecoms appeals and circa 100 non telecom appeals. Some 56 telecom appeals had been resolved since the meeting of 16 November 2018. No non-telecom appeals had been resolved since the last meeting. The Chair encouraged anyone who had any 2005/2010 outstanding appeals to seek resolution of them as soon as possible, in particular telecom appeals whereby there is an agreed scheme now in place.

3b. Lands Tribunal Update and Cases

I. Milton advised that the Lands Tribunal is aware that discussions are progressing in respect of the appeals referred to the Lands Tribunal in respect of 2005/2010 Valuation Rolls.

3c. Lands Valuation Appeal Court Cases

I. Milton advised that a decision has now been issued by the Lands Valuation Appeal Court in respect of canal subjects and should be available on their website. The Lands Valuation Appeal Court have also met and considered the appeals in respect of micro hydro subjects and the decision is awaited.

4. 2017 Revaluation

4a. Appeal Progress

I. Milton advised in respect of appeal progress that statistics are available at the Scottish Government website. The statistics for the third quarter of 2018 showed that 35% of cases concerning properties for which an appeal had been lodged had been resolved and that by the fourth quarter of 2018 this had increased to 41%. However, the statistics also demonstrated that this was behind the profile of appeal resolution at the previous revaluation and this raised a concern as to whether completion by the statutory date would be achieved. He opened the floor to any suggestions as to steps that may be taken to increase the resolution rate. In the discussion that followed a number of parties indicated that they would not welcome any increase in the rate at which citations were being issued. It was noted that overall the number of appeals lodged had increased from the previous revaluation and that, both in private practice firms and Assessors' offices, resources had been reduced. It was also noted that, to a degree, the programming of appeals for licensed subjects at an earlier stage than normal may have impacted on appeal resolution rates, although the effect of this was thought to be minor. It was re-iterated that if any individual ratepayers were suffering financial hardship as a result of a delay in resolving appeals, they could request an expedited hearing and should contact their local Assessor.

In response to a query from R. Littlewood, I. Milton indicated that the proportion of appeals which are resolved with no value change could be ascertained from the Scottish Government statistics. I. Storie indicated that, in broad terms, some 75% of appeals had been resolved with no value change. The cumulative effect of adjustments for the 25% which did receive a value change was in the order of £78m.

I. Milton advised that appeals continue to be cited by Valuation Appeal Panels throughout the country and for 2019, so far, over 107 hearings have been scheduled with some panels yet to schedule for the latter part of the year.

4b. Scotvac Website

I. Milton noted that a number of appeal decisions were not yet available on the website. He suggested that members should check to see that decisions have been uploaded and, if not, contact the relevant Appeal Panel Secretary.

5. Barclay Review of Non Domestic Rating

5a. SAA Action Plan

I. Milton referred to the SAA Action Plan and advised that this is reviewed regularly. Two matters which are currently under consideration are related to what information should be available to interested parties at Revaluation, and the position regarding indemnity insurance in respect of estimated values.

5b. Barclay Implementation Advisory Group

I. Storrie advised that the draft Scottish budget had been produced and, amongst other measures, the following form part of that budget: that there will be rates relief for new fibre installations for a ten year period; that current reliefs will remain in place to the next revaluation in respect to the hospitality sector and offices in the north east of Scotland; and the small business rates relief scheme was being maintained. The out of town levy proposed by Barclay was not being taken forward. The budget requires parliamentary approval before it is finally adopted and the process is due to be concluded around 20 February 2019.

I. Storrie further advised that work is under way in relation to the analysis of the Barclay consultation by a third party organisation and that the results of that analysis, together with a report on it, is expected within the next couple of weeks.

He further advised that the Barclay Advisory Group is preparing a final report which will be published. The Appeals Sub Group has met several times and will do so again and recommendations from that group are awaited. He advised that a two stage appeal process is being considered. As part of attempting to streamline matters, information powers are likely to be extended for Assessors.

I. Storrie also advised that the Billing Sub Group continue to work on standardised billing for the coming financial year. A standard template has been agreed which will be adopted in some areas in the next financial year and rolled out elsewhere in the following years.

In respect of the NDR Bill, I. Storrie advised that it is currently with the Scottish Government for drafting and that they are working towards the Bill being publicly available in late March. I. Storrie advised that there are still some complex matters within the Bill, however some matters can be dealt with by secondary legislation following consideration by the Scottish Government legal team. I. Storrie advised that consultation on the Bill is likely to be undertaken in the autumn.

He advised that the evaluation of small business rates relief scheme is likely to be undertaken independently and with a view to having any changes to the scheme in place for the next revaluation.

He further advised that the Scottish Government website is to be improved re non domestic rating information with a plain English approach and a road map forming part of the review process to make matters much clearer to ratepayers and users.

Ian Storrie also advised that the Small Hydro Review is awaiting the outcome of the recent LVAC hearing and will formalise it's report after that has been issued. In the meantime, a further 12 months relief has been implemented for that sector. A more extensive Plant and Machinery Review is expected to proceed following the hydro review.

I. Storrie further reported that work is ongoing in respect of publishing relief recipients; however, GDPR compliance was a consideration in this respect.

G. Martin indicated that feedback from the Scottish Business Ratepayer's Group was positive. He noted that it will take time to change behaviours and that appeal volumes in 2022 may remain high and fall thereafter.

M. Harkin queried whether information will be made available to ratepayers before appeals require to be lodged for the 2022 revaluation. I. Storrie indicated that the intention is that additional information will be made available to ratepayers at the revaluation in 2022. He also highlighted that there will be additional powers for Assessors to obtain information and that these powers are expected to come into effect at the same date in 2020. He noted that the intention is that Rateable Values should be able to be increased on appeal as well as being reduced.

M. Rose queried whether sufficient resources would be made available to Assessors. I. Storrie confirmed that these matters are being addressed and that there will be a Financial Memorandum attached to the Bill. I. Storrie also indicated that he is looking into whether an IT system could be created which may help reduce the anticipated increase in costs. R. Littlewood counselled against reliance on IT systems and highlighted issues with recent developments in England, which were not perceived to be beneficial.

G. Howarth raised issues with the low uptake of the Business Growth Accelerator and indicated that some councils had been slow to progress applications, in some cases citing that they were awaiting information from the Assessor. I. Milton highlighted that the application of the relief was a matter for the Finance Officer of the relevant Council. However, Assessors were more than happy to assist and if there were any problems with delay then the appropriate Assessor should be contacted directly.

In response to a query from G. Fettes, K. Fraser confirmed that Fresh Start relief could be applicable to all properties including industrial properties.

In response to a query from M. Rose, I. Storrie indicated that the transfer of Valuation Appeal Committees into the Tribunal Service will take place in 2022. Whilst, typically, the Tribunal Service would engage in the transfer process around 18 months before the transfer date, in the case of valuation appeals the Tribunal Service was alert to the size of the task and engagement is underway. He proposed that a representative of the Tribunal Service be invited to a future meeting and this was agreed.

6. Scottish Water

S. McIntosh advised that there was very little by way of an update from the last meeting and that water and sewage bills linked to live RVs are now well in place. He advised that there had been a low level of customer concern in respect of the new billing approach and at the moment for Scottish Water it was very much a case of business as usual.

In response to a query from M. Rose, S. McIntosh indicated that although licensed providers will have the necessary information, other providers may not have access to the historic RV used for the purpose of calculating water bills.

7. Scottish Government

7a. Policy Update

This item was covered earlier under item 5b by I. Storrie.

7b. NDR Bill Update

This item was covered earlier under item 5b by I. Storrie, however, he confirmed that in respect of the NDR Bill, it is hoped Stage 1 will be concluded by October, Stage 2 by November and Stage 3 by January 2020.

8. AOCB

G. Howarth raised the issue of appeals concerning sites of ATMs and indicated that, pending the outcome of cases in England, applications for a referral to the Lands Tribunal would be made for those appeals which had already been cited for hearing in Scotland. R. Littlewood noted that the Supreme Court has been requested to expedite a decision on whether they would hear the appeals in England or not.

9. Date of Next Meeting

It was noted that the next meeting is likely to be in May 2019.