

Draft
MINUTE OF THE SCOTTISH
RATEPAYERS' FORUM
Held at Victoria Quay,
Edinburgh EH6 6QQ
On 22 January 2019 at 11am

Present

Marshall Bain (Scottish Licensed Trade Association), Alastair Beattie (Scottish Valuation Appeal Committees Forum), Gary Bennett (SAA Secretary), Anouk Berthier (Scottish Government), Fiona Campbell (Scottish Self Catering Association), Katy Dickson (Scottish Land & Estates), Kevin Fraser (IRRV), Alastair Kirkwood (SAA Vice President), David Lonsdale (Scottish Retail Consortium), Stuart Mackinnon (Federation of Small Businesses), David Melhuish (Scottish Property Federation), Ian Milton (SAA President), Joseph Mitchell (Scottish Renewables), Beatrice Morrice (Scottish Whisky Association), Stephen McIntosh (Scottish Water), Ian Storrie (Scottish Government), Shane Taylor (Scottish Chambers of Commerce), David Thomson (SAA Past President).

1. Apologies

Hew Edgar (RICS), Philip Glenwright (UKPIA), Cameron Gold (Petrol Retailers Association), Willie MacLeod (BHA), Colin A Wilkinson (Scottish Licensed Trade Association), Gareth Williams (Scottish Council for Development of Industry).

2. Minute of previous meeting of 16 November 2018

2a. Accuracy

The minute of previous meeting was approved without any amendments. It was noted that the approved minutes are published on the SAA Portal.

2b. Matters arising not on agenda

Nothing raised at the meeting.

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. 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 that in respect of appeal progress that statistics are available at the Scottish Government website. He further advised that appeals continue to be cited by Valuation Appeal Panels throughout the country and for 2019 so far at least 107 hearings have been scheduled with some panels yet to schedule for the latter part of the year.

I. Milton further advised that the disposal deadline for the Revaluation appeals is 31 December 2020.

A. Beattie commented that for some panels to progress appeals, he would encourage that lead Assessors discuss and agree the relevant practice notes which would allow panels throughout the country to cite such appeals. I. Milton advised that this is currently underway and that progress had been made with licensed premises as well as retail, office and industrial subjects' appeals generally being resolved.

In respect of a question relating to whether there had been an increase in appeals from the last Revaluation in respect of retail subjects and/or material change of circumstance appeals for such subjects given that there continues to be a general downturn within the sector. I. Milton advised that he was not particularly aware of an increase in these appeals and indeed case law has dealt with material change of circumstance appeals in respect of such matters. He further advised in response to a related question that the treatment of company voluntary administration agreements would be further considered at the next Revaluation.

All attendees at the meeting, where they have a role to play in the return of information as sought by Assessors in preparation for Revaluations, were encouraged to advise the members of their respective bodies to do so. This would ensure values are based on all available evidence which in turn should help lead to certainty amongst ratepayers in terms of rates expenditure.

In respect of a question on streamlining the appeals process, the Chair responded by advising that it is the case that lead cases are identified which in turn would unlock tranches of appeals and that work was continuing with various industry representatives and the SAA in respect of a number of sectors.

M. Bain expressed concern in respect of public house valuations that whilst turnover may be static or go up from a previous Revaluation, this is not directly related to profitability when running expenses continue to increase.

Discussion on the approach to licensed premises was undertaken whereby SAA representatives advised that turnover is used a unit of comparison to rental values and it is those rents which form the basis of the valuation approach.

M. Bain further stated that it was rather perplexing that large subjects such as the Asda at Livingston see their rateable value come down in 2017 from the previous Revaluation but licensed premises in turn go up, and that the introduction of a cap on rating liability in respect of licensed premises was in some way proof that rateable values were incorrect.

A. Beattie advised that Assessors, Valuation Appeal Committees and agents have to follow the law in terms of valuation and that political decisions should be seen distinctly separate from valuation decisions particularly when there is a body of case law surrounding the valuation of certain subjects.

A. Beattie further commented that there was a view to accommodate requests for continuations of appeals to ensure that all appeals are thoroughly tested. In his area he was experiencing issues of agents not wanting to travel to the Highlands for a few appeals.

4b. Scotvac Website

A. Beattie expressed his gratitude to Lothian Valuation Joint Board IT for setting up the site, however, he also expressed concern that a number of decisions were not on the site when he was aware that Valuation Appeal Committees had issued decisions. Efforts were being undertaken to seek that when a decision is issued that it is uploaded to the Scotvac website timeously.

G. Bennett reminded the meeting that the Scotvac website decisions were essentially from a moment in time for 2017 Revaluation and that previous decisions to that date may be available on other websites which can be used as a point of reference for ratepayers and agents.

A. Beattie advised that whilst he is encouraging Secretaries to upload decisions he has no authority to direct them in this matter. I. Storrie reminded the meeting that the website had been established at Ministerial request.

5. Barclay Review of Non Domestic Rating

5a. SAA Action Plan

I. Milton referred to the SAA Action Plan and advised that views are being sought as to what information should be available to interested parties at Revaluation. This was previously raised at a SRF meeting. Some concern had been expressed about what information Assessors would provide publically as part of a Revaluation process as certain information was provided in commercial confidence. In addition to suggestions sought as to what information would help with contextualising Revaluation values, the Chair also invited suggestions in respect of improvements to the service standards which Assessors currently provide.

G. Bennett reminded the meeting that an Issues Log resides on the SAA portal which details issues which have been raised with the Association, and also the outcome of the SAA's considerations in respect of each.

In respect of a further question on the valuation approach to the hospitality sector, I. Milton advised that this was directed by case law. SAA reps further advised that Practice Notes and other alternative methods of valuation approach are tested via the SAA's procedure which involves at each Revaluation a thorough review of evidence and valuation method. In addition to engagement with industry representatives ahead of the revaluation, the SAA had participated in a Ministerial Roundtable that focused on methodologies of the valuation of hospitality subjects and subsequent to that continued to work with industry representatives' bodies, such as the British Hospitality Association and Scottish Licensed Trade Association.

SAA representatives further advised that for the 2022 Revaluation it is the intention of the Association to ensure wide consultation on Practice Notes.

K. Dickson advised that her experience of dealing with Assessors was of a positive nature in respect of Shootings, whereby Assessors were willing to work with and have dialogue with industry representatives.

5b. Barclay Implementation Advisory Group

I. Storrie advised that the draft Scottish budget had been produced and amongst other measures the following forms 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 revaluations 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 Appeals Sub Group has met several times and will do so again and that recommendations from that group are awaited. He advised that a two stage appeals 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. As a result of the work undertaken by the Standardised Billing Group, it has seen an improvement in some areas in the rates bills. This should be evident to ratepayers once the new bills are in place.

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.

I. Storrie also advised that the hydro review, as part of the plant and machinery review, is awaiting the LVAC hydro decision and that the full plant and machinery review is expected to proceed following the hydro review. In the meantime, a further 12 months relief has been implemented for that sector.

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

In response to a question on the Appeals Sub Group, I. Storrie advised that the group had met several times and the Scottish Government were awaiting formal response from that group but the group will meet again on 29 January and that the recommendations of that group will feed into the Barclay Implementation Advisory Group.

In response to a question, I. Storrie confirmed that the next revaluation date will be 2022, despite England being in 2021 and confirmed that the tone date for that revaluation will be 2020.

In response to a further question in the evaluation of small business rates relief, I. Storrie confirmed that the implementation of any recommendations in this respect would not likely be implemented until the next revaluation.

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.

7. Scottish Government

7a. Policy Update

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

7b. Valuation Roll P/T/O Address Information

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

8. AOCB

No matters raised.

9. Date of Next Meeting

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