

**MINUTE OF THE SCOTTISH
RATEPAYERS' FORUM**

Held at Atlantic Quay,

Glasgow

On 11 January 2016

Present

Marshall Bain (SLTA), Katy Dickson (Scottish Land & Estates), Hew Edgar (RICS), Cameron Gold (Petrol Retailers Association), Kevin Fraser (IRRV), Julie Hesketh-Laird (Scottish Whisky Association), Louise Hester (Scottish Government), Joan Hewton (SAA Past President), Alastair Kirkwood (SAA Secretary), Stuart Mackinnon (Federation of Small Business), Ken McCormack (CBI/RICS), Alasdair MacTaggart **Chair** (SAA President), David Martin (Scottish Retail Consortium), Douglas McLaren (Scottish Government), David Melhuish (Scottish Property Federation), Ian Milton (SAA Vice President), David Smythe (Scottish Self Catering Association), Mari Tunby (Confederation of British Industry), Gareth Williams (SCDI).

1. Welcome & Introductions

The Chair extended a warm welcome to all present and invited attendees to introduce themselves.

2. Apologies

Marc Crothall, Philip Glenwright, Roger Littlewood, Brian Madderson.

3. Minute of Meeting of 9 July 2015

The Minute was approved without change.

There were no matters arising from the previous Minute that were not on the Agenda.

4. 2005 and 2010 Appeals Progress and Running Roll

2005 Revaluation

A MacTaggart advised that there are very few 2005 appeals outstanding and those that remain await hearing by the Lands Tribunal for Scotland.

2010 Revaluation

A MacTaggart further advised that the 2010 revaluation appeals which remain outstanding have also been referred to the Lands Tribunal. Of these telecoms subjects represent the biggest single category and these are generally being dealt with. Revaluation appeals for other subjects are also being resolved with some being cited by the Tribunal for formal hearing in the spring. There are relatively few running

roll appeals outstanding. It was noted that running roll appeals for public houses which relate to the lowering of alcohol limits for drink driving offences are currently being withdrawn, although it was mentioned that these may be re-lodged if further evidence becomes available.

Lands Valuation Appeal Court

It was noted that a decision in the case concerning micro hydro subjects, which was heard by the LVAC on 10 November 2015, is awaited. It was also noted that an appeal may proceed to the LVAC concerning contractors v comparative basis for a property at Pentland Science Park in Lothian.

5. 2017 Revaluation

A MacTaggart intimated that work on producing draft valuations for the 2017 revaluation is now underway. This has brought sharply into focus the need for both rental and cost information to be returned when requested by the Assessor. It was emphasised that this information is absolutely crucial in order to ensure that valuations prepared for 2017 are accurate. There was a general discussion over how the return of information could be encouraged. J Hesketh-Laird voiced a concern over the complexity of information being sought for whiskey subjects and indicated that although the Scottish Whiskey Association would not respond directly to requests for information the requirement to do so would be highlighted to its members. Other members agreed to do likewise.

A MacTaggart also noted that the SAA are happy to engage with industry representative groups as part of the revaluation process. S Mackinnon queried whether it was possible to publish a list of industry groups consulted as some ratepayers might feel left out of the process. He also queried whether such engagement could follow the example of Scottish Government consultations. Following discussion it was considered that this would be impractical as there was insufficient time in the timetable for lengthy consultations. However, the SAA representatives highlighted that individual ratepayers who wish to do so should be encouraged to raise issues with their local Assessor who would keep them appraised of the situation and, where possible, endeavour to take on board their views. D McLaren indicated that consideration would be given as to whether messaging to this effect could be included within the "mygov.scot" website.

A MacTaggart highlighted that the Scottish Government's Land Reform Bill called for the restoration of shooting rights and deer forests to the Valuation Roll. It was noted that shooting rights are a separate subject from the land across which they are exercised and that there will be considerable work required to ascertain which shooting rights should be assessed.

A MacTaggart also highlighted that consideration was currently being given by Assessors to a decision of the Supreme Court in the Case of Woolway (VO) v Mazars 2015. This decision held that separate floors of an office block which were in the same occupation but which were only connected via communal areas of the building should be separate entries in the Valuation List. It was noted that the membership of the Court included the former Lord President and Chairman of the Lands Valuation Appeal Court in Scotland and that the decision was largely based upon Scottish Case Law. It was felt that although the case was not a relevant decision in terms of a material change of circumstances it could nevertheless be persuasive in decisions of the Scottish Courts.

In response to a query from D Martin, D McLaren confirmed that the Scottish Government will consult on whether a system of transitional relief should be introduced for the 2017 revaluation.

In response to a query from K McCormack, D McLaren confirmed that the Scottish Government hoped to make an announcement on the proposed decapitalisation rate(s) in due course.

6 Scottish Government

D McLaren provided an update on the work of the Scottish Government in relation to Non Domestic Rates (NDR) and in particular the announcements made by the Deputy First Minister when the draft 2016/17 budget was introduced to Parliament. These included:

- (i) The proposed poundage for the year 2016/17 is 48.4p, which represents an increase in line with inflation.
- (ii) The proposed large business supplement is increased by 1.3p to 2.6p resulting in a combined rise along with the poundage of 3.4%.
- (iii) It is proposed to limit levels of empty property relief for industrial subjects to 100% for the first 6 months and 10% thereafter. This can be contrasted with the proposal for non industrial subjects which is 50% for the first 3 months and 10% thereafter. In response to a query from K McCormack he confirmed that these changes applied to industrial subjects including buildings and not to sites which comprised bare land.
- (iv) Renewable energy relief levels are to be reduced.
- (v) A review of the NDR System will be undertaken and officials are currently undertaking work to scope out the consultation process.

Subject to consideration by the relevant Committee, and appropriate stakeholder consultation, the various orders related to the above will be laid before the Scottish Parliament, possibly during February 2016.

D Martin queried whether the impact of changes to the large business supplement could be profiled to give an indication of the possible impact of the change. D McLaren noted this was being considered.

S Mackinnon raised a query as to whether NDR income was decreasing. D McLaren indicated that overall NDR income was still increasing.

K McCormack raised a query as to whether there would be changes to new start/fresh start rating relief. D McLaren indicated that this was under discussion.

K McCormack also highlighted that the proposed changes to the levels of empty property relief for industrial properties may attract considerable publicity.

With regard to the recent consultation on the NDR appeal system, D McLaren indicated that the Scottish Government are still considering the various responses and would formulate a view in due course. He also noted that to a degree this may overlap with the proposed consultation on the NDR system.

With regard to the recent Community Empowerment Bill, D McLaren indicated that rating authorities now had the power to vary levels of rates relief and that this included the financial year 2015/16.

With regard to the Land Reform Bill, D McLaren indicated that this was nearing the end of stage 1 of Parliamentary scrutiny. In response to a query from D Smythe, D McLaren indicated that the levels of NDR income which would be raised from shootings and deer forests, and whether this would impact upon ratepayer's entitlement to the small business bonus scheme, would be considered once Assessors had determined what shootings required to be assessed and the likely rateable values.

7. AOCB

None.

8. Date of next meeting

Provisionally planned for early June 2016 - date to be confirmed.