

**MINUTE OF THE SCOTTISH
RATEPAYERS' FORUM
Held at St Andrews House,
Edinburgh
On 24 November 2014**

Present

Kevin Fraser (IRRV), Philip Glenwright (UK Petroleum Industry), Louise Hester (Scottish Government), Joan Hewton **Chair** (SAA President), Roger Littlewood (BAA), Stuart Mackinnon (Federation of Small Business), Alasdair MacTaggart (SAA Vice President), David Martin (Scottish Retail Consortium), Ken McCormack (CBI/RICS), Douglas McLaren (Scottish Government), David Melhuish (Scottish Property Federation), Graham Owenson (Scottish Government), David Smythe (Scottish Self Catering Association), David Thomson (SAA Past President)

1. Welcome & Introductions

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

2. Apologies

Julie Hesketh (Scottish Whisky Association), Owen Kelly (Scottish Financial Enterprise), David Lonsdale (Scottish Retail Consortium), Ian Milton (SAA Secretary), Beatrice Morrice (Scottish Whisky Association), Colin Williamson (SLTA)

3. Minute of Meeting of 4 November 2013

The minute was approved.

3a Matters Arising not on the agenda.

There were no matters arising from the previous minute that were not on the agenda.

4. 2005 and 2010 Revaluation – Lands Tribunal and LVAC appeals progress

The Chair updated the meeting on progress in relation to 2005 appeals which were outstanding at either Lands Tribunal (LT) or Lands Valuation Appeal Court (LVAC). Notably, the LVAC had upheld the decision of the LT in respect of mobile telecommunications subjects. 2005 Revaluation appeals had largely been settled and running roll appeals were under discussion.

It was hoped that a negotiated settlement in respect of Canals could be achieved shortly.

The Roseisle distillery was the only whisky-related appeal which remained outstanding from 2005.

In relation to the 2010 cycle, the settlement of Mobile Telecomms appeals was expected to flow from the above case. Appeals relating to Health Care subjects in Lothian were likely not to be heard until the outcome of a similar case in England was known, though that decision may well be appealed. Discussions were progressing, albeit slowly, in relation to MOD, Oil-related and Pipeline subjects. Progress had been made in relation to Auction Marts, although there had been complications arising from subjects in England. Distilleries and Canals were in a similar position for 2010 as 2005.

Recent decisions of the LVAC included:-

Lothian Assessor v Over the Counter (Material change considerations)

Bellhaven v Assessor for Ayrshire (Public House valuation)

Suburban Taverns v Assessor for Glasgow (Public House Valuations/Provision of Information)

Happy Feet Nursery v Assessor for Lanarkshire (Mcc and relevance of a VAC decision)

WH Smith v Assessor for Lanarkshire (Shop valuation approach)

The Opinions are all available at www.scotcourts.gov.uk

K McCormack understood that, following several new appointments, the LTS was likely to deal with an increased case load in the year ahead. An LT Focus Group had been established to overview the progress of appeals but it had not met recently. In answer to a question from Philip Glenwright, Joan Hewton agreed to contact the LTS to establish an overview of its proposed timetables/schedules for hearings.

5. 2010 Running Roll

The Chair reported that numbers of running roll appeals were at relatively low levels with assessors and local VACs keeping on top of these.

6. 2017 Revaluation

Joan Hewton reported that the SAA had commenced planning for the 2017 Revaluation and that if representative bodies wished to take part in the development of Practice Notes/Valuation approaches, now was the time to make contact with the SAA.

She reiterated the need for Assessors to ingather as much rental, cost, turnover and other information as was possible to ensure accurate valuations at the Revaluation and implored the various representatives to encourage their members to complete such forms as were to be issued promptly and accurately. The relevant 'Tone date' for the Revaluation is 1st April 2015 so ratepayers can expect the issue of enquiry forms around that time. There may be a place for representative bodies to assist with design and content of the relevant forms of return.

D Smythe noted that, although the forms for Self Catering Units had been discussed between the SAA and the SSCA, the information returned would always be incomplete because of 'churn' in occupiers. There may be a case for the annual issue of forms. D Smyth did agree that, as many of his Association's members were not well prepared for the formal appeals processes, their provision of information was to be encouraged.

S Mackinnon encouraged a more open and formal consultation during this preparation phase and wondered if there was more information available on line. The SAA advised that there was no formal consultation process but that any interested body could become involved through contact with the SAA Executive members. A MacTaggart also reiterated the information available, and access to the SAA, through the Assessors' web portal (www.saa.gov.uk). The SAA agreed to provide a list of the various spokespersons responsible for the production of Practice Notes. S Mackinnon then asked the SAA to ensure that consultation went beyond some of the more established consultees. In particular he felt that hoteliers who were not in the SLTA were not well represented in the past.

K McCormack confirmed that, notwithstanding the above consultations, he would fully expect that many of the valuation approaches would remain similar to before.

P Glenwright brought the SAA's attention to a meeting of airport surveyors and the VOA which was taking place on 10th December. The SAA representatives agreed that they

would alert their spokesperson to that meeting and encourage his attendance.

P Glenwright urged ratepayers to make assessors aware of factors affecting their sectors at and around the 1st April 2015 and emphasised the importance of trends.

As an aside, D Smythe informed the meeting that Glasgow City Council no longer applies any planning category which would allow Self-Catering Units to be established within the city.

The SAA agreed to circulate the draft 2017 timetable with the minute of the meeting.

R Littlewood asked the SAA to consider a guide to use of the SAA portal.

In response to a question from K McCormack, D McLaren advised that it was too early to confirm when revised values for the Revaluation would be made public. He did confirm, however, that the consultation responses requesting earlier release than had been the case for 2010 had been noted.

Also in response to a question, the SAA confirmed that they would be harmonising with England and Wales on a number of different levels.

7. Scottish Government

D McLaren updated the meeting on a number of the recent ministerial appointments which were pertinent to NDR. These included:-

- John Swinney – Deputy First Minister and Cabinet Secretary for Finance, Constitution & the Economy
- Fergus Ewing – Minister for Business, Energy & Tourism
- Alex Neil – Cabinet Secretary for Social Justice, Communities and Pensioners' Rights (portfolio includes local government)
- Marco Biagi – Minister for Local Government & Community Empowerment

The Government's Programme for Government (PfG) was due to be announced on Wednesday 26th November. The draft budget has been published and the budget process would continue until February 2015. The UK Chancellor's autumn statement was due on 3rd December and the Scottish Government's Local Government Finance Statement was provisionally scheduled for 11th December. The latter could include the rate poundage for 2015/16 which was expected to be no more than the September RPI of 2.3%.

In respect of the 2017 Revaluation the government had noted the responses to the "Supporting Business, Promoting Growth" consultation regarding Transitional Relief and the early release of new Rateable Values. The subsequent consultation on the NDR valuation appeal system was likely to be out before the end of the year.

Uptake of SBBS has risen to over 96,000 in 2014-15, which reflects approx. £165mill of relief. The new FM had spoken of a commitment to SBBS all through the life of the next Parliament (if re-elected) at conference.

In answer to a question, it was confirmed that the expected Community Empowerment Bill does include a proposed power to councils to introduce self-financing discretionary relief schemes. L Hester confirmed that the government would also be issuing non-statutory, plain English, guidance on all business rates reliefs. The guidance would also make reference to State Aid implications where they apply .

In response to a question from D Martin, Scottish Government noted Ministers had confirmed that the Public Health Supplement levy on large retail properties would end in

March 2015 and that there was no replacement scheme planned.

S Mackinnon asked whether, in light of the planned review of Council Tax, there might be a commitment to a wider review of local government funding, including NDR. It was noted that the Government would be responding to the proposals in the Local Government Committee's report in due course.

There were no statistics available on the uptake of New Start and Fresh Start reliefs, though Scottish Government agreed to investigate. K Fraser was able, in the meantime, to confirm that uptake had been very low in his area of operation.

In response to a question from D Melhuish, Scottish Government advised that they were not yet in a position to say which Minister held the responsibility for Scottish Water. K McCormack reiterated the need for a complete review of the water charging regime and SAA were able to confirm that it was their understanding that such a review was in fact under way, with the moratorium on revised charges likely to be extended to April 2017.

G Owenson advised that the Business Rates Incentivisation Scheme (BRIS) has been revised and would be relaunched in the near future. The revised scheme had been much simplified and had a greater focus on the buoyancy on valuation rolls. Its basis would remain that the council could retain 50% of relevant growth. P Glenwright and R Littlewood advised the meeting of various difficulties which had arisen from incentivisation schemes in England, including the appointment of consultants by councils to check the completeness of local valuation lists and to audit, and possibly appeal, published values.

8. AOCB

In response to a question from R Littlewood, the SAA confirmed that they were not aware of any national reviews of the approach to valuation of airports though they were aware that local issues may have wider implications. The matter would be raised at the forthcoming Harmonisation meeting.

In response to a question from S Mackinnon, it was confirmed that there had been both parliamentary and auditor interest in the application of charitable rates relief.

In response to a question from D Smythe regarding any likely review of agricultural or sporting reliefs, D McLaren confirmed that Ministers would be responding to the recommendations of the Land Reform Review Group in due course.

9. Date of next meeting

A date will be confirmed in early June 2015.