

**MINUTE OF THE SCOTTISH
RATEPAYERS' FORUM**

**Held at St Andrews House,
Edinburgh**

On 9 July 2015

Present

Marshall Bain (SLTA), Cameron Gold (Petrol Retailers Association), Louise Hester (Scottish Government), Joan Hewton (SAA Past President), Stuart Mackinnon (Federation of Small Business), 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), Ewan Wallace (IRRV),

1. Welcome & Introductions

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

2. Apologies

Hugh Aitken, Ian Cass, Philip Glenwright, Julie Hesketh-Laird, Alastair Kirkwood, David Lonsdale, Ken McCormack, Beatrice Morris

3. Attendee Updates

Members advised the following changes;
Replace scot.mail@cbi.org.uk with Scotland@cbi.org.uk
Remove Angela Kubski, Tom Ironside and David Lonsdale from the invite list
Add Katie Dickson of Scottish Land and Estates to the invite list.

4. Minute of Meeting of 24 November 2014

The minute was approved without change.

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

5. 2005 and 2010 Appeals Progress and Running Roll

2005 Revaluation

A MacTaggart advised that there are extremely few 2005 appeals remaining at the Lands Tribunal for Scotland.

2010 Revaluation

He further advised that the number of appeals outstanding at the Lands Tribunal are reducing with Scottish Water, Scottish Gas, Canals and Healthcare properties all resolved since the last meeting. The bulk of subjects outstanding relate to mobile and fixed line Telecommunications. Discussions continue slowly with other outstanding categories.

Stated Cases

There was a brief discussion about the Micro Hydro appeals which were heard by the Tayside Valuation Appeal Committee some 18 months ago and the draft stated case which is progressing through representations and observations. It was thought unfortunate that this case had not been referred to the Lands Tribunal as probably the more appropriate body to hear such a lengthy case.

Appeal volumes and issues

A MacTaggart advised that appeals workload is relatively low at the present time due to the time since the last revaluation and the 2 years to the next revaluation. There are no major issues being raised.

6. 2017 Revaluation

A preparation timetable had been circulated at the last meeting which gave an outline of when it is anticipated that the SAA would be issuing questionnaires, when analysis would commence, when practice notes would be produced and when valuations are aimed to commence and conclude.

Mention was made that self-catering questionnaires are currently being issued and D Smythe confirmed that his members are receiving them. A MacTaggart emphasised the need for questionnaires to be completed and returned to Assessors as soon as practicable. In addition to the general information about the operation of the business the necessity to return accurate rental information was emphasised.

Some members including D Melhuish and D Smythe mentioned that they had a notification on their organisations' websites advising the need to return information to assessors, this was welcomed.

D Melhuish also stated that he had a link on the Scottish Property Federation website to the SAA spokesperson details. Some members considered that this could be helpful.

C Gold, Petrol Retailers Association, stated that he would advise his members to return whatever rental information they have for their petrol stations.

Attendees discussed the planned timetable and gave views on what information would assist them and when they would prefer the 2017 Rateable Values to be notified to them. Members generally considered that it would assist ratepayers to know the new Rateable Values as soon as possible, even if the rate poundage and reliefs etc. were still unknown. A request was made for notification of the total Scottish RV before and after revaluation to be available with the publication of the draft Rateable Values. In response to a question from D Melhuish, D McLaren advised that the Scottish Government would consult next year on whether it was considered appropriate to have a TR scheme. Members were generally unsure about the need for a transitional relief scheme.

S Mackinnon, Federation of Small Business reiterated his view that the SAA should

provide straight forward guidance on how Rateable Values are assessed. A MacTaggart advised that he will look further in to how this can be achieved. A MacTaggart requested comments for improvements to the SAA website should be forwarded to him and the SAA can then consider all requests and take appropriate action if and when possible.

S Mackinnon also thought that information on reliefs should be simplified so that his members have a clear understanding of what is available to them. E Wallace, IRRV advised that there is a huge array of reliefs that may prove difficult to publish in any summary form and that the reliefs will be unknown until very close to 1st April 2017. D McLaren, Scottish Government, commented that they are currently drafting guidance on reliefs, primarily aimed at council practitioners but also for reference by ratepayers, which they hope to complete soon. The guidance is currently running to approximately 30 pages which could be considered too expansive and not simplistic enough for some members.

To assist ratepayer understanding an offer was made by A MacTaggart and D McLaren to give presentations on behalf of SAA or SG respectively to business groups if it was considered to be helpful. Any requests should be emailed to D McLaren (at douglas.mclaren@scotland.gsi.gov.uk) or A Kirkwood, SAA Secretary, who would seek to find an appropriate speaker for the subject category in the particular location. Email to - alastair.kirkwood@tayside-vjb.gov.uk

A MacTaggart completed the SAA update by advising members that the SAA are involved in several projects which aim to link all property information in a easy to use website which uses the National Gazetteer referencing to link data.

7. Scottish Government

D McLaren provided an update on the work that has been actioned since the last meeting which included setting the rate poundage and large business supplement, and minor legislative changes to enable the revaluation timetable and reflect name changes for Utilities.

He further advised that the public health supplement had expired on 31st March 2015 having raised around £25/35/35 million in the 3 years of operation, as budgeted. D Martin requested an update on what public health projects were helped by the extra revenue generated. D McLaren advised that the extra revenue supported additional preventative spend across a number of policies, as set out at Spending Review 2011. There are currently around £600 million worth of reliefs in Scotland, in the context of budgeted £2.8 billion NDR income this year, and the Scottish Government has indicated it will continue with the Small Business Bonus Scheme.

The revision of the Business Rate Incentivisation Scheme (BRIS) published in December with local authority targets above which they retain 50% of revenue.

Concern regarding charitable relief was raised again by attendees.

A draft bill had been consulted on to put the Scottish Fiscal Commission on a statutory footing, and for it to consider the economic determinants of the Government's NDR income forecasts, namely predicted buoyancy and inflation.

D McLaren advised that the Community Empowerment (Scotland) Bill was passed last month, with the local rates relief power for councils probably commencing April 2016 subject to a final decision. The Land Reform (Scotland) Bill was introduced last

month and proposes bringing shootings and deer forests back in to the valuation roll from 1st April 2017. D Smythe asked for details of the SAA spokesperson for this subject and A MacTaggart agreed to send details. It was considered appropriate to invite someone from Scottish Land and Estates to the next meeting.

At the last meeting the Scottish Government gave an update on their consultation 'Supporting Business - Promoting Growth' in 2012-13. As a result of that consultation the Scottish Government undertook a review of the appeals system, the responses to which are currently being analysed with any changes to be effected for the 2017 revaluation. This is in the context of appeal processes being incorporated in longer course into the Scottish Tribunals structure as a result of the Tribunals (Scotland) Act 2014.

D McLaren mentioned some current UK reviews including a forthcoming Enterprise Bill and wider consideration of administration of rates. A UK spending review is anticipated around October 2015 following which the Scottish Government will produce its draft budget.

Although perhaps less relevant to members, mention was made of the Commission on Local Tax Reform which has been set up to consider reform of the Council Tax and alternative tax bases. The Commission is cross-party and may publish analysis of options as opposed to giving recommendations. S Mackinnon mentioned that the interaction of various taxes could have a detrimental effect on small businesses. Home based and internet based businesses were discussed.

The Parliament's Finance Committee scrutinised the effects of the Local Government Finance (Unoccupied Properties etc) Scotland Act 2012 in the spring, and the Scottish Government will conduct its own review of the changes to empty property rates relief later this year.

There will also be a consultation on the appropriate decapitalisation rates to be used for the 2017 revaluation. Attendees noted the current consultation on water charges for empty property. Concerns were raised about Scottish Water charging on the basis of historic rateable values.

8. AOCB

D Martin asked if the Scottish Government intended tightening up charitable relief; D McLaren advised that charities need to be OSCR registered to be able to claim mandatory relief. Mention was made of the operation of charitable relief in the Republic of Ireland. D Martin also asked if BID projects were being evaluated for effectiveness; an enquiry will be made and a response given.

9. Date of next meeting

A date will be confirmed 6 months hence.