

**MINUTE OF THE SCOTTISH
RATEPAYERS' FORUM**

Held at Victoria Quay,

Edinburgh EH6 6QQ

On 22 June 2018 at 11am

Present

Marshall Bain (Scottish Licensed Trade Association), Marianne Barker (Scottish Government), Gary Bennett (SAA Secretary), Kevin Fraser (IRRV), Rosemary Greenhill (Scottish Government), Alastair Kirkwood (SAA Vice President), Roger Littlewood (Tesco), David Lonsdale (Scottish Retail Consortium), Luke McGarty (Scottish Grocers Federation), Stuart Mackinnon (Federation of Small Businesses), Stephen McIntosh (Scottish Water), David Melhuish (Scottish Property Federation), Ian Milton **Chair** (SAA President), Joseph Mitchell (Scottish Renewables), Carol Sibbald (Scottish Government), David Smythe (Scottish Self Catering Association), Ian Storrie (Scottish Government), Shane Taylor (Scottish Chambers of Commerce), Gareth Williams (Scottish Council for Development of Industry).

1. Apologies

Vicki Bibby (COSLA), Ian Cass (Forum of Private Businesses), Simon Coates (Sainsburys), Marc Crothall (Scottish Tourism Alliance), Reme Diaz (Scottish Government), Katy Dickson (Scottish Land & Estates), Philip Duffy (Scottish Government), Hew Edgar (RICS), Alison Galbraith (Scottish Whisky Association), Philip Glenwright (UKPIA), Cameron Gold (Petrol Retailers Association), Neil Hemings (Scottish Water), John Lee (Scottish Grocers Federation), Brian Madderson (Petrol Retailers Association), Ewan MacDonald-Russell (Scottish Retail Consortium), Jane McLaughlan (Federation of Small Businesses), Willie McLeod (BHA), James Messis (Scottish Government), Beatrice Morrice (Scottish Whisky Association), Graham Owenson (Scottish Government), Donna Pringle (RICS), Ken Richardson (Chemical Industries Association), Hannah Smith (Scottish Renewables), David Thomson (SAA Past President), Mari Tunby (Confederation of British Industry), Colin Wilkinson (Scottish Licensed Trade Association).

2. Minute of previous meeting of 29 January 2018

2a. Accuracy

The minute was adopted with minor alterations. The Chair advised that the approved minute would be published at the SAA portal.

2b. Matters arising not on agenda

The Chair spoke to item 4d of the previous minute and advised that around 12,000 entries with a combined rateable value of circa £18 million had been entered in the valuation roll for shooting rights and deer forests.

3. 2005 & 2010 Revaluation and 2010 Running Roll

3a. Appeals Update

The Chair advised that the vast majority of outstanding appeals relating to the 2005 and 2010 revaluations are referred to the Lands Tribunal. There were some 2010 running roll appeals still outstanding and with local valuation appeal panels, in particular appeals related to the economic downturn in the North East of Scotland, but that it is expected that these will be resolved soon following a decision from the LVAC (refer item 3c below).

3b. Lands Tribunal Update and Cases

The Chair advised that the majority of appeals at the Lands Tribunal relate to telecom subjects. Some 370 mobile telecoms appeals remain outstanding, with 122 fixed line appeals, and 102 relating to other subject types. In general terms, the appeals were being worked through by Assessors with industry representatives to get them resolved. The Chair advised that no appeal has been required to be cited for hearing by the Lands Tribunal.

3c. Lands Valuation Appeal Court Cases

The Chair advised that two recent decisions had been issued, both relating to Grampian area: one in relation to a retail warehouse and one related to the economic downturn. Action on the Secretary to the SAA to circulate links to both these case decisions to SRF members.

Links to cases referred to:

<http://www.scotcourts.gov.uk/docs/default-source/cos-general-docs/pdf-docs-for-opinions/2018csih13.pdf?sfvrsn=0>

<http://www.scotcourts.gov.uk/docs/default-source/cos-general-docs/pdf-docs-for-opinions/2018csih15.pdf?sfvrsn=0>

4. 2017 Revaluation

4a. Appeal Progress

The Chair advised that, in connection with the 2017 revaluation, some 32% of subjects had been appealed amounting to 71% of total rateable value. This is similar to the appeals lodged in connection with the 2010 revaluation.

The Chair advised that the valuation appeal panels have until 31 December 2020 to dispose of all appeals and now provide 105 days' notice in respect of each cited appeal. The Chair advised that subjects tend to be grouped together and then cited. He further advised that following the deadline for receipt of appeals, which was 30 September 2017, panels and committees began to cite for the following year - that is in 2018 - to allow for all appeals to be logged and then provide the required notice period. The Chair went on to advise that by 31 March 2019, 25% of appeals were either resolved or had been cited for a hearing. The Chair further advised that in respect of specific subject types, discussions had taken place pre-citation where representations had been made about value levels. This was the case with public

houses whereby agreement had now been reached and amendments made to the 2017 revaluation SAA Practice Note following analysis of further information.

In response to a question from an attendee, the Chair advised that he was not aware of a legal mechanism to adjust the value of a public house where no appeal had been received. Discussions followed on what constituted an error and SAA representatives advised of the limited circumstance in which the error provision contained within relevant legislation can be applied. Action on the Secretary to the SAA to circulate a link to the National Galleries LVAC decision which advises on the interpretation of the statutory powers where Assessors can adjust values based on an error.

Link to case referred to:

<http://www.scotcourts.gov.uk/search-judgments/judgment?id=418586a6-8980-69d2-b500-ff0000d74aa7>

David Smythe of the Scottish Self Catering Association reported that 2017 revaluation appeals in respect of self-catering units were generally being settled.

4b. Scotvac Website

In response to questions from attendees at the meeting, the Chair advised that it was the responsibility of valuation appeal panel Secretaries to put decisions up on to the Scotvac website.

Stewart Mackinnon, representing the Federation of Small Businesses, raised the issue of spatial information available in Northern Ireland and enquired as to the prospects of the portal including spatial information with regards to not only rateable values but also in relation to other information. The Chair advised that the Northern Ireland Land & Property Service also included Ordnance Survey and therefore were able to produce that information, however, that the matter had been raised previously and if funding were available for the SAA portal then this would be one initiative that would be looked at. The current funding constraints mean that spatial information being provided at the portal was unlikely in the short term. The Chair advised that, notwithstanding this, the SAA Portal Management Committee had been remitted with a task to consider further provision of information on a map based system. The Chair also advised that various ideas and good practice are shared between both the Republic of Ireland, England, Wales, Northern Ireland and Scotland at regular harmonisation meetings.

5. Barclay Review of Non Domestic Rating

5a. SAA Action Plan

The Chair took the meeting through each of the actions contained within the action plan. In respect of consultations in relation to the development of SAA guidance or practice notes, the meeting was advised that a consultation will commence week beginning 25 June 2018 in relation to a draft guidance notice in respect of 'premises entries'. All members of the SRF will be informed by email of the consultation.

5b. Barclay Implementation Advisory Group

I. Storie of the Scottish Government advised that, as part of the Barclay Implementation Advisory Group, two sub-groups had been formed – one to look at appeals, and one to look at billing. I. Storie advised that priority will be given to recommendations which required primary legislative change. It is anticipated that a bill will be enacted before the tone date of April 2020 for the 2022 non domestic revaluation. I. Storie advised that there will be a consultation issued during the week beginning 25 June 2018 in relation to the implementation of Barclay recommendations. Additionally, as part of wider stakeholder engagement, ministers are looking to speak to those most affected by the recommendations should they be implemented. This will begin around August.

I. Storie advised that the consultation had been developed on feedback from the Barclay Implementation Advisory Group and other feedback received in response to the Barclay review. It is anticipated that a final report will be made to ministers following the consultation around September/October on all matters both legislative and administrative. I. Storie advised that it was the aim to publish responses to the consultation within 20 working days following the end of the consultation and that the primary legislation will provide enabling powers, with secondary legislation the facilitator to ensure that, where required, legislation is in place for 1 April 2020. In response to a question, I. Storie advised that local authorities can come forward with business plans in relation to proposals for specific measures in non- domestic rating.

In relation to a question regarding how increases in receipts as a direct result of the implementation of recommendations, in particular revenue generated from subjects which are not subject to non-domestic rates currently, would be treated, I. Storie advised that the consultation would be looking for feedback on this and that policy detail was likely to be framed following the consultation. I. Storie reiterated that there is no pre-determined approach by ministers and that they are open minded to suggestions in relation to the consultation. In response to a question from the meeting, I. Storie advised that the review of the small business bonus scheme does not form part of the consultation and that a consultation to evaluate this will be undertaken before the next revaluation. Furthermore, in response to a question, I. Storie advised that issues such as the living wage being linked to the small business bonus scheme were not forming part of the consultation but are likely to be looked at in terms of the separate review.

I. Storie went on to advise that the plant and machinery review process is now underway insofar that a group has been formed to look at hydro subjects specifically. He further advised that that group had met three times, however, the wider P&M review was not underway as yet. Ideally, the report from the hydro review will be out in September/October with a view to having any recommendations in place by the next financial year. I. Storie advised that the wider P&M review would be for the next revaluation.

6. Scottish Water

R. Greenhill spoke to the changes to the charging system for Scottish Water as previously advised and that bills are now based on current rateable values. She invited SRF members to get in contact with herself or indeed S. McIntosh with any queries they may have. In response to a question, R. Greenhill advised that the review in relation to investing and paying for water services will again be undertaken in the near future, however, there will be no review into the charging system itself.

S. McIntosh advised the meeting that for the last couple of years Scottish Water have been liaising with the SAA in relation to data matching. Processes are in place re data issues and he reiterated the position that any difficulties should be brought to the attention of Scottish Water officials. S. McIntosh further advised that on the whole there had been no real issues in relation to the change in billing. R. Greenhill advised that a consultation is likely to begin at the end of June in relation to the charging system for 2021-2027 and that there will be a 3 month consultation period.

7. Scottish Government

7a. Policy Update

In addition to the items covered under item 5b. I. Storrrie advised of some personnel changes to the team dealing with non-domestic rates at the Scottish Government, advising that he is now the contact for that team.

Finally, I. Storrrie advised that due to a change in the budget cycle, rather than information on NDR being made available in September of each year, this will now change to late December to facilitate time to fully consider the UK government autumn statement. The target is that 3 weeks after the UK government statement, information will be available on budget strategies for the next financial year.

In relation to a question on the Community Empowerment Act, I. Storrrie advised that two councils so far have embarked on the use of the powers contained within that Act and other councils were considering initiatives also.

In relation to a question in respect of any update on software providers regarding a single billing system, I. Storrrie advised that the billing sub-group had met once so far, and that there was no detail as yet on this matter.

It was noted that in respect of the specific issues experienced with extensive fire damage to properties in Glasgow city centre, that hardship relief was being actively considered by both Glasgow City Council and by the Scottish Government for those specific circumstances.

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

A. Kirkwood advised that a number of responses had been received in respect of the consultation on the valuation roll P/T/O address information, and thanked those who had responded. These were currently being considered.

8. AOCB

Nothing was raised.

9. Date of Next Meeting

It was suggested that November seemed a more appropriate time to arrange the next meeting and that another meeting could be scheduled for some time late January given the volume of business affecting NDR which was ongoing, and in particular the expectation of the outcomes to be reported in relation to the Barclay recommendations consultation.