

**MINUTE OF THE SCOTTISH RATING
SURVEYORS' FORUM (SRSF)**

Held at Victoria Quay,

Edinburgh EH6 6QQ

On 22 June 2018 at 14.00

PRESENT

Darren Angus (Ryden), Marianne Barker (Scottish Government), Gary Bennett (SAA Secretary), Louise Daly (Colliers International), Gordon Fettes (Knight Frank), Kevin Fraser (IRRV), Rosemary Greenhill (Scottish Government), Michael Harkin (BNP Paribas), Graham Howarth (Gerald Eve), Derek Kidd (GL Hearn), Alastair Kirkwood (SAA Vice President), Stephen McIntosh (Scottish Water), Gordon Martin (GVA) Ian Milton **Chair** (SAA President), Billy McKaig (WYM Rating), Mike Rose (CBRE), Ian Storr (Scottish Government).

1. APOLOGIES

Colette Brough, (Whitelaw Baikie Figes), Lorna Greig (Ryden), Neil Hemings (Scottish Water), Niall Rankin (JLL), David Thomson (SAA), Peter Wilkinson (Savills).

Ken McCormack (Montagu Evans), Tony Rosenthal (Cushman Wakefield)

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, as at the end of the financial year, 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 with local valuation appeal panels although the bulk of these related to the economic downturn in the North East of Scotland. It is expected that these economic downturn appeals will be resolved soon following a decision from the LVAC. In response to a question from G Howarth, the Chair advised that he would investigate disposal dates for these appeals.

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 various appeals were being worked through by Assessors and industry representatives to get them resolved. However, it was noted that the Lands Tribunal had requested to be updated after the summer regarding the telecom appeals that remain outstanding, with the expectation being that this would be a relatively small number. It was agreed that efforts should be made to prioritise these over the summer months.

The Chair advised that no appeals are currently 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. Both decisions are available on the Scottish Courts website.

A. Kirkwood advised that, in relation to appeals in Tayside concerning small hydro electricity generating subjects, a draft stated case had recently been issued by the Valuation Appeal Committee and will be subject to representations and observations by the parties.

4. 2017 REVALUATION

4a. Appeal Progress

The Chair noted that in recent months some unhelpful coverage had appeared in the press indicating that relatively few revaluation appeals (circa 8%) had been resolved by 31 March 2018. This is largely an outcome of the final date for lodging appeals being 30 September 2017 which, together with an extended citation period of 105 days, meant that Appeal Committees were generally scheduling their first appeal hearings to take place during late February / March 2018. However, he noted that a further 17% of revaluation appeals had been cited for hearings between March and June 2018 meaning that approximately 25% of revaluation appeals had been dealt with or were in the process of being dealt with.

It was reported that significant progress had been made with licensed subjects in Glasgow.

A number of different views were expressed as to the number of appeal hearing dates for which appeals were being cited, with some attendees in favour of more hearings with smaller hearing lists whilst others considered that the current arrangements were better. M. Rose queried the overall number of appeals being listed and indicated that in his opinion these were too high. G Martin queried whether the statutory deadline for appeal disposal could be extended. The Chair highlighted that the disposal rate at this stage was closely aligned to that of the 2010 Revaluation. He also noted progress is likely to slow as bulk categories are cleared and the focus moves towards other subjects. He considered that in the context of

ratepayer demands for timeous resolution of appeals an extension of the deadline would meet considerable resistance.

G. Howarth highlighted that there could be variations in how quickly appeals are processed once agreed and indicated that, given the approach taken by Scottish Water in not backdating water charges where Rateable Values are reduced on appeal, this could cause some difficulties for ratepayers. It was noted that appeals cannot be processed until formal agreement has been reached and that, in some instances, this may require to wait till the date of the hearing has passed. However, agents were advised to contact the local Assessor directly if there were any undue delays.

B. McKaig indicated that on some occasions there may be a delay before hearing lists are published on VAC Panel or Assessor's websites. It was noted that again, any difficulties should be referred to the local VAC Panel Secretary or Assessor.

4b. Scotvac Website

The Chair noted that the Scotvac website is now operational and that it was the responsibility of Valuation Appeal Panel Secretaries to make arrangements for decisions to be added as appropriate.

5. BARCLAY REVIEW OF NON DOMESTIC RATING

5a. SAA Action Plan

The Chair referred to the SAA Action Plan and noted that this is available on-line via the SAA website. In addition, he advised that the first SAA Annual Report was scheduled to be published at the end of June 2018.

The Chair also highlighted that, in respect of proposed guidance on premises under reconstruction, a consultation will commence week beginning 25 June 2018. All members of the SRSF will be informed by email of the consultation.

5b. Barclay Implementation Advisory Group

I. Storie of the Scottish Government introduced himself and indicated that he would be replacing D. McLaren within the Scottish Government local government team. He also highlighted that M. Barker would shortly be leaving the team. Among other things he will be chairing meetings of the Advisory Group. To date there have been four meetings of the Group and, in addition, two sub-groups have been formed – one to look at appeals, and one to look at billing. Priority will be given to recommendations that will require primary legislative changes.

I. Storie also advised that a consultation document will be issued during the week beginning 25 June 2018 in relation to the implementation of Barclay recommendations. The discussions of the Advisory Group have informed the shape of the consultation paper which will be issued.

It is anticipated that a final report from the Advisory Group will be made to ministers around September/October 2018. In tandem, ministers will have feedback from the consultation. It is anticipated that ministers will introduce a draft bill in March 2019,

which will be enacted before the tone date of April 2020 for the 2022 non domestic revaluation.

With regard to the evaluation of the Small Business Bonus Scheme (SBBS), I. Storrie indicated that this was being undertaken separately and would be looked at towards the end of the year. It is not yet clear whether a formal consultation will be issued in relation to SBBS and / or what research will be undertaken. This will be informed by the views of the Local Government and Communities Committee of the Scottish Parliament.

With regard to the fast track review of small hydro subjects, three meetings of the Review Group have taken place and the review is expected to conclude in the Autumn. The proposed wider review of plant and machinery will not be further progressed until the hydro review is completed.

In response to a question from G. Fettes concerning the Business Growth Accelerator, I. Storrie indicated that thought was being given as to whether this should be moved from secondary legislation to primary legislation.

In response to a question from G. Howarth, I. Storrie indicated that the Business Growth Accelerator was not subject to state aid considerations.

6. SCOTTISH WATER – PROPOSED CHANGES TO CHARGING SCHEME

R. Greenhill advised that the previously advised changes to the (non-metered) charging system for Scottish Water had taken place and that, with effect from 1 April 2018, bills are based on current rateable values. A transition scheme will be in place for 2 – 3 years. To date no major issues have been raised, however, should any issues arise these should be referred to Scottish Water or to the Scottish Government.

S. McIntosh highlighted that the Scottish Water premises database has been matched to Assessors' databases. This exercise has been completed with relatively few issues arising. Those which have arisen concern changes that have not been identified and these are being researched in more detail.

In response to a question from D. Angus, S. McIntosh indicated that presently changes to the Valuation Roll were being extracted by Scottish Water monthly for the purposes of updating water bills. Work is ongoing to develop a change only update facility which would allow more frequent updates.

In response to a question from M. Rose, S. McIntosh indicated that premises which are split within the Valuation Roll will come out of transition. G. Martin highlighted that a significant number of premises were split with effect from 1 April 2017 following the decision in the case of Woolway v Mazars. R Greenhill requested that examples of any problems arising from this issue should be forwarded to the Scottish Government.

In response to a further question from M. Rose, R. Greenhill indicated that, at Revaluation, water charges will follow the revised Rateable Values appearing to the Valuation Roll.

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. Storrie advised that C. Sibbald was assisting the local government team with legislation arising from the Barclay recommendations. An additional member will be joining the team in due course.

I. Storrie 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. Legislation arising from the budget will continue to be produced as normal in the January – March period.

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 responses were currently being considered.

In response to a question from M. Rose in which he highlighted that some tenants are not shown in the Valuation Roll, G. Bennett indicated that this would likely be an uncommon situation and any instances should be highlighted to the local Assessor.

8. AOCB

G. Fettes noted that he had received an email concerning the RICS Rating Diploma. A. Kirkwood provided some background and indicated that any interested parties could contact him for further information.

The Chair highlighted that this would be M. Barker's last meeting before leaving the Scottish Government local government team. On behalf of the whole group he expressed their sincere thanks for all the work and assistance that she had provided over many years and wished her well for her next post.

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 in January 2019 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.