

Scottish Assessors Association

Annual Report 2018/19





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Foreword

by Ian H Milton, SAA President

The SAA offers one of the best examples of partnership working within local government in Scotland. Its members are responsible for the valuation for rating of more than a quarter of a million non-domestic properties, the allocation to council tax bands of the 2.6 million dwellings and the compilation of the electoral registers that enable some 4.11 million citizens to participate in elections that range from local community councils to national parliamentary elections and referenda.

Whilst delivering our specialised valuation and registration services across all 32 local authorities and working closely with taxpayers and electors, our expertise and knowledge is drawn upon at local, national and international levels that sees us working with both the UK and Scottish governments, professional bodies such as the RICS, IRRV and AEA, the Electoral Commission and Electoral Management Board for Scotland, the Scottish Ratepayers' Forum and Scottish Rating Surveyors' Forum, Scottish Business Rating Group, COSLA, and sister bodies that operate across the UK and Ireland.

Apart from the business-as-usual tasks of keeping the valuation rolls of non-domestic properties and their rateable values, the valuation lists of dwellings and their council tax bands and the electoral registers up to date, one of our principal priorities over the last 12 months has been to resolve as many of the appeals that were made following the 2017 Revaluation as possible. We have also been working closely with other stakeholders towards implementation of the Scottish Government's non-domestic rates reforms. Reform is also underway on the electoral front and we have been closely involved in work at a UK and Scottish level to make the electoral registration system more effective whilst seeking to introduce efficiencies that will ultimately drive down costs.

Valuation work carried out by SAA members enabled a forecasted income of £2.9B in non-domestic rates and £2.1B in council tax; a total of £5.0B in income that compares to the £11.5B of income tax and £0.55B of Land and Building Transaction Tax forecasted for 2018/19. In addition our rateable values and council tax bands were used as the basis to raise more than £1B in water, sewerage and drainage revenues.

No UK or Scottish national electoral events took place during the year, however 4.11M electors were registered across Scotland should the need have arisen. Locally, our registers were used in community council elections, by-elections and national park elections and at the time of writing are being called upon for the European Parliamentary elections.

My period of office draws to a close this summer and I would like to thank colleagues for working so effectively in our drive to continue to modernise what is a unique service in Scotland. The SAA represents the fourteen assessors and fifteen electoral registration officers that continue to provide a local service with the benefits of accessibility and on-the-ground presence supported by a wider national approach and economies achieved through shared services with collaborative working on a Scotland-wide scale.

Ian H Milton
President
May 2019

Outline

This report reviews the function and role of the Association along with a more detailed view of the work of assessors and electoral registration officers that make up the membership of the SAA.

This is followed by an overview of our activities and reflection

on the last 12 months in terms of our engagement with stakeholders and our contribution to the Scottish fiscal and democratic framework during this period of reform across both the registration and NDR assessment areas of practice.

Function and role of the SAA



The SAA is a voluntary non-statutory body, independent of local and central government. The SAA's function is to share knowledge and encourage partnership working to enable its members to deliver effective and consistent services.

The SAA serves as a representative and coordinating body for the 14 assessors that provide property value assessments for non-domestic rates

(NDR) and council tax across the 32 local authorities in Scotland. It also represents, through its dedicated Electoral Registration Committee, the 15 electoral registration officers (EROs) that compile the electoral registers that are used for all elections that take place in Scotland.

The SAA presents a national outlook and approach for the delivery of local valuation and registration services.



Membership of the SAA

All 14 assessors appointed by their respective local valuation authorities are members of the SAA, along with their senior staff. Four assessors are appointed by single valuation authorities (Dumfries & Galloway, Fife, Glasgow and Scottish Borders) with the remaining ten appointed by valuation joint boards that comprise between two and four adjacent local authorities.

Since 1856 Assessors have fulfilled the role of electoral registration officers (EROs). Currently the EROs for Fife and Dundee are not the local assessor. Full partnership working across Scotland is however enabled as all EROs are members of the SAA committee dedicated to electoral registration.

Assessors and EROs rely on local government for their funding and

support but remain completely independent of political influence for delivery of their statutory duties for which they bear personal responsibility; the valuation of non-domestic properties for NDR purposes, the allocation of dwellings to council tax bands and the maintenance of the electoral registers of everyone who is entitled to vote in elections.

Assessor	Authority	Council Areas
Helen McPhee	<i>Ayrshire Valuation Joint Board</i>	East Ayrshire - North Ayrshire - South Ayrshire
Pete Wildman	<i>Central Scotland Valuation Joint Board</i>	Clackmannanshire - Falkirk - Stirling
James Doig	<i>Dumfries & Galloway</i>	Dumfries & Galloway
David C Thomson	<i>Dunbartonshire and Argyll & Bute Valuation Joint Board</i>	Argyll & Bute - East Dunbartonshire - West Dunbartonshire
Heather Honeyman	<i>Fife</i>	Fife
Hugh Munro	<i>Glasgow City</i>	Glasgow
Ian H Milton	<i>Grampian Valuation Joint Board</i>	Aberdeen - Aberdeenshire - Moray
William Gillies	<i>Highland and Western Isles Valuation Joint Board</i>	Eilean Siar - Highland
Gary Bennett	<i>Lanarkshire Valuation Joint Board</i>	North Lanarkshire - South Lanarkshire
Graeme Strachan	<i>Lothian Valuation Joint Board</i>	East Lothian - Edinburgh - Midlothian - West Lothian
Dennis M Stevenson	<i>Orkney & Shetland Valuation Joint Board</i>	Orkney Islands - Shetland Islands
Kate Crawford	<i>Renfrewshire Valuation Joint Board</i>	East Renfrewshire - Inverclyde - Renfrewshire
Brian Rout	<i>Scottish Borders</i>	Scottish Borders
Alastair Kirkwood	<i>Tayside Valuation Joint Board</i>	Angus - Dundee - Perth & Kinross

Assessors provide Electoral Registration services in all council areas except Dundee and Fife.

The ERO for Dundee is Roger Mennie. The ERO for Fife was Linda Bissett to 31/3/2019 and is now Morag Fergusson.

Governance and structure of the SAA

The SAA has a formal constitution and meets on a regular basis.

Office holders are elected in terms of the constitution and generally hold office for a period of two years.

The SAA is represented by an Executive Committee comprising the President, Vice President, Secretary and Past President.

The SAA works through the sharing of expertise and resources held by the individual assessors and EROs. Individual members of the SAA are employed by their corresponding public authorities and subject to the full governance audit and regulatory regimes of those authorities. The SAA is an extremely lean voluntary body it is not a national public authority and only holds nominal funds that are provided by means of a personal subscription levied on members.

The work of assessors and EROs falls into specific subject areas. The SAA has specialised

subject-specific property valuation committees that meet as required to provide recommendations and solutions to the challenges that lie within each subject area. Property valuation is a highly specialised activity and the SAA has a number of dedicated teams tasked with analysing market evidence and producing recommendations that all assessors may adopt at each revaluation. The recommendations are published online in the form of valuation practice notes and are available at www.saa.gov.uk

Each committee is chaired by an Assessor member of the SAA.

In addition to the property valuation committees the SAA also has an Electoral Registration committee; a Governance committee that deals with issues such as data protection, freedom of information and records management; and a website committee that manages the development and maintenance of the jointly operated SAA website.

THE 2018/19 EXECUTIVE COMMITTEE

President
Ian H Milton

Vice President
Alastair Kirkwood

Secretary
Gary Bennett

Past President
David C Thomson



SAA online

The SAA has pioneered online shared services in the public sector with its award-winning website www.saa.gov.uk

This website provides a look-up service for the council tax band or rateable value for the 2.9M addresses in Scotland. For the 254,743 non-domestic properties the appeal status is also provided and for over 140,000 of these non-domestic properties the valuation details are available online too.

During 2018/19 assessors have collectively invested to update the functionality of the website that comprises a public open access website and restricted access shared work area. A programme of database and content management software upgrades is well underway and scheduled for completion in the coming year. This will provide benefits in terms of increased resilience and improved ease of use. Apart from the current online services such as appeals and lodging returns of information a

commitment has been made to increase the volume of data available to citizens and other stakeholders and improve user accessibility.

The website provides information on current valuation and electoral matters and useful links to enable citizens to register to vote, contact their local assessor and ERO, look up appeal decisions, access information on rates and reliefs published by the Scottish Government and look up property locations on maps.



Non-domestic property assessment in 2018/19

With the exception of properties that are exempted from being shown in valuation rolls¹, all non-domestic properties have a rateable value that broadly equates to the rental value of the property fixed according to the level of values that prevailed on 1 April 2015. The rateable values are published in documents known as valuation rolls that are provided for each council area but are most readily accessible at a single location on the SAA website www.saa.gov.uk

The purpose of the rateable values is to distribute the overall burden of some £3.05B of NDR taxation and water & drainage charges across the various sectors and occupiers of non-domestic properties in Scotland. As at 31 March 2019 there were 254,743 entries in the valuation rolls for non-domestic properties in Scotland, with a corresponding total rateable value of £7.46B.

Rateable values are refreshed periodically during a general revaluation. The last general revaluation took place in 2017. 2018/19 is therefore the second year of the current five-year revaluation cycle with the valuation rolls coming into force on 1 April 2017 and running through to 31 March 2022. The next revaluation is scheduled to be in place for 1 April 2022. Following the 2017 revaluation appeals were made against the rateable values of 73,880 non-domestic properties.

The priority for 2018/19 and going forward into 2019/20 is to bring certainty through appeal disposal to as many stakeholders as possible, both ratepayers who contribute in terms of the NDR tax burden and governments (both local and central) that rely upon NDR income either directly or indirectly to fund provision of valuable public services.

Independent voluntary valuation appeal committees (VACs) are responsible for scheduling disposal of the appeals and Assessors work closely with the valuation appeal committees and appellants to facilitate resolution and disposal of the appeals as quickly as possible. The committees are given until 31 December 2020 to dispose of the 2017 revaluation appeals.

As at 31 March 2019 36,332 properties with revaluation assessments that were subject to appeal had had their appeals resolved and a further 9,568 properties subject to appeal had been allocated hearing dates within 105 days². This means that over 60% of properties subject to revaluation appeals had been resolved or were allocated to hearing dates by local VACs within 2 years of the 2017 revaluation coming into effect.

Apart from the priority of facilitating the resolution and disposal of revaluation appeals, assessors have been extremely active in keeping their valuation rolls up to date to

ensure that demolitions, extensions, other alterations to properties and new properties are given an accurate rateable value. This has resulted in 19,149 alterations to valuation rolls an overall additional £73M being added to the valuation rolls.

Appendix 2 provides the distribution of rateable value across the different property sectors.

In addition to appeals being made against rateable values at a general revaluation, owners and occupiers of non-domestic properties may also appeal any new or amended rateable values and may also appeal where they think that circumstances have changed that should reduce a rateable value. These appeals are known as running roll appeals rather than revaluation appeals. At the start of the year there were 9,985 running roll appeals with local valuation appeal committees. During the year a further 5,774 running roll appeals were made and 5,105 resolved which means that whilst assessors and valuation appeal committees are achieving disposal rates that are broadly keeping pace with the volume of appeals lodged, there remains a baseline of some 10,000 running roll appeals currently live in the system. Running roll appeals must be resolved by the later of 31 December 2020 or 31 December in the year following the year that the appeal was lodged.



1. Appendix 1 lists property types that are exempted from valuation rolls
2. The period of notice that a valuation appeal committee must give when it decides to hear an appeal.

SAA and NDR reform

Following the Government's announcement that it was going to largely accept the Barclay Review Group's recommendations for NDR reform, the SAA has played an important part with representatives contributing to the Government's Barclay Implementation Advisory Group.

The SAA also established five workstreams to examine how assessors could respond most effectively to the challenges of NDR reforms. These workstreams have focussed on the use of data from external sources; proposal and appeals systems; the opportunities to modernise practice through smarter methodologies; resources and project management; and information technology - opportunities to adopt a digital by default strategy.

As the shape of the reforms has emerged through the work of the Barclay Implementation Advisory Group and the publication of the Non-Domestic Rates (Scotland) Bill in March 2019, the workstreams have provided an agile and responsive vehicle to develop the SAA's strategic approach to delivery of the reforms and enabled the SAA to engage effectively and directly with stakeholders such as the Government, professional bodies, ratepayers and their representatives. One of the outcomes of this approach has been the appointment of Heather

Honeyman, Assessor for Fife, as the SAA's Project Manager for the implementation of the reforms ahead of the 2022 Revaluation.

The SAA's consultation framework that was re-launched following the publication of the Barclay Review Group's recommendations in 2017 has played an important part in the reform agenda too, with the SAA's Scottish Ratepayers and Scottish Rating Surveyors Forums both meeting on three occasions in the last 12 months – with meetings scheduled to maximise the opportunity to examine the NDR reform proposals as announced by the government. The consultation framework has also proved invaluable for consultation with stakeholders on publication of information to support value assessments and the provisions of valuation practice notes. Membership of both fora has increased in the last 12 months reflecting the benefits that they offer in terms of providing the opportunity for stakeholders across the spectrum of industry bodies, rating advisers, government policy officials, assessors along with representation from local authority finance teams, the water industry and the independent valuation appeal committees to examine and discuss the challenges that face all parties in designing, delivering and participating in the non-domestic rates system of taxation.





Beyond the formal consultation framework the SAA co-chairs a harmonisation steering committee that seeks to share ideas and expertise, and harmonise practice in the development and delivery of rating systems across the jurisdictions of the UK and Ireland. This steering committee provides

valuable insight and opportunities for joint working and sharing of good practice as each UK jurisdiction moves to more frequent revaluations, albeit on their own individual timelines. The SAA also works with COSLA, the Royal Institution of Chartered Surveyors, the Institute of Revenues Rating

and Valuation and groups such as the Scottish Business Ratepayers Group to promote and develop a wider appreciation of issues around property assessment for taxation purposes and the challenge of NDR reforms.

Domestic property assessment in 2018/19

All domestic properties in Scotland are allocated to a council tax band. Assessors are responsible for maintaining the council tax valuation lists that show each dwelling and its corresponding band up to date. The council tax bands are used by local authorities to collect £2.95B of council tax and water charges.

The 2,627,301 dwellings in Scotland are distributed across the 8 council tax bands as shown in Table 1. The bands are all based on the assessor's estimate of what the dwelling would have been worth in 1991. Unlike non-domestic properties there is currently no regular revaluation of domestic properties.

Table 1: Allocation of dwellings between council tax bands in Scotland, 31 March 2019

Band	1991 value range	Number of dwellings
A	£0 - £27,000	548,037
B	£27,001 - £35,000	601,731
C	£35,001 - £45,000	422,920
D	£45,001 - £58,000	354,144
E	£58,001 - £80,000	352,469
F	£80,001 - £106,000	203,847
G	£106,001 - £212,000	130,121
H	>£212,000	14,032
Total number of dwellings		2,627,301



The above totals exclude garage and domestic storage premises that are also assessed.

Assessors added 25,563 new dwellings to valuation lists during 2018/19

The volume of appeals that are made against the allocation of dwellings to council tax bands is typically low. During 2018/19 the total number of proposals made by taxpayers to reduce their band was 1,851. These proposals were made by taxpayers on moving into new or existing properties or where bands were increased when dwellings have been extended and then sold.



Electoral Registration in 2018/19

The SAA Electoral Registration Committee, which comprises all fifteen Scottish electoral registration officers and their senior staff, met on a regular basis during 2018/19. The Committee has worked to ensure consistency of approach to electoral registration across Scotland and shared good practice. The Committee has continued to work with partner organisations, such as the Electoral Management Board for Scotland (EMB), Scottish Government (SG), The Electoral Commission (EC), Cabinet Office (CO) and the Association of Electoral Administrators

The SAA is represented on the following:

- The Electoral Management Board for Scotland
- The Cabinet Office's Elections and Registration Board
- Registration Reform Board
- Policy Working Group
- Implementation Working Group
- Accessibility Working Group
- National Democracy Week Council.

We are also active participants in the following:

- The Electoral Commissions' Elections Co-ordination and Advisory Board
- The Elections, Registration and Referendum Working Group
- The Scottish Parliament's Political Parties Panel.

The SAA meets regularly with the Scottish Government's Elections Team as they develop policy in respect of items such as the extension of franchise, prisoner voting, accessibility and electoral reform.

Outcomes

There were no planned all Scotland elections in 2018/19. However, electoral registration officers were involved in seven local authority by-elections and two national park elections.

In July 2018, the SAA delivered a national television advertising campaign across Scotland to mark National Democracy Week and there was also radio and social media advertising to highlight the start of the annual canvass.

Following the conclusion of the annual canvass, the Committee met to review the effects of differing messaging, the use of mobile tablet devices to support door to door canvassing and to analyse the response rates across Scotland to assist in identifying what messaging works well.

This was the first year since the introduction of Individual Electoral Registration where there wasn't a major electoral event to drive registration. The new registers published on 1 December 2018 contained 3.93M

parliamentary electors and 4.11M local government electors; this represented a decrease of 0.5% and 0.25% respectively. The publication of the new registers in December captures the Scottish electorate at a particular point in time. Registration is however a year round activity and the registers across Scotland are updated on a monthly basis, in accordance with the law, between January and September. There are no updates to registers in the two months prior to publication of the new registers. The monthly updates in 2018/19 saw 229,998 additions, 247,626 deletions and 31,119 modifications to registers. EROs in Scotland proactively invite potential new electors to register to vote and will follow up any non-responses. The SAA is pleased to note that all Scottish EROs met the performance standards set by the Electoral Commission.

The SAA are working with the Cabinet Office and the Scottish Government to improve accessibility to electoral registration services.

We have responded to the UK and Scottish Government's consultation on electoral reform and changes to the canvass; the Chair of the SAA Committee was a member of the Working Group that advised both governments on their development of policy for canvass reform

Going forward

In relation to our work on non-domestic rates members of the SAA are focussed on two major outcomes - facilitating the resolution of the Revaluation 2017 appeals within the deadline that VACs have of 31 December 2020; and delivering the NDR reforms that will ensure more frequent revaluation of all non-domestic properties in Scotland.

Both priorities are critical to the future success of a sustainable system of NDR. Delays in appeal resolution or a failure to deliver the important benefits of more frequent revaluations and the other reforms identified by the Barclay Review Group would have a negative impact on all stakeholders. The work of the SAA over 2018/19 has ensured that assessors are working effectively to deliver both outcomes.

The government published the NDR (Scotland) Bill in March 2019 and the SAA is keen to work with all stakeholders to ensure that assessors have the resources and legal framework to deliver. Access to detailed rental, cost and other property related information is a key requirement for accurate assessment of property values, along with the resources to gather, analyse and process such information swiftly and effectively. Revaluing over a quarter of a million non-domestic properties every 36 months will require efficient streamlined processes that provide accurate valuations to enable the distribution of local taxation for

all parties across all sectors. In a similar vein, the appeal disposal regime will require reform to ensure a quick turnaround which is fast and effective with resources devoted to the small number of subjects where a genuine issue prevails rather than the current situation of high volumes of appeals where the vast majority do not result in any change in value but nevertheless carry a significant resource overhead for assessors and local valuation appeal committees.

The SAA is also delighted to be working with both governments to deliver canvass reform for electoral registers and will work to ensure that Scottish EROs are ready to implement the reforms and to take part in any necessary testing. The proposed model is designed to be a more streamlined process that offers greater flexibility to EROs to adapt canvass delivery in a way that focuses resources where they are most needed.

Electoral registration continues to evolve and move forward, and the SAA welcomes reform that improves electoral registration and puts the interest of the electors first, including consideration of a “live” register rather than one that is updated on a monthly basis, as well as being able to make absent voting applications online. In this regard the SAA looks forward to working with Scottish Government as it develops its electoral reform programme.



These two significant areas of service reform and development must however sit within a larger framework of service delivery that encompasses the continuous business of maintaining accurate domestic and non-domestic property value assessments and delivering electoral registration services that ensure that the foundation stones of democracy – complete and accurate electoral registers are available whenever the need arises.

The extremely active NDR and electoral reform agendas that impact significantly on two of SAA members’ three service areas dictate that assessors and EROs operate in a dynamic and highly visible environment. The SAA is keen to continue to work with all stakeholders to deliver local taxation valuation and electoral registration regimes that are responsive and effective.



Appendix 1:

Property types exempted from inclusion in valuation rolls

Agricultural land and buildings

ATM sites in rural areas

Dwellings (these are subject to council tax)

Embassies, consulates and trade missions

Fish farms

Foreign military bases

Forestry and woodlands

Renewable microgeneration
plant and machinery up to 50KW
electricity/up to 45 KW thermal

Offshore facilities

Public parks

Appendix 2:

Valuation Roll on 1 April 2018 and 31 March 2019

Property type	1 April 2018		31 March 2019	
	Number of Subjects	Total RV	Number of Subjects	Total RV
Shops	53,742	£1,620,791,522	53,844	1,610,167,671
Public Houses	3,667	£132,618,575	3,623	127,349,900
Offices including banks	44,604	£1,082,290,119	45,225	1,069,172,609
Hotels etc	5,647	£282,710,998	5,912	291,322,673
Industrial subjects including factories, warehouses & stores	53,239	£1,263,879,255	53,896	1,281,335,654
Leisure, entertainment, caravans & holiday sites	23,248	£286,757,220	24,484	290,176,535
Garages and filling stations	4,236	£74,813,305	4,199	75,152,670
Cultural	1,435	£54,971,925	1,423	58,097,730
Sporting subjects	15,221	£37,890,327	15,120	36,549,832
Education and training	3,704	£571,503,575	3,683	579,238,425
Public service subjects	9,986	£359,120,585	9,948	357,920,985
Communications(non formula)	354	£30,254,975	359	24,860,575
Quarries & mines	659	£17,679,149	660	16,872,779
Petrochemical	141	£122,099,605	140	121,807,605
Religious	6,084	£56,445,955	6,067	56,728,560
Health & medical	3,241	£234,443,755	3,212	236,313,250
Other	16,583	£145,521,917	16,982	146,820,893
Care facilities	2,953	£120,582,059	2,953	121,158,305
Advertising	1,849	£10,512,920	1,802	10,372,445
Undertakings	1,157	£933,692,790	1,211	950,753,123
All properties	251,750	£7,438,580,531	254,743	7,462,172,219

Appendix 3:

Scottish Ratepayers Forum membership

British Hospitality Association
Chemical Industries Association
Confederation of British Industry
COSLA
Federation of Small Businesses
Forum of Private Businesses
IRRV
Petrol Retailers Association
RICS
Scottish Chambers of Commerce
Scottish Council for Development of Industry
Scottish Grocers Association
Scottish Land & Estates
Scottish Licensed Trade Association
Scottish Property Federation
Scottish Retail Consortium
Scottish Renewables
Scottish Self Catering Association
Scottish Tourism Alliance
Scottish Valuation Appeal Committees
Scottish Water
Scottish Whisky Association
UK Petroleum Industry Association



Appendix 4:

Scottish Rating Surveyors Forum membership

Avison Young
BNP Paribas
CBRE
Colliers International
FG Burnett
Gerald Eve
GL Hearn
Jones Lang Lasalle
Knight Frank
Montagu Evans
R Littlewood
Ryden
Savills
Shepherd
Whitelaw Baikie Figs
WYM Rating



Images with thanks -

Aberdeenshire Council

Dumfries and Galloway Council

Electoral Commission

Falkirk Council

Fife Council

Highland and Comhairle nan Eilean Siar

Macallan Distillery Ltd.

Scottish Borders Council

www.saa.gov.uk



June 2018