



**Annual Report
2022/23**

**Scottish
Assessors
Association**

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Foreword

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SAA President

The Scottish Assessors Association (SAA) is a voluntary body which draws together all Assessors and Electoral Registration Officers across Scotland. Its core purpose is to share knowledge and encourage partnership working in the fields of valuation for non-domestic rating, council tax and electoral registration.

The Association was instituted in 1975 at the time of local government reorganisation and is the successor body to the Association of Lands Valuation Assessors of Scotland (1957) and earlier bodies extending back to The Association of Lands Valuation Assessors (1886). The SAA continued in being after the 1996 reorganisation of Scottish local government and operates in terms of a formal constitution.

SAA members are responsible for the valuation for rating of circa 260,000 non-domestic properties, and the allocation of council tax bands to some 2.71 million dwellings. This has enabled the collection of circa £2B in non-domestic rates, and circa £2.75B in council tax. In addition, our rateable values and council tax bands are used as the basis to raise around £1.1B in water, sewerage and drainage revenues. As Electoral Registration Officers (EROs) we are responsible for the compilation of electoral registers that enable over 4 million citizens to participate in elections ranging from local community councils to national parliamentary elections and referenda. Our statutory tasks of maintaining the Valuation Rolls of non-domestic properties, and the Valuation Lists of dwellings and electoral registers have continued to be undertaken throughout the period 2022/23, notwithstanding the real challenges posed by the Non-Domestic Revaluation, the first since 2017, and in particular the new legislative duties associated with the Revaluation stemming from the Barclay

review into non-domestic rates. The Elections Act 2022 also required EROs to implement new working practices to facilitate the introduction of Voter Authority Certificates. Further changes are planned for 2023/24.

The collaborative working of all Assessors and EROs, through the SAA, has arguably never been as important as it has been in the period 2022/23 as a result of a raft of new legislative duties. The close working relationship between Assessors and EROs, facilitated by the SAA, has contributed significantly to the delivery of statutory functions in 2022/23 in a consistent manner.

Over the last year, Assessors and their staff have worked tirelessly to deliver the Non-Domestic Revaluation which is effective from 1 April 2023. There is a separate section on the 2023 Non-Domestic Revaluation contained within this report which covers in more detail the Revaluation process undertaken within the SAA. In addition to the major project that is a Non-Domestic Revaluation, work continued throughout 2022/23 in relation to maintaining the 2017 Valuation Roll, in maintaining the Valuation List for council tax, and dealing with appeal work in respect of both.

The SAA continued throughout 2022/23 to work with key stakeholders in implementing the non-domestic rates reforms, liaising with the Scottish Government, as well as meeting with the Scottish Ratepayers Forum, the Scottish Ratepayers Surveyors Forum, and the Scottish Business Ratepayers Group. Minutes of formal meetings are accessible at the SAA Portal (saa.gov.uk).

The SAA continued to be represented, through the SAA Executive, on the Scottish Courts and Tribunals Service

(SCTS) Stakeholders Group, helping to facilitate the transfer of the functions of Local Valuation Appeal Panels to the SCTS. Extensive work was undertaken by the SAA in ensuring that processes were in place for the transfer of data to the SCTS, including the significant numbers of Covid appeals. The transfer of functions implementation date to the new appeals set up is 01/04/2023, having been postponed from 01/01/2023.

In respect of electoral registration work May 2022 saw EROs involved in the successful delivery of the Council elections across Scotland, the annual canvass of electors was again carried out in 2022. The SAA continues to co-ordinate work undertaken by EROs and consider the implications of The Elections Act 2022 which results in additional duties of EROs and their staff.

The period 2022/23 has seen many challenges for Assessors and Electoral Registrations Officers across Scotland including a raft of new statutory duties as a result of the Non Domestic Scotland Rates Act 2020, and the Elections Act 2022. Once again the Association, through collaborative working, sharing knowledge and experience, met the challenges whilst promoting consistency of service provided where possible.

In that regard, I would like to take this opportunity to thank my colleagues on the SAA Executive, and other Assessors and EROs, and indeed all members of the SAA who should be commended on their ability to react to the significant demands experienced throughout 2022/23 and deliver on the, in particular, new statutory undertakings as a result of various legislative changes, with the overarching objective of continuing to deliver a first class service to all stakeholders where possible.

Outline

This report outlines the function and role of the Scottish Assessors Association and is followed by an overview of our activities and reflection on the period 2022/23 in terms of our undertakings, engagement with stakeholders, and our contribution to the fiscal and democratic framework across Scotland.

There is a dedicated section within the report in respect of the 2023 Non-Domestic Revaluation.



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 co-ordinating 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. The 14 Assessors as at 31 March 2023 are identified in the 'Membership of the SAA' section of this report. The SAA also represents, through its Electoral Registration Committee, the 15 Electoral Registration Officers (EROs) across the country that compile the electoral registers which are used for all elections that take place in Scotland. Essentially, the SAA seeks to continuously develop a consistent approach to the delivery of valuation and electoral registration services across Scotland.

Whilst a voluntary organisation, all Assessors and their senior staff are members of the Association. A principal function of the Association continues to be to facilitate a consistency of approach in the administration of the valuation, council tax and electoral registration services. The decisions of the Association have a bearing on how individual Assessors carry out their statutory duties, but each Assessor is an independent official. However, the SAA provides a good working example of joint service delivery in practice across Scotland and continues to strive to achieve consistency and good practice in the delivery of services. A public facing issues log records appropriate matters raised by stakeholders and assists in focusing the SAA in dealing with issues, including those where it is believed that there is inconsistent practice.

Partnership working is therefore a key feature in how the SAA operates and as such our organisation works with a range of stakeholders including; both local and national governments; professional bodies such as the Royal Institution of Chartered Surveyors (RICS); the Institute of Revenue Rating and Valuation (IRRV); the Association of Electoral Administrators (AEA); the Electoral Commission and Electoral Management Board for Scotland; the Scottish Ratepayers' Forum and the Scottish Rating Surveyors' Forum; the Scottish Business Rating Group; and the Convention of Scottish Local Authorities (COSLA). The SAA also liaises with valuation authorities that operate across the UK and Ireland, namely the Valuation Office Agency (VOA) in England and Wales; the Northern Ireland Lands & Property Services (NILPS); and the Tailte Eireann considering matters of mutual interest, as well as sharing best practice.



The 2023 Non-Domestic Rating Revaluation

Preparatory work for the 2023 Non-Domestic Revaluation continued throughout the period 2022/23. The SAA have supplied data to the Scottish Government who have produced a statistical report in connection with the Revaluation, which contains a wide range of statistical information, including useful information on the average and range of movements in rateable values across council areas and sectors.

A Non-Domestic Revaluation is a significant project for all Assessors across Scotland and the SAA is key in ensuring its delivery. Via an actively monitored Project Plan, the SAA throughout the period 2022/23 programmed a series of tasks and sub projects to ensure that key project milestones were met. Below is a summary of the work undertaken by relevant SAA standing Committees in respect of the 2023 Non-Domestic Revaluation.

Basic Principles Committee

The function of the Basic Principles Committee is to provide direction to the SAA on the fundamentals of valuation and information analysis in order to promote consistency of practice. Practice notes which fall under the remit of the Basic Principles Committee include: Practice Note 1- Adjustment of Rents and Practice Note 2- Contractor's Basis Valuations. These specific practice notes underpin many other SAA practice notes and therefore can cover a wide variety of properties.

Practice Note 1 - Adjustment of Rents covers the approach to be taken when adjusting rental information to achieve a common basis for comparison. This

practice note supports the rental analysis work required to be carried out in advance of valuation. It is important that this practice note is available for reference at the early stages of the Revaluation process. On an ongoing basis, Assessors issue assessor information notices to collect the rental information required for the analysis and valuation process. For the 2023 Revaluation, new Rent and Rent Review Assessor Information Notices were developed by the Basic Principles Committee. The design of these new assessor information notices was a driver to channel shift how users return information to Assessors, encouraging online completion rather than the return of paper copies. The Committee undertook an external consultation on the original paper form and, after considering the feedback received, supported the development of new online questionnaires at the Portal. New paper assessor information notices and letters were also created for both new rent and rent review scenarios.

Practice Note 2 - Contractor's Basis Valuations outlines the basis for carrying out rating valuations using the contractor's method of valuation. For the 2023 Revaluation, the Committee led an external consultation on the age and obsolescence allowances to be contained within the practice note. The Committee considered the feedback received from the consultation and an additional age and obsolescence scale for civic buildings was added to the practice note for the 2023 Revaluation. As Practice Note 2 is referenced in many other SAA practice notes, early stakeholder engagement took place on the content of this practice note for Revaluation 2023.

Cost information is used to derive unit rates used in contractor's basis valuations. Assessors collect cost information through the issue of Building Cost Assessor Information Notices. A new Building Cost Assessor Information Notice was developed by the Basic Principles Committee for the 2023 Revaluation. In advance of developing this Information Notice, an external consultation was carried out on the content of the form with feedback reviewed and incorporated as appropriate.

Public Buildings Committee

The Public Buildings Committee is responsible for producing 26 practice notes for a diverse range of subjects including Waste Water Treatment Works, Airports and Hospitals. The majority of subjects are valued on the contractor's method of valuation, where there is limited or no rental evidence; however, some subject types such as Health Centres or Ambulance Stations may be valued on contractor's or the comparative approach depending upon the location and the availability of rental evidence.

During the 2017 Revaluation the Committee, through negotiation with industry representatives and their agents, managed to agree revised schemes of valuation for Schools, Hospitals, Health Centres, Police Stations, Halls, Museums & Art Galleries and Universities & Colleges amongst others. This proactive approach allowed a significant number of appeals to be settled quickly and prevented further challenge through the higher courts.

With a three year Revaluation period in mind, this approach continued into the 2023 Revaluation with the Committee pre-agreeing the practice note for Police Stations which allowed Assessors to pre-agree values with Police Scotland in advance of the Revaluation going live. The Committee also engaged with the Northern Lighthouse Board to change the basis of the practice note and to pre-agree the values adopted therein. This approach accords with one of the recommendations of the Barclay Review of Non-Domestic Rates in terms of seeking to reduce the volume of proposals entering the process.

Another key aspect of the Barclay Review was engagement and transparency. For the 2023 Revaluation the Committee explored a change in the valuation methodology of Airports, following a consultation exercise in collaboration with VOA. The main airports in Scotland were subsequently valued using a Receipts and Expenditure approach rather than the contractor's method. The majority of the large airports have been pre-agreed for the 2023 Revaluation on this revised valuation approach.

Another key change for 2023, again following an open consultation exercise, was the introduction of a new civics scale of enhanced age & obsolescence allowances within Public Buildings Committee practice notes for non-industrial buildings.

Whilst not all practice notes could be pre-agreed, the Committee has spent a substantial amount of time discussing practice notes and areas of possible divergence of opinion with rating agents which should provide a firm basis upon which to head into the 2023 Revaluation with some optimism.

Miscellaneous Properties Committee

The Miscellaneous Properties Committee is responsible for producing 30 valuation practice notes for a diverse range of subjects such as Shooting Rights & Deer Forests, Golf Courses and Visitor Attractions. The majority of subjects are valued on the Comparative Principle of valuation, however some subject types, such as Static Leisure Caravan Parks, are valued on the Receipts and Expenditure method; other such as Squash Courts may be valued on the Contractors Basis due to a lack of rental evidence for such subjects.

For the 2023 Revaluation, as with previous Revaluations, engagement took place as appropriate with the VOA and industry representatives and their agents in connection with revised schemes of valuation for subjects such as League Football Grounds, Caravan Parks, and Horse Racecourses amongst others. This proactive approach resulted in pre-agreement of the various Caravan Site practice notes with rating agents, which in turn allowed for the pre-agreement of a number of values in advance of the Revaluation going live, which will ultimately reduce the number of proposals received against valuations for such subjects.

Although pre-agreement of revised schemes of valuation was not always possible, worthwhile dialogue with rating agents nevertheless took place, with points of difference identified. This should hopefully bring clarity and be of assistance when dealing with any future proposals which might be received for subjects such as League Football Grounds and Horse Racecourses amongst others.

Governance Committee

During 2022/23 The SAA Governance Committee worked to produce template Draft Revaluation, Revaluation and Valuation Notices for use by Assessors, providing, for the first time, a consistent notice style and layout for Non-Domestic property owners and occupiers throughout Scotland. The Governance Committee also produced template letters to reflect the new proposals system coming into effect from 1st April 2023, again to help provide a consistent level of information regardless of where in Scotland the property is. In addition, the Governance Committee served as an ideal forum for joint working and to exchange knowledge, information and ideas on topics such as Freedom of Information, Data Protection, Public Records and Equalities.

Commercial Properties Committee

The Commercial Properties Committee is responsible for producing 28 practice notes, which are categorised into three distinct areas: Retail (covering subjects such as shops, supermarkets, Garden Centres, ATMs, Retail Warehouses etc.); Office & Leisure (covering subjects such as Offices, Self-Catering Units, Theatres, Car

Parks etc); and Licenced (Covering subjects such as Hotels, Licenced Premises, Exclusive Use Venues etc.) All subjects dealt with by the Commercial Properties Committee are valued on a comparative basis with certain subjects under the Licenced category valued by reference to the relationship between turnover and rents.

For the 2023 Revaluation, careful analysis of relevant rental transactions was undertaken, and consideration given to the different market trends for each category of subject.

When determining value levels of department stores, market research was undertaken together with engagement with representatives of a key department store operator. Similar engagement was also undertaken with certain industry representatives when developing the 2023 practice note for Supermarkets.

The treatment of Self-Catering Units changed in 2022 as a result of The Council Tax (Dwellings and Part Residential Subjects) (Scotland) Amendment Regulations 2021. The legislation now requires that certain criteria be met and evidenced in order for a dwelling to be considered a "Self-Catering Unit" for rating purposes. One such requirement is that the property must, in practice, have been let in the relevant financial year for a total of 70 days or more. The SAA has issued communications to all self-catering unit operators as shown in each Valuation Roll and continues to liaise with the Association of Scotland's Self Caterers in this regard.

As a result of engagement with industry representatives, changes to the 2023 Licensed Premises practice note were implemented to reflect the challenges faced by this sector throughout the Covid 19 pandemic and to recognise general market conditions.

One of the main outcomes following discussion with agents representing the licensed trade industry was the creation of more flexibility in the turnover percentages applied in the valuation. Two separate categories of Licenced Premises were introduced to the practice note with a range of percentages within each and the treatment of income from food was amended.

Similarly, engagement with industry representatives assisted in devising the 2023 practice note for Hotels and Accommodation Subjects. Categorisation of Accommodation Subjects have been amended with additional descriptive detail added to enable consistency of approach. Furthermore, changes to the approach for subjects within the 'room only' and 'limited service' categories reflect the development of this type of accommodation subject within the sector since the 2017 Revaluation.

Utilities Committee

The Utilities Committee is responsible for producing 6 national practice notes covering such subjects as wind farms and mobile telecoms.

Discussions have taken place with industry representatives across various subjects covered by the Committee. In terms of Wind Farms and Electricity Transmission and Distribution networks these are expected to continue into the period 2023/2024.

Extensive engagement took place with many telecoms operators, the VOA and NILPS particularly around networks that operate across these jurisdictions. A number of appeals that were outstanding were also resolved during 2022/23.

Early engagement allowed for two out of the three major docks and harbours undertakings to be pre-agreed for the 2023 Revaluation.

Industrial Properties Committee

The Industrial Properties Committee is responsible for producing 13 national practice notes for a range of subjects including Factories, Minerals, Whisky Distilleries, Livestock Auction Marts and Petrol Filling Stations.

Subjects are typically valued on the comparative basis considering available rental evidence but some subjects require the consideration of costs associated with additional features. In other cases throughput, gross commission, turnover, output and volume figures are considered and applied to an appropriate rate or

percentage to arrive at the Net Annual Value. Whisky Distilleries are valued on the contractor's basis of valuation on occasions where the comparative method is deemed unsuitable.

The 2023 Revaluation practice note authors through SAA Industrial Working Groups have collated and scrutinised evidence at a national level and made valuation recommendations where there is an absence of local evidence to rely upon. In doing so the Industrial Properties Committee has engaged with our counterparts in Northern Ireland, England and Wales as well as Industry representatives for specific subject categories.

In the short timeframe between the publication of draft practice notes and concluding final values, positive progress has been made with representatives of Petrol Filling Stations with rateable value pre-agreements reached for a number of subjects.

Constructive discussions have also taken place with industry representatives with a view to finalising a 2023 Memorandum of Agreement for Cross-Country Pipelines.



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 officials in respect of the delivery of their statutory duties, namely: the compilation and maintenance of the Valuation Roll for non-domestic rating purposes; the allocation of dwellings to council tax bands contained in the Valuation List; and the maintenance of the electoral registers containing the names of persons who are entitled to vote in elections.

Assessors provide Electoral Registration services in all Council areas except Dundee and Fife. As at 31 March 2023, the ERO for Dundee City Council is Roger Mennie and the ERO for Fife Council is Lindsay Thomson.

ASSESSOR (as at 31 March 2023)	AUTHORITY	COUNCIL AREAS
Magnus Voy	Ayrshire Valuation Joint Board	East Ayrshire North Ayrshire South Ayrshire
Pete Wildman	Central Scotland Valuation Joint Board	Clackmannanshire Falkirk Stirling
James Doig	Dumfries & Galloway	Dumfries & Galloway
Russell Hewton	Dunbartonshire and Argyll & Bute Valuation Joint Board	Argyll & Bute East Dunbartonshire West Dunbartonshire
Heather Honeyman	Fife	Fife
William McFarlane	Glasgow City	Glasgow
Mark Adam	Grampian Valuation Joint Board	Aberdeen Aberdeenshire Moray
Frank Finlayson	Highland and Western Isles Valuation Joint Board	Eilean Siar Highland
Gary Bennett	Lanarkshire Valuation Joint Board	North Lanarkshire South Lanarkshire
Michael Wilkie	Lothian Valuation Joint Board	East Lothian Edinburgh Midlothian West Lothian
Robert Eunson	Orkney & Shetland Valuation Joint Board	Orkney Islands Shetland Islands
Robert Nicol	Renfrewshire Valuation Joint Board	East Renfrewshire Inverclyde Renfrewshire
Brian Rout	Scottish Borders	Scottish Borders
Roy Christie	Tayside Valuation Joint Board	Angus Dundee Perth & Kinross

Governance and structure of the SAA

2022/23**EXECUTIVE COMMITTEE****PRESIDENT:****Gary Bennett****VICE PRESIDENT:****Pete Wildman****SECRETARY:****Heather Honeyman****PAST PRESIDENT:****David Thomson**

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 a fourth member, usually the Past President. For the period 2022/23, those positions were held by Gary Bennett, Pete Wildman, Heather Honeyman and David Thomson (until his retirement in December 2022 from the position of Assessor & ERO for Dunbartonshire, Argyll & Bute). Jim Doig became the fourth member of the Executive Committee following the retirement of David Thomson.

The SAA works through the voluntary 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 governance, audit and regulatory regimes of those authorities. The SAA is not a national public authority and only holds nominal funds that are provided by means of a personal subscription received by members.

The SAA has standing subject-specific property valuation Committees that meet as required to consider business falling under the remit of each Committee, with a view to making recommendations where appropriate to the Assessors Committee. Throughout the period 2022/23 activity with the SAA Committees was particularly heightened as a result of the 2023 Non-Domestic Revaluation; in particular relevant Committees, which in turn can have specific working groups, undertook extensive analysis work and developed valuation practice notes for use by Assessors' staff throughout Scotland.

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; a Basic Principles Committee which considers matters such as the development of practice notes on fundamental valuation principles; and a Portal Management Committee that covers the development and maintenance of the jointly operated SAA website.

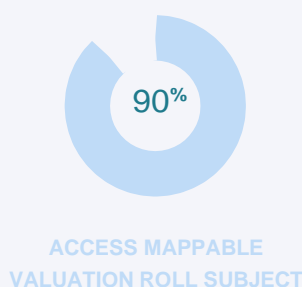
In connection with the 2023 Non-Domestic Revaluation, the SAA published on 30th November 2022, in conjunction with the issue of draft valuation notices and the publication of the draft Roll, an extensive number of valuation practice notes, together with specific valuation details for a range of property types. These practice notes are subject to a thorough approval process involving relevant working groups before being considered by the appropriate standing Committee and thereafter being scrutinised by the Assessors Committee before publication, and are available at www.saa.gov.uk.



SAA online

www.saa.gov.uk

CIRCA
2.95M
ADDRESSES FOR LOOK-UP



CIRCA
195,000
NON-DOMESTIC PROPERTY
VALUATION DETAILS AVAILABLE

The SAA continues to support and develop the online shared services platform known as the SAA Portal www.saa.gov.uk.

This website allows anyone to look up the council tax band or rateable value for any of the circa 2.95M addresses in Scotland contained within the Valuation Roll and Valuation List.

For the circa 260,000 non-domestic properties the appeal status is also provided, and this will be further developed to display the existence of a live proposal in the period 2023/24. For over 195,000 of these non-domestic properties, the valuation details are available online also, representing an expansion of over 40,000 valuations as part of development work undertaken throughout 2022/23 in connection with the 2023 Non-Domestic Revaluation.

The portal also provides information on current valuation and electoral matters and displays useful links to enable service users to register to vote, contact their local Assessor and ERO, and access information on a range of related business.

During the period 2022/23, Assessors have pursued an ambitious and challenging development programme with the Portal that interlinks with Assessors and EROs' statutory requirements, whilst continuing to provide openness and transparency to stakeholders.

As part of the 2023 Non-Domestic Revaluation project, Rented Property Lists were published with the draft 2023 Revaluation roll on 30 November 2022.

A wide range of properties valued on the comparative principle now have an accompanying list of properties whose rents were analysed to derive the basic valuation rate adopted in their valuation, providing further useful context of rateable values for an extensive number of Valuation Roll entries.

In addition to providing draft values on 30 November 2022, Assessors also provided ongoing updates to valuations through the proposed value feature at the Portal. In this way users of the Portal could see how Revaluation values evolved in response to physical changes as well as the provision of new information and provided early awareness of values ahead of 1 April 2023.

A new online non-domestic proposal form has been developed at the Portal, together with a helpful video to assist users with that process, which will assist those wishing to lodge a proposal against their rateable value.

Assessors have also expanded the reasons for alteration at the Portal to provide more information to users and mirror the information provided on the new standardised valuation notice for Scotland.

For 2023/24, development efforts will focus on delivering a non-domestic proposal submission webservice which should bring efficiencies to the proposal submission process for both ratepayer representatives and Assessors. The Portal will continue to be developed further, expanding our online services through the provision of more web forms. Annual Self-Catering returns are a key priority, given the recent change to legislation, and this should again provide efficiencies for Self-Caterers and indeed Assessors.

2022/23

Non-Domestic property assessment

With the exception of properties that are exempt (see Appendix 1), all non-domestic properties have a rateable value that broadly equates to the rental value of the property, fixed according to certain statutory requirements. These rateable values are published in documents known as Valuation Rolls that are provided to each local council. Through the SAA website – www.saa.gov.uk - these local Valuation Rolls are all made readily accessible to the public at a single location.

As at 31 March 2023 there were 259,882 entries for non-domestic properties in the Valuation Rolls in Scotland, with a corresponding total rateable value of £7.303B. Appendix 2 provides the distribution of rateable value across the different property sectors as at 1 April 2022 and again at 31 March 2023.

The rateable values shown in the Valuation Roll are revalued at a general Non-Domestic Revaluation. The last general Revaluation took place in 2017, with the next Revaluation taking place in 2023, with the new Valuation Roll coming into force on 1 April 2023. Throughout the 2022/23 year work has continued to resolve as many outstanding appeals as possible relating to the 2017 Valuation Roll, in order to bring certainty of rates liabilities to as many stakeholders as possible, prior to the new Revaluation Roll coming into force on 1 April 2023.

Some 73,891 properties had Revaluation appeals lodged against the assessed rateable value following the 2017 Non-Domestic Revaluation. As at 31 March 2023, a total of 72,801 appeals against the 2017 Revaluation - with an original RV of £5,069m - had been resolved, representing circa 99% of the total appealed properties and 94% of the £5,394m appealed RV. A total of 1,099 appeals against the 2017 Revaluation are still outstanding, representing £325m of appealed RV. Just over two thirds of appeals resolved as at 31 March 2023 (49,082) did not result in any change in RV.

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. Over 90,000 such appeals were lodged on the basis of a material change of circumstances relating to the Covid-19 pandemic over the period 2019/20 & 2021/22,. Following legislation being passed by the Scottish Parliament a significant proportion of these appeals have been withdrawn. However approximately 50,000 as at 31 March 2023 remained and these will need to be dealt with.

Apart from facilitating the resolution and disposal of Revaluation appeals, Assessors continued to be 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 15,680 alterations to Valuation Rolls for the period 2022/23.



The SAA and NDR reform

With the Non-Domestic Rates (Scotland) Act receiving Royal Assent in March 2020, progress continued apace within Assessors' offices over the period 2022/23, in particular in respect of the new statutory undertakings as contained within the Act. The SAA continued throughout the period to co-ordinate key activities ensuring consistency and delivery of significant changes brought about as a result of the new legislative duties. The following is a summary of the progress in connection with the principal sections of the Act which affect matters relating to the Valuation Roll:-

Section 2 – (Amends the definition of “year of revaluation” such that, after 2022, Revaluations will be carried out every three years, rather than every five years).

Progress update: The Scottish Government took the decision, due to the pandemic, to postpone the Non-Domestic Revaluation to 1 April 2023, with a target date of 1 April 2022. Throughout the period 2022/23, Assessors - co-ordinated via the Scottish Assessors Association - implemented a raft of business processes to facilitate the undertaking of new statutory duties connected with the 2023 Non-Domestic Revaluation. A comprehensive information gathering and analysis exercise was undertaken across Scotland resulting in, managed via the SAA standing Committee structure, an extensive number of Valuation Practice Notes being published at the time of the publication of the draft Valuation Roll on 30 November 2022; the publication of the first ever draft Valuation Roll was accompanied for the first time at a Non-Domestic Revaluation with the issuing of draft valuation notices to proprietors, tenants and occupiers of Valuation Roll entries. The SAA developed a project plan for the 2023 Non-Domestic Revaluation, which was regularly monitored and reviewed throughout the whole of 2022/23 which ensured the successful delivery of the 2023 Revaluation.

Section 3 – (Inserts a new section into the Local Government (Scotland) Act 1975 requiring an Assessor to include a mark in appropriate entries in the Valuation Roll to show that it relates to newly built lands and heritages, or to improved lands and heritages, which the local authority will be able to use to identify properties which may be eligible for business growth accelerator relief).

Progress update: Procedures were developed within Assessors' offices in order that a marker is placed in the Valuation Roll where deemed appropriate as a result of the Non-Domestic Rates (Relief for New and Improved Properties) (Scotland) Regulations 2022. The SAA developed a staff guidance note to ensure that consistency of approach is achieved across the country.

Section 5 – (Amends Section 19 of the Local Government (Financial Provisions) (Scotland) Act 1963 to require that certain subjects contained within parks should be entered in the Valuation Roll). The subjects to be entered are those which are occupied by a person or body other than a local authority or the Crown, or where persons may be required to pay for access to facilities or for goods or services.

Progress update: A staff guidance note was developed by the SAA to ensure consistent practice throughout Scotland, with new entries being made across the country in the draft 2023 Valuation Roll, and the final roll which comes into effect on 1 April 2023.

Section 9 – (Amends Section 3 of the 1975 Act to allow Ministers to prescribe that Assessors must give ratepayers additional information at Revaluation.)

Progress update: In addition to an extended valuation programme, whereby more valuations were published with the draft Valuation Roll on 30th November 2022, Assessors published at the same time property rented lists which detailed the Valuation Roll entries used to help form the basic rate of a range of subject types. This was the first time such information was published in connection with a Non-Domestic Revaluation.

Section 10 – (Makes significant changes to the appeal arrangements enabling a “proposal” to be made to the Assessor in the first instance. Where no agreement is reached as to what should be done about a proposal an appeal may be submitted to the Scottish Courts and Tribunals Service (SCTS)). Whilst this section sets out the basic framework of the new appeal system, much of the detail of the procedure will be contained within secondary legislation.

Continued ...

Progress update: Following the passing of secondary legislation in late 2022/early 2023, the new proposals and appeals system will come into effect from 1 April 2023, at the same time as the 2023 Non-Domestic Revaluation took effect. A Local Taxation Chamber has been set up within the Scottish Courts and Tribunals Service which is a new First Tier Tribunal chamber which will deal with council tax, water charges and non-domestic rates appeals after 1st April 2023. The local Valuation Appeal Panels (VAPs) that dealt with this work prior to 1st April 2023 will formally cease to exist on 1st October 2023.

The Local Taxation Chamber will essentially hear six types of appeals:

- Non-Domestic Rates Appeals.
- Appeals against Council Tax Banding
- Non- List Council Tax Appeals: - the Chamber will also hear other council tax appeals such as the calculation of council tax liability.
- Water Charges Appeals: - the Chamber will hear appeals against a Local Authority decision that water charges are payable or on the calculation of water charges liability.
- Council Tax Reduction Appeals: - the Council Tax Reduction Review Panel (CTRRP) was established to hear appeals against how a local authority has calculated someone's level of Council Tax Reduction. It provides an additional review function, beyond that provided by the relevant local authority and safeguards an individual's right to administrative justice in relation to the Council Tax Reduction scheme. The functions of the CTRRP will transfer to the Chamber.
- Civil Penalties: - the Chamber will hear appeals against the amount of a civil penalty imposed for failure to comply with Assessor information notices, failure to comply with local authority information notices and failure to notify changes in circumstances to the local authority (see Section 26 below).

A Stakeholder Reference Group was established to help facilitate the transfer of the duties previously undertaken by VAPs with SAA representatives participating in the group meetings. The changes to the non-domestic appeal system in Scotland will present major challenges to all Assessors, and indeed other stakeholders.

Section 26 – (Gives powers for Assessors to issue assessor information notices (AINs) requiring the return of information which the Assessor may reasonably require for the purposes of exercising his/her functions in relation to non-domestic rates in respect of the lands and heritages set out in the notice. Information may be requested from the proprietor, tenant or occupier or any person who the Assessor thinks has the information).

Progress update: Procedures have been widely implemented across Assessors' offices in connection with AINs and, in particular, the new civil penalties regime. The SAA has also developed staff guidance in respect of the new civil penalty powers to ensure consistency of approach across Scotland.

Section 30 – (Provides for civil penalties to be issued for failure to return requested information within certain time periods.)

Progress update: As update above regarding Section 26.

Throughout 2022/23, the SAA continued to work with all stakeholders to consider the significant reforms introduced by the Non-Domestic Rates (Scotland) Act 2020, and subsequent legislation, and will continue to do so via the various forums set up for stakeholder engagement purposes.



2022/23

Domestic property assessment

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. The council tax bands are used by local authorities to collect circa £2.75B of council tax.

The 2,712,562 dwellings in Scotland are distributed across the 8 council tax bands as shown in Table 1.

The bands are all based on the local 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 2023

BAND	1991 VALUE RANGE	NUMBER OF DWELLINGS
A	£0 - £27,000	551,201
B	£27,001 - £35,000	608,454
C	£35,001 - £45,000	437,458
D	£45,001 - £58,000	372,728
E	£58,001 - £80,000	369,652
F	£80,001 - £106,000	218,889
G	£106,001 - £212,000	139,519
H	>£212,000	14,661

Total number of dwellings 2,712,562

The above totals exclude garage and domestic storage premises that are also assessed. Assessors added 25,303 dwellings to Valuation Lists during 2022/23



2022/23

Electoral Registration

The SAA Electoral Registration Committee, which comprises all fifteen Scottish Electoral Registration Officers and their senior staff, met on a regular basis during 2022/23. The Committee meeting have been held virtually other than one workshop style meeting held in February 2023.

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), Department of Levelling Up, Housing and Communities (DLUHC) and the Association of Electoral Administrators (AEA).

The SAA was represented on the following:

- EMB
- Electoral Integrity Programme (EIP) Strategic Stakeholders Group
- EIP Expert Panel
- EIP Business Change Network
- DLUHC's Accessibility Working Group
- EC/DLUHC Elections Co-ordination and Advisory Board
- EC/DLUHC Elections, Registration and Referendum Working Group
- The Scottish Parliament's Political Parties Panel.

The SAA met regularly with the Scottish Government's Elections Team and worked closely with them, the Electoral Commission and the EMB to deliver the May 2022 Scottish Council elections. We have also engaged with both governments over the impact of the Elections Act 2022 on registration activity in Scotland.

OUTCOMES

The Scottish Council Elections in May 2022 were run successfully with no electoral registration issues arising, a significant number of electors opted to vote by post. This continues the pattern seen at the May 2021 Scottish Parliament Election.

The canvass in 2022 went smoothly. In addition to the canvass any eligible prisoners are invited to register to vote. Scottish EROs already invite any eligible school pupils who aren't registered to register to vote. We also invite anyone identified as part of the canvass as not being on register. Registration is a year round activity and EROs across Scotland pro-actively identify potential electors and invite them to register to vote. We supported the Electoral Commission's "Welcome to Your Vote" campaign at the start of 2023. The campaign was aimed at encouraging school pupils across Scotland to register to vote.

The new Registers published on 1 December 2022 contained 4,012,700 parliamentary electors and 4,243,800 local government electors, this represented a decrease of 0.4% and

0.03% respectively on 1 December 2021.

The publication of the new Registers in December captures the Scottish electorate at a particular point in time. However, registration is a year round activity and the Registers across Scotland were updated on a monthly basis, in accordance with the law, between January and November. The electorate for the Scottish Council Elections in May 2022 was 4,222,332 of which a 976,108 opted to vote by post which equated to 23% of the electorate.

January 2023 saw the launch of the UK Government's Voter Authority Certificates and the Anonymous Electors Documents. These are designed for those electors who don't have or can't use other forms of photographic identification at UK Elections.

LOOKING AHEAD

The UK Government is in the process of implementing the remaining measures within the Elections Act 2022, including online absent vote applications, three yearly renewals of absent votes and an extension of the Overseas Electors franchise. This will see new duties for Electoral Registration Officers in Scotland and the SAA will continue to engage with DLUHC on the implementation programme.



Going forward

Going forward the work of members of the SAA in relation to non-domestic rates will be primarily focused on dealing with proposals which are lodged as a result of the 2023 Non-Domestic Revaluation. The logging and managing of such proposals will require continued consideration by the SAA given the new proposals regime which accompanies the Revaluation, all effective from 1 April 2023. The scheduling of proposal disposal dates, a new responsibility for Assessors across Scotland, will require detailed consideration by SAA standing Committees and their respective working groups whilst keeping key stakeholders informed. As well as the 'business as usual' work associated with the maintenance of the Valuation Roll, the SAA are already putting in place a project plan for the 2026 Non-Domestic Revaluation, the tone date of which will have a significant bearing on preparatory work for that Revaluation.

There still remains the uncertainty with regard to how the voluminous levels of non-domestic appeals, lodged across Scotland as a result of the pandemic, will be resolved. The resourcing of the resolution of the appeals - should they be pursued - could have a significant impact on Assessors' offices.

In respect of Council Tax, work will continue to ensure that statutory duties associated with maintaining the Valuation List is undertaken, and manage the change brought about by the transfer of Valuation Appeal Panel's duties to the new Local Taxation Chamber within the Scottish Courts and Tribunal Service.

With regards to electoral registration, the SAA will continue to engage with both the United Kingdom and Scottish Governments in respect of the to fully implement electoral

reforms associated with the Elections Act 2022. Such reforms include for the first time the requirement to show identification at polling stations, and also include other changes to postal voting, changes to proxy voting, and changes to overseas voting.

The period 2023/2024 will again see significant challenges to Assessors and EROs and their staff, not least the significant changes brought about by the new proposals and appeals system associated with Valuation Roll entries (non-domestic subjects) and Valuation List entries (council tax subjects). The SAA will aim to meet these challenges and are well placed to do so through its well-established standing Committees and working groups' structure which facilitate the sharing of best practice, collaborative working, and continuous forward planning.

SAA

Scottish Assessors Association

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 45KW thermal

Offshore facilities

Certain Public parks



Appendix 2:

Valuation Roll on 1 April 2022 and 31 March 2023

PROPERTY TYPE	NO. OF SUBJECTS 1 APRIL 2022	TOTAL RV 1 APRIL 2022	NO. OF SUBJECTS 31 MARCH 2023	TOTAL RV 31 MARCH 2023
Shops	54,135	£1,573,134,362	54,600	£1,579,976,377
Public Houses	3,546	£120,467,250	3,535	£120,605,250
Offices including banks	46,100	£1,025,884,819	44,641	£1,010,732,294
Hotels etc.	5,848	£283,951,080	5,659	£287,360,345
Industrial subjects including factories, warehouses & stores	56,773	£1,269,822,809	57,465	£1,260,585,600
Leisure, entertainment, caravans & holiday sites	27,466	£296,480,185	27,410	£301,273,780
Garages and filling stations	4,128	£72,532,255	4,044	£72,205,160
Cultural	1,335	£53,400,270	1,285	£52,816,595
Sporting subjects	14,566	£32,855,191	14,624	£32,823,263
Education and training	3,596	£560,083,650	3,610	£565,586,075
Public service subjects	9,720	£345,282,840	9,353	£336,932,350
Communications (non formula)	375	£24,170,311	385	£27,590,066
Quarries & mines	661	£14,399,270	657	£13,974,695
Petrochemical	135	£109,111,620	138	£115,970,020
Religious	5,999	£57,616,965	5,909	£57,636,840
Health & medical	3,210	£230,674,415	3,010	£225,694,605
Other	17,590	£151,599,495	17,508	£155,521,808
Care facilities	3,067	£125,885,685	3,149	£128,353,360
Advertising	1,640	£10,831,815	1,576	£10,996,785
Undertakings	1,271	£937,963,222	1,324	£946,433,762
All properties	261,161	£7,296,147,509	259,882	£7,303,069,030

Appendix 3:

Scottish Ratepayers Forum membership

Association of Convenience
Stores

British Hospitality Association

Chemical Industries
Association

Confederation of British
Industry

COSLA

Federation of Small Businesses

Forum of Private Businesses

Horticultural Trades Association

IRRV

Petrol Retailers Association

RICS

Scottish Chambers of Commerce

Scottish Council for
Development of Industry

Scottish Grocers Association

Scottish Hospitality Group

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

Solar Trade Association

UK Petroleum Industry
Association

Appendix 4:

Scottish Rating Surveyors

Forum membership

Avison Young	Knight Frank
BNP Paribas	Montagu Evans
CBRE	Ryden
Colliers International	Savills
FG Burnett	Scottish Government Water Unit
Gerald Eve	Shepherd
GL Hearn	Whitelaw Baikie Figes
IRRV	WYM Rating
Jones Lang Lasalle	