

MINUTE OF MEETING OF MEETING OF SCOTTISH RATEPAYERS' FORUM
9 NOVEMBER 2004 AT CHARING CROSS HOUSE, GLASGOW

Sederunt: A A McConochie, President SAA (Chair), Roger Littlewood, HBOS; Alistair Don, Scottish Licensed Trade Association; Andrew Martin, Scottish Retail Consortium; Neil Stewart, Federation of Small Business; M Lithgow, SAA Executive; J McEwan, Glasgow Assessor; W Sommerville, SAA Vice-President; D Gillespie, SAA Secretary

1 Welcome and Introductions The Chairman welcomed the members to the Forum and effected the necessary introductions.

2 Apologies Apologies had been received from Bill Anderson (Forum of Private Business), Carol Sibbald (Scottish Executive) and Warwick Malcolm (Scottish Chambers of Commerce)

3 Minutes of Meeting of 7 July The minute was approved.

4 Matters arising Roger Littlewood noted that he had a query for Carol Sibbald concerning a leaflet and would get in touch direct.

D Gillespie reported that he had yet to write to the tourist forum seeking their nomination of a member to represent them in the Forum.

Sandy McConochie reported that there had been an inquiry from the Scottish Whisky trade which seemed to be suggesting that the organisation might join the Forum. The request was not however particularly clear. He would seek clarification and bring the matter back to the Forum at a later stage. Roger Littlewood suggested that the Forum should welcome any ratepayers who might wish to be represented as this gave a different point of view from that of agents.

Andrew Martin suggested that details of the Forum could be put on the SAA website.

The question was raised as to whether the Forum would remain in existence beyond the revaluation. The feeling was that the Forum should be kept going. Sandy McConochie indicated that from the point of view of the SAA, the intention was to keep the Forum active as it was viewed as a long-term development and not merely a reaction to the business generated by revaluation.

5 Revaluation progress The date set for the meeting had been intended to co-incide with the publication of the draft valuation roll and the announcement of the rate poundages, small business relief limits etc. In the event, while

the Assessors had met the deadline for the publication of the draft roll, the Scottish Executive had yet to announce the rate poundage. It was understood that the reason for the delay was the change of Minister where Mr Kerr had been succeeded by Mr McCabe.

It was not known when the announcement would now be made.

It had been anticipated that there would be a lively session considering what the revaluation meant but this was now a discussion delayed.

In any event, the “going live” of the SAA portal had been drawn into the modernising government agenda and the site had been acknowledged at the local government conference held recently in Lanarkshire. It was noted that while the majority of values were final, the draft roll did require a health warning as there were a number of alterations and corrections to be effected over the coming months prior to the issue of valuation notices. W Sommerville noted that there was no full and final announcement as yet in England and Wales although an indicative rate poundage had been given at an earlier stage.

Roger Littlewood indicated that the response from the banking industry in respect of transitional relief was that they didn't want a scheme. Phasing could result in ratepayers failing to receive the benefit of a decrease in value for up to four years. The industry felt that the Treasury should fund immediate implementation. In response Sandy McConochie indicated that Assessors were neutral on this subject although he recognised that surveyors generally appeared not to want a transitional relief scheme. Assessors generally kept themselves apart from rating matters and did not tend to express views albeit that from time to time they required to give technical advice.

Roger Littlewood felt that failing to implement value changes immediately by devices such as transitional relief schemes did not have an altogether positive effect on goodwill within the rating system.

Generally the establishment of the portal was welcomed and it was felt that it was quick in operation and fairly straightforward to understand.

Roger Littlewood felt that there would be a need to develop further and build on this success, for example, by providing a breakdown of areas and values. It was necessary to retain a certain vision in relation to the development of the site. It was felt that provision of a breakdown of valuations would be positive.

Sandy McConochie indicated that the request for further development was not unexpected. It might be reasonable to suggest that it was appropriate to start the co-operation rather earlier in the process, with ratepayers providing the information which Assessors required to carry out the valuations.

So far as further development of the portal was concerned, he emphasised that the reason for the successful delivery was that temptation had been resisted to incorporate every possible bell and whistle and the focus had been to deliver the basic functionality of providing on-line valuation rolls for the first time. The funding which had been made available was welcome but it was not an infinite resource.

He reported however that it seemed likely that further funding would be made available as part of the MGF3 process to build on the apparent success of the site. It was intended to investigate the possibility of providing a search facility by description code and, while there were potential difficulties, to provide a search by name.

It was noted that there were two separate views of the site one of which provided statistical information to government which had previously been delivered by paper.

The issue of providing a secure site where customers who wanted information could take it on a subscription basis was being looked into along with the possibility of them constructing their own queries.

There was a more general issue as to issues of freedom of information as against confidentiality and how information should be disseminated. There was a question as to whether or not Assessors should be seeking to establish an income stream from the site.

Roger Littlewood felt that confidence was built by the provision of information. Against this D Gillespie pointed out that there were real issues concerning data protection, ECHR rights and confidentiality concerning some of the information in question. It was not the aim of Assessors to breach confidences which would serve as a discouragement for people to provide information to Assessors which was one of the agreed aims of the Forum.

Sandy McConochie pointed to an issue where a party had put in place an automatic programme to “mine” the site. This had now been stopped but the issue of bulk access was being looked into further.

6 Summary Valuations

Billy Sommerville indicated that in response to the request for summary valuations he intended to carry out a pilot in Ayrshire providing copy valuations of shops in Ayr, industrial properties in Irvine, and office valuations in East Ayrshire. The choice of subjects and areas was designed to sample the reaction in all parts of his area and also to take account of the volumes which were conditioned by the amount of resource available.

While most of the larger firms had advisors, he was particularly interested to learn if small businesses would see a benefit in proceeding in this way. There was a train of thought that in some instances it might confuse, particularly in the area of whether the paperwork was a valuation or a bill. A feedback form had been designed to gauge reaction.

Sandy McConochie indicated that he was contemplating similarly carrying out a pilot in Grampian with a variation in that the information would be sent out with the valuation notice rather than in advance of valuation notices.

Andrew Martin was of the view that education plus information equalled comprehension and that should be a prime aim of the process. It was possible that the provision of such information would prevent appeals and would aid comprehension. It was recognised that at the end of the day money was the principal concern of business.

Roger Littlewood observed that if indeed the appeal rate could be reduced then that would have an impact on the amount of resources that Assessors required to deal with appeals.

Billy Sommerville indicated that the sample had been sent out the previous week and he would feed back information as to the response.

7 Scottish Executive Update

In the absence of Carol Sibbald, Sandy McConochie indicated that he had received an e-mail from Carol indicating that the expected announcements had been delayed on account of the change of Minister. There had however been a pre-programmed meeting with business on the 6 October. Roger Littlewood agreed to contact Carol Sibbald direct to discuss a few points which he wished to raise concerning the proposed leaflet.

8 Valuation Notices

Sandy McConochie indicated that it was the intention of all Assessors to issue valuation notices towards the end of February although this might slip slightly. In the case of most subjects it was anticipated that the valuations would not change but there would be some amendments principally due to the catching up work which was in progress in relation to physical changes.

9 A.O.C.B. Roger Littlewood raised the question of whether or not there should be localised forums.

D Gillespie explained the situation in Highland where he was always happy to respond to requests from any of the business organisations for seminar/talk. Usually this arose around the time of the revaluation and past experience suggested that there might be a turnout of twenty to thirty ratepayers. Other Assessors indicated that they too were happy to accommodate such requests. For the FSB Neil Stewart indicated that he tended to agree that the demand for such meetings was uncertain and that it would likely focus around the time of revaluation. He was not convinced that there was a continuing demand for meetings throughout the quinquennial period.

It was agreed that no definite view would be taken of the need for local forums which could be reviewed in the light of circumstances. In the meantime Assessors would continue to react positively to requests from any business organisation for meetings in their local area.

Roger Littlewood raised the issue of the possibility of the provision of a single point of contact for multi-site organisations. Such an approach had provided benefits in England and Wales. He would be happy to circulate the documentation dealing with the arrangements. At present there were around twenty four companies involved in the arrangement.

Sandy McConochie indicated that the Assessors were happy to look at developing such arrangements although there was the question of how this would work given that the companies in question often had agents who acted for them. There were a number of discussion forums already established below the level of the Agents' Forum where the valuation of individual classes of subject was discussed. It was hoped, over time, to develop further these arrangements.

Neil Stewart raised the issue of whether retail premises valuations were harmonised with England and Wales. Whether for example zoning differences existed.

Sandy McConochie explained that while historically there had been differences of zoning approach in England, which were now understood to be standardised, Scotland worked mainly to 30 foot zones although this had metric variations in some areas. In some instances due to the natural tenement depth, different zone depths were employed but this had no significant effect on the valuation outcome as the smaller zone depth would tend to have a higher Zone A rate.

More generally, the valuation of shops was based on local rental evidence which in most locations was fairly readily available. It was not suggested that a standard unit shop in Elgin or Edinburgh or London should have the same value. That was a matter for the market and valuations were derived from the local evidence. The valuation of standard unit shops was not therefore seen as being a matter which had any particular cross-border dimension.

10 Date of Next Meeting It was felt that the next meeting should not take place until after the announcement of the rate poundage etc. With this in mind the next meeting should be arranged for the end of January/early February.

More generally, on the subject of whether the forum should continue to meet at frequent intervals, it was felt that the broadly quarterly arrangement should continue until such time as the immediate impact of the revaluation had passed. Thereafter the Forum could decide whether a less frequent arrangement was appropriate.

D J Gillespie
5 January 2005

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