

**MINUTE OF THE SCOTTISH
RATEPAYERS' FORUM
HELD AT ST ANDREWS HOUSE
EDINBURGH
26th June 2010**

Present: Garry Clark (Scottish Chambers of Commerce); Marianne Cook (Scottish Government); Charlie Crighton (RICS); Douglas Gillespie (Past President SAA); Joan Hewton (Secretary SAA); David Lonsdale, (Confederation of British Industry); Stuart Mackinnon (Federation of Small Businesses); Catherine McKenna (Scottish Government); Steven Mudie (Scottish Licensed Trad Association); Ian Shearer (Scottish Retail Consortium); David Thomson **Chairman** (Vice President SAA); Johanna Yates (Scottish Renewables)

1.0 Welcome & Introductions

The Chairman extended a warm welcome to all and invited members to introduce themselves.

2.0 Apologies

Paul Kelly (Scottish Water); Clark Low (President SAA); K. McCormack (RICS);

3.0 Minutes of the Meeting of 3rd March 2010

The minute was approved. Forum minutes are posted on the Assessors' Portal which can be accessed using: <http://www.saa.gov.uk>

4.0 Matters arising from the Minute of the Meeting of 3rd March 2010

No matters arising not on the agenda

5.0 2005 Revaluation

5.1 General Appeal Progress

Lands Tribunal

D Thomson provided a brief update on the outstanding Revaluation 2005 appeals

A large number of the outstanding 2005 Roll appeals are with the Lands Tribunal and are awaiting listing for hearing or agreement between parties. There has been slow progress with some subjects although discussed and agreed are still banked at the LT awaiting formal confirmation of notification to the LT by the ratepayers agents.

Although Timeshare appeals have been heard and the decision published, the appeals for the Timeshare units in Grampian remain unresolved.

The majority of appeals outstanding are for Telecom and Utility subjects. Some large industrial subjects still remain outstanding with some subjects not yet discussed. Ports are listed for the end of June..

D Thomson advised that the SAA intends to contact the LT with a view to assist with planning future hearings.

Running Roll Appeals

Running Roll appeals continue to be received on a regular basis and appeals against possible economic material changes are expected to continue to be received up until 30th September 2010.

In answer to a question raised by C Crighton as to how Assessors will deal with the various appeal types, D Thomson advised that 2005 appeals would normally be dealt with before progressing to the discussion of 2010 Revaluation appeals.

5.2 Issues Arising

J Hewton gave a brief update on the tram work appeals and at the request of I Shearer agreed to circulate the LVAC decision when it is received.

6.0 **2010 Revaluation**

General views

D Thomson invited members for initial comments on the 2010 Revaluation.

S Mudie raised a question as to why an Assessor would issue 2 Revaluation Notices within 12 days of one another with the 2nd NAV 46% greater than the first notification. The SAA responded that there could be several reasons such as alterations to the subject or further information being received which could affect the assessment of the NAV. As details of the specific subject were not known it was agreed that the Assessor in question would be made aware that the matter had been raised.

I Shearer commented that some organisations had made representations to the Scottish Government for a Transitional Relief scheme to be introduced. M Cook referred to meetings with Aberdeen, Dundee and Edinburgh Chambers of Commerce and also to a recent motion calling for the Government to subsidise bill rises (which was not a transitional scheme) and the decision of the Parliament to vote against that motion

In response to a question from C Crighton regarding specific sectors concerned with bill rises. M Cook advised that some representations had been received from various groups and individual ratepayers including, Hotels, Auction marts and Nurseries

D Thomson advised that, although there had been various items in the press, the number of telephone enquiries and appeals received to date was fairly low. The low numbers

could be reflective of large impact of the various relief schemes which have resulted in 60% of ratepayers paying less. C Crighton commented that large numbers of appeals were still to be lodged and the precise number would not be known until after 30th September.

D Lonsdale mentioned that discussions are ongoing with Assessors for various Utility subjects and asked if the SAA are harmonised with the VOA. The methodology is harmonised although because of slight differences in legislation there could be very minor variances.

J Yates mentioned the very high increases in RV sometimes up to 5 times increase for Utility sector. The SAA advised that Utility subjects had increased significantly partly because of the large increase in the value of ROCs and partly to do with the significant increase in utility charging. In depth discussions had taken place with the various industries over a lengthy period on a UK wide basis and Utility companies and their agents had been aware of the likely levels of value. What they may not have anticipated was Mr Swinney's decision that there would be no transitional relief.

J Yates commented that the Renewable Rates Relief schemes had been very welcomed but the industry is concerned that the relief packages may not continue. M. Cook indicated that the open ended character of the scheme had been at the request of the renewable sector and removed the need for new legislation every year. C Crighton also commented that small businesses were likewise concerned that reliefs may not continue.

M Cook gave an open invitation for any member to submit any lessons learned from this revaluation which they would want the Government to note for 2015.

6.1 Scottish Government High Level Report

The 2010 Revaluation report which had been circulated to all members of the forum was well received.

Several members commented on the larger than average increase in NAV for many hotels and questioned any change of approach to how the subjects are valued. Concern was raised regarding the fact that licensed premises are singled out as almost the only category of subjects to be valued using their turnover and this was perceived to be unfair. The SAA responded with the view that such subjects are let on the open market by looking at a relationship of turnover to rent and as such Assessors must follow the market transactions and conditions.

SAA representatives had met with agents for 4 and 5 star hotels and had a reasonably amicable discussion. The SAA proposed to hold a similar meeting with agents representing hotels of 3 star and under to which relevant members will be notified with the option of attending

Some members commented that the hospitality industry disputes that turnover is the best method for assessing NAV and they also take issue with the Visit Scotland figures regarding occupancy of hotels. Although the SAA had arranged several meetings prior to the 2010 Revaluation to discuss hotels and other licensed premises there was a feeling that not enough detail was presented and not agreed at the meetings.

S Mudie raised a particular concern he has with the valuation approach to members clubs. D Thomson advised that the practice note allows Assessors to value private members clubs by reference to turnover where they are deemed to operate in a commercial way. S Mudie was of the opinion that Assessors had not valued to turnover and had ignored the practice note, he referred to an unnamed club in Edinburgh which was run on a commercial basis and has clearly not been valued on turnover. D Thomson advised that he would take the comments back to Assessors

Although the SAA thought that there had been a good flow of information and discussion regarding the practice notes they agreed to report back to their working group chairpersons with a view to improving dialogue where possible. It was also agreed that the 2005 and 2010 schemes will be compared and a response sent to S Mudie for clarification.

6.2 Take up of Reliefs and carry Forward of Reliefs

M Cook advised that Councils will generally carry forward reliefs rather than require repetitive form filling. A report is being prepared which will give an over view of reliefs and their estimated take up.

C Crighton mentioned that discretionary temporary empty rates relief was applied inconsistently across Scotland. M Cook advised that it was a discretionary relief and as such up to local Councils to apply the relief as they saw fit. It was agreed that the variance would be noted and drawn to the attention of the IRRV member who generally attends the group.

6.3 Appeals Volume and Issues

Dealt with under previous items.

6.4 Appeals Scheduling

D Thomson advised that 2010 Revaluation appeals will not be dealt with until after the 30th September deadline for appeal lodging unless there is a particular request from a ratepayer to deal with earlier.

As soon as the deadline is reached and appeals are all logged the lists will be passed to the VAC Secretaries for citation. Assessors expect that there will be a desire to deal with the appeals against the 2005 Roll before commencing citations for the Revaluation appeals.

7.0 2015 Revaluation

D Thomson suggested that it may be helpful to commence a wish list for the 2015 Revaluation.

S Mudie asked that a completely new scheme of valuation should be considered for licensed subjects.

S Mackinnon commented that many one man businesses do not understand rates and the FSB hope to write a paper to help improve understanding. He asked for better interaction with the business community through Business Gateway.

J Yates mentioned the large increase in new entrants into the renewable industry that are not aware of their rating liability and how it is assessed.

All members requested an earlier notification of their Rateable Values and where possible rate poundages and reliefs and also thought greater consultation would be helpful

D Gillespie raised the fact that both the UK and Scottish Parliamentary elections will probably be held in May/June 2015 which may add to the difficulties in setting poundages and reliefs at an early date.

8.0 AOCB

None

9.0 Date of Next Meeting

The next meeting will be notified in due course