

**MINUTE OF THE SCOTTISH
RATEPAYERS' FORUM
HELD AT JAMES BARR'S
OFFICE, 226 W GEORGE
STREET, GLASGOW
24th August 2010**

Present: Garry Clark (Scottish Chambers of Commerce); Marianne Cook (Scottish Government); Douglas Gillespie (Past President SAA); Joan Hewton (Secretary SAA); Roger Littlewood (BAA); David Lonsdale, (Confederation of British Industry); Clark Low **Chairman** (President SAA); Stuart Mackinnon (Federation of Small Businesses); Ken McCormack (RICS); David Thomson (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

Kevin Fraser (IRRV); Fiona Moriarty (British Retail Consortium).

3.0 Minutes of the Meeting of 2nd June 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 2nd June 2010

Members requested that the LVAC decision in respect of tram disruption in Princes Street is circulated (*JH to action*)

5.0 2005 Revaluation

5.1 General Appeal Progress

Lands Tribunal

C Low advised that a similar number of Revaluation 2005 appeals remain outstanding. Some industrial subjects have now been agreed and removed from the LT lists.

D Gillespie reported that the Cromarty Forth Port was heard by the LT at the end of June and the decision is awaited.

The SAA and agents are liaising with the LT with a view to planning future hearings.

Running Roll Appeals

Running Roll appeals against the previous Roll 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.

Assessors hope to deal with the majority of Running Roll appeals by the end of December 2010 if possible. 2005 appeals would normally be dealt with before progressing to the discussion of 2010 Revaluation appeals.

5.2 Issues Arising

No issues reported.

6.0 **2010 Revaluation**

6.1 Appeals Volume and Issues

C Low reported that the number of appeals submitted to date is not greatly different from the previous Revaluation although it is too early to tell at this stage. Final numbers will be known shortly after the last date for lodging which is 30th September.

K McCormack reported that he expects significant numbers of material change of circumstance appeals could be lodged up to 31st March 2011, possibly doubling the number of appeals.

In response to a question raised by S Mackinnon, regarding who would make a decision as to any extension of time to lodge appeals, M Cook advised that Cabinet Secretary for Finance would make the decision.

D Lonsdale asked if a report was available as to the uptake of reliefs to which M Cook advised that a report just published showed about 85% of small businesses were in receipt of relief. To further encourage take-up take up of SBBS First minister will write to small businesses to raise awareness of the relief and provide details on how to make an application. D Lonsdale further asked if the Scottish Government were similarly going to provide advice that the last date to appeal is 30th September. M Cook and the SAA Exec reported that all businesses were provided details of the last date to appeal along with their Revaluation Notice, information has been provided on numerous websites and news bulletins and leaflets have also been distributed, including to many business organisations, ratings agents and citizens advice bureaux.

K McCormack commented that the scheduling of appeals could be seriously disrupted if surveyors decided to seek to refer MCC appeals to the Lands Tribunal as this could potentially delay disposal until a test case was heard and decided.

K McCormack further asked if the Scottish Government had any intention to alter the small business bonus scheme. M Cook stated that Cabinet Secretary had confirmed that the bonus scheme would continue next year, with the thresholds still to be confirmed.

D Thomson commented that where appeals are being lodged through the Portal that ratepayers should not leave lodgement too late as the Portal could be overloaded in the last few days running up to 30th September. The responsibility is with the ratepayer to ensure that their appeals are lodged **with the Assessor** by 30th September.

6.2 Appeals Scheduling

D Lonsdale asked if Assessors intended prioritising any appeals especially for Energy companies who have had substantial increases. In response D Thomson advised that at previous revaluations Valuation Appeal Committees generally dealt with bulk subjects first as that process cleared larger quantities therefore provided the greatest number of ratepayers with certainty. The SAA further mentioned that ratepayers can, if they so wish, approach the Valuation Appeal Committee and request that their appeal is heard. It could be that certain types of appeals may be taken as test cases which may allow easier resolution of similar type appeals. If test cases involve the Lands Tribunal or the Lands Valuation Appeal Court there could be a greater delay in resolution.

S Mackinnon asked if we could hear private business appeals before public authority appeals and if businesses facing financial hardship could be prioritised. The SAA advised that if previous practice is followed, bulk classes would normally be dealt with first and as such probably capture the vast majority of small businesses.

G Clark asked if there was a late surge of appeals in 2005 and if we expect a late surge in late September. The SAA responded that agents have advised that they have been lodging appeals and do not have large numbers waiting to be lodged. Many public authorities have still to lodge appeals which could add significant numbers.

J Yates asked for confirmation of the deadline date and the SAA emphasised that the regulations are very clear that all appeals must be validly lodged with the Assessor by 30th September and late appeals cannot be accepted.

M Cook asked for views on extension of appeals and discussion highlighted the fact that members seemed keen to have a quick resolution of appeals which seems to contradict the request for an extension to the appeal deadline, which raised further discussion regarding preferred appeal processes. Although R Littlewood mentioned that he preferred the English appeal system members did not generally support his view. It was accepted that there were various differences with the English System **not all of** which benefit the ratepayer.

K McCormack voiced his concern about any future rate poundage which could be set. M Cook responded that the Scottish Government has committed that the Scottish rate poundage will match the English rate poundage during the life of this Parliament.

R Littlewood mentioned the lack of transitional relief having an affect on his client's consideration of prioritising dialogue regarding appeals in Scotland compared to England.

J Yates commented that the late notification of rateable values was the main concern of ratepayers as it did not allow businesses to prepare for the financial burden. R

Littlewood supported this contention and added that the delay to 10th February for the announcement that there would be no transitional relief, combined with late valuation notices and late notification of rate poundages compounded the problems.

K McCormack mentioned that he considers the appeal process and set up of valuation appeal committees needs to be re-examined. VACs need to be properly trained to ensure their decisions are consistent and legally correct. D Gillespie advised that 95-98% of appeals are resolved without the necessity of a hearing before the Committee. K McCormack mentioned that cost of Counsel and surveyors fees are often a consideration when deciding whether or not to proceed to hearing.

M Cook advised that Mr Swinney will consider in the next few weeks whether the appeal deadline will be extended.

J Yates mentioned that Renewables have concerns that they do not know the methodology involved in arriving at the RVs. M Cook advised that E Duffy intends to provide a Practice Note which hopefully will be of assistance.

K McCormack reported that Renewables when considering future projects have concerns regarding their rates burden. If the generating plant is used for the company's own use the RV can be considerably times greater than if the electricity is provided to the grid. He thought that there were real difficulties where the balance of use was close to 50:50 and there were seasonal and cyclical considerations which made estimating liabilities very difficult.

R Littlewood reported that Philip Glenn Wright of the Petroleum Industry Association (UKPIA) had requested if he could be invited onto the SRF membership. It was agreed that J Hewton would write to him with an invitation to the next meeting.

7.0 AOCB

None

8.0 Date of Next Meeting

The next meeting will be on Wednesday 1st December 2010 at 10.30 in Conference Room D/E, St. Andrews House, Edinburgh