

**MINUTE OF THE SCOTTISH  
RATEPAYERS' FORUM  
HELD AT VICTORIA QUAY,  
EDINBURGH  
on 16th December 2010**

**Present:** Simon Coates (Sainsbury); Marianne Cook (Scottish Government); Kevin Fraser (IRRV); Joan Hewton (Secretary SAA); Graham Howarth (BAA); Clark Low **Chairman** (President SAA); Stuart Mackinnon (Federation of Small Businesses); Ken McCormack (RICS & CBI); David Melhuish (Scottish Property Federation); Fiona Moriarty (British Retail Consortium); Graeme Owenson (Scottish Government)

### **1.0 Welcome & Introductions**

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

### **2.0 Apologies**

Philip Glen Wright; Owen Kelly; Roger Littlewood; Johanna Yates, Douglas Gillespie, David Thomson.

### **3.0 Minutes of the Meeting of 24th August 2010**

The minute was approved subject to the addition of Ken McCormack to the members present. 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 24th August 2010**

The LVAC decision regarding disturbance allowance relating to tram works was circulated to members.

## 5.0 2005 Revaluation

### 5.1 Lands Tribunal

D Gillespie had received the decision for the Cromarty Forth Port which was decided in favour of the Assessor. Many of the Lanarkshire large industrials have been agreed and a case relating to *unum quid* was heard during the week commencing 6<sup>th</sup> December 2010.

### 5.2 Running Roll Appeals

A large volume of appeals were lodged during September which related to MCC economic crunch issues. It is expected that Valuation Appeal Panels will cite and hear the majority of those appeals by the end of March 2011 and deal with 2010 Revaluation appeals thereafter.

## 6.0 2010 Revaluation

### 6.1 Appeals Volume and Issues

The total number of 2010 Revaluation appeals lodged in Scotland was around 71,000, this can be compared to around 58,000 appeals lodged at the same time in the previous quinquennium.

It is almost certain that the majority of 2010 Revaluation appeals will be followed up with MCC economic crunch appeals expected to be lodged by the end of March 2011. The legal position regarding applicable appeal date will need to be decided possibly at Lands Tribunal or Lands Valuation Appeal Court.

Members were reminded that all appeals lodged against the 2010 Revaluation Roll whether Revaluation or Running Roll must be disposed of by Valuation Appeal Committees by 31<sup>st</sup> December 2013.

### 6.2 Appeal Scheduling

Highland and Lothian Assessors have commenced their citation programme with hearings scheduled for January/February. Other Assessors expect to have hearings commencing during March/April/May. Most assessors will commence with standard shops, offices and industrial. Lothian is starting with small businesses to meet requests from the Federation of Small Businesses. Licensed properties are expected to be cited early in the process by Lothian and Glasgow.

A request was put forward by the Federation of Small Businesses to have statistics made available on the Portal stating the number of appeals disposed of each quarter broken down by Scottish Government category code. (*SAA Action*)

The issue of license fees was raised as the regulated fee relates to the RV. Members asked if Assessors could notify the licensing authority with a view to having any excess fees repaid at an early stage. Members in attendance had no specialist knowledge of the fees and regulations. After some debate it was thought that ratepayers may need to contact the licensing board with a copy of their revised Valuation Notice as verification of a rates reduction being awarded.

Members also raised some inconsistency of approach by Local Authorities regarding processing any repayments of non-domestic rates timeously. This was a particular concern in the current economic climate. The Scottish Government undertook to remind all Local Authorities that such repayments should be made as soon as possible. (*Scot. Gov. Action- completed on 20 Dec 2010 – see <http://www.scotland.gov.uk/Topics/Government/local-government/17999/Finance-Circular-15-2010>./ This circular also confirms the poundage rate of 42.6p in 2011-12 )*

The SAA advised that they will encourage their members to process appeal amendments as soon as possible. (*SAA Action*)

## 7.0 Scottish Government Update

M Cook gave a brief update of recent Scottish Government announcements. On 9<sup>th</sup> December Cabinet Secretary for Finance announced that the rate poundage would be no more than the rate set in England which was subsequently set at 42.6p in the £. The large property supplement will remain at 0.7p with the same thresholds applying (rateable value over £35,000). Empty property reliefs and the small business bonus scheme will also continue as existing. There had also been a minor change to the renewable energy relief regulations to remove a qualifying cap for combined heat and power plants.

The First Minister had sent 19,300 letters to those who are potentially eligible for Small Business Bonus Scheme, but had not applied. Any businesses taking up the relief can have payments backdated to 1<sup>st</sup> April 2010. Any request for further backdating of relief will be at the discretion of local councils. M Cook agreed to circulate a copy of the Ministers letter to members. (*M Cook Action*)

Reference was made to the way reliefs operate in Wales which although considered automatic were not thought to be fully automated. M Cook advised that in Scotland 85% of eligible small businesses have taken up the reliefs available.

The recent Large Retail levy announcement had come as a surprise to retailers. The levy is expected to raise £30 million in 2011/12 and the introduction was to assist in offsetting the overall Budget reduction of £1.3 Billion. Members considered that the levy may inhibit retail development and were concerned that the levy will continue after the first year. The Scottish Government advised that the legislation currently being considered by Parliament is for one year and further annual Orders will be needed to continue the levy in future years.

K McCormack mentioned that retailers and their rating agents will probably try all ways possible to reduce their rating liability including looking to split entries, for example where petrol filling stations are currently included within the valuation. M Cook noted that the Scottish Government had considered this. In answer to a question of whether the threshold for large retail premises could be amended as a result of a change in total Rateable Value across the country caused by appeal adjustments or the creation of new premises subject to the levy, M Cook advised that any threshold review would be at the discretion of the Cabinet Secretary.

Although the definition of 'retail' is within the order it was accepted that it will be the responsibility of local councils to interpret the legislation appropriately. It was thought that it was unlikely that empty property would be liable for the large retail supplement.

## **8.0 AOCB**

K McCormack indicated that some renewable operators intended writing to the Minister regarding the regulations in force which gave rise to different valuation methods being applied to different renewable operations being carried out in Scotland.

S Mackinnon spoke of the Policy paper prepared by the Federation of Small Business and presented to the Finance Minister. A representative followed up the submission of the paper with a meeting with the Minister. The SAA advised that they had submitted a response to the paper and highlighted some issues and concerns.

S Mackinnon mentioned the SAA website and the FSB point of view that the language used should be reviewed where possible to plainer English. The SAA considered that the site has had very positive feedback with no items of concern brought to their attention. Much of the information contained in the site relates to legislation and valuation practice notes which by definition require having a

degree of technical/professional language. S Mackinnon agreed to consult some members with a view to having the website tested for understanding, and thereafter feed back the results to the SAA. (*S Mackinnon Action*)

## **9.0 Date of Next Meeting**

It was agreed that the preferred meeting date should be after the Scottish Parliamentary May election and a date notified to members. The meeting is to be held in James Barr's office in Glasgow.