

**MINUTE OF THE SCOTTISH  
RATEPAYERS' FORUM  
HELD AT the Offices of  
The Scottish Government,  
Atlantic Quay, GLASGOW  
on 18<sup>th</sup> June 2012**

**Present:** Garry Clark (Scottish Chambers of Commerce); Marianne Cook (Scottish Government); Kevin Fraser (IRRV); Douglas Gillespie (Past President SAA); Philip Glenwright (UK Petroleum Industry Association); Rosaleen Harley (SLTA); Joan Hewton (Vice President SAA); David Lonsdale (CBI); Susan Love (Federation of Small Businesses); Alasdair MacTaggart (Secretary SAA); David Melhuish (Scottish Property Federation); Graham Owenson (Scottish Government); Ian Shearer (Scottish Retail Consortium); David Thomson **Chairman** (President SAA)

#### **1.0 Welcome & Introductions**

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

#### **2.0 Apologies**

Vicki Bibby; John Fletcher; Tom Ironside; Alexander Jackman; Owen Kelly; Roger Littlewood; Ken McCormack.

#### **3.0 Minutes of the Meeting of 9th November 2011**

Subject to minor adjustment, the minute was approved. Forum minutes are posted on the Assessors' Portal which can be accessed using:

<http://www.saa.gov.uk/ratepayersminutes.html>

#### **4.0 Matters arising from the Minute of the Meeting of 9th November 2011**

It was agreed to cover matters as they arose in the Minute.

## 5.0 2005 Revaluation

### 5.1 Lands Tribunal

It was noted that there had been no further settlement of the appeals currently with the Lands Tribunal. The majority of such appeals relate to mobile telephony mast entries and a series of preliminary hearings are underway in an attempt to resolve a number of key matters in advance of a full hearing scheduled to take place in December 2012.

Other Telecommunications subjects with the Lands Tribunal include Fixed-line/Fibre networks and Cable TV networks. It is anticipated that these will be resolved without the need for a hearing by the Lands Tribunal.

Horse Racecourses continue to await resolution.

## 6.0 2010 Revaluation

### 6.1 Appeals Volume and Issues

D Thomson advised the meeting that the Lands Valuation Appeal Court had heard the cases in respect of the Mercat Shopping Centre in Kirkcaldy and the Overgate Shopping Centre in Dundee. These cases considered what account could be taken of falls in rentals between the "tone date" and the Revaluation Date.

The decisions are awaited and, when received, Assessors would consider the outcome and act appropriately. In the meantime, there is an understandable hiatus which prevents the settlement of the large number of outstanding appeals.

D Thomson indicated that approximately 70,000 appeals had been received in respect of the Revaluation with a subsequent 40,000 "Material Change" appeals received in each year thereafter.

I Shearer asked if any estimate had been made in respect of the loss of revenue.

D Thomson indicated that various outcomes had been examined and the "worst case" scenario indicated a loss of value could be in the order of 20% to 30% for some subjects affected.

J Hewton added that decisions would be influenced by the body of rental evidence made available to Assessors.

D Thomson indicated that should the Judges find in favour of the Assessors in both appeals, there may yet be reductions in value in consequence of material change appeals arising from economic circumstances.

I Shearer asked if the Government had made contingencies to account for any loss in revenue.

G Owenson replied that the Government was aware of the risk and added that the Minister had said that the burden would not fall on councils.

I Shearer asked if there would be an impact on future budgets. In reply it was indicated that this may well be the case but the impact of this event would need to be understood.

D Gillespie indicated that in some areas a large number of the appeals received were purely speculative and would likely be withdrawn without adjustment.

I Shearer asked if there would be any other test cases.

D Thomson indicated that none were in the pipeline but it was possible that a test case may be required for Contractors Principle Valuations where subjects are valued by reference to costs of construction. Some industries such as whisky appeared to be thriving, whereas others were less buoyant..

D Thomson reminded the meeting that 31<sup>st</sup> December 2013 is the last date for disposal of Revaluation Appeals and Material Change Appeals currently in the hands of Assessors. Appeals referred to the Lands Tribunal run to a different timetable where there is no such time constraint.

S Love asked about the publication of appeal statistics.

D Thomson indicated that the publication of these within the Assessors' Portal would be possible on completion of a series of minor developments currently underway. It was also pointed out that the Scottish Government now makes detailed Appeal Statistics available in their web pages. D Thomson circulated a summary of the appeal position; it showed that about 70% of revaluation appeals had been resolved.

## **7.0 Scottish Government Update**

M. Cook gave a brief update on Scottish Government policy:

Rate Poundage for 2012/2013 will be 45p and matches England. The Large Business Supplement - to fund a fraction of the Small Business Bonus Scheme (SBBS) - is 0.8p, again matching England

Enterprise Areas had all been named and eligible properties in designated growth sectors within some of these sites would receive Business Rates Relief up to the level appropriate to de-minimus State Aid. The focus is on growth sectors - for example, the renewables sector.

The Small Business Bonus Scheme (SBBS) would operate in the same manner as in 2011/2012.

The Scottish Government Bill on Empty Property Relief will create an enabling power to reform empty property relief, leading to Regulations later this year with reform from 1 April 2013.

M Cook indicated that the Public Health Supplement was in place and is now a temporary measure for 3 years. The amount to be raised is estimated to be £95 million over that period.

Business Rates Incentivisation came into force on 1<sup>st</sup> April 2012.

The Review of Business Rating will take place prior to the 2015 Revaluation and in sufficient time for the preparatory work to commence. It was anticipated that the consultation document would be issued in the summer of 2012.

D Lonsdale asked when a response could be expected in respect of the findings of the Committees.

M Cook replied that the committee would draft its report in coming weeks. The Minister had indicated a willingness to meet with interest groups.

D Melhuish asked if any such changes in England & Wales would affect the Scottish Government's thinking.

M Cook indicated that the Government was aware that policies were currently under review in England and Wales.

G Clark asked if the recent change to the Sainsburys in Edinburgh would result in any change in the Government's stance on the Public Health Supplement.

M Cook indicated that there were no plans to vary the policy and that a that property would not be liable for the supplement if it gives up the tobacco registration and ceases to sell tobacco or revoked its alcohol license and ceased sale of alcohol.

S Love asked if the Review of Business Rates would follow traditional lines.

M Cook replied that it would.

D Lonsdale asked if the Deferment Scheme had any uptake.

K Fraser indicated that he understood that the current interest was at a low level and, in Perth & Kinross, 16 applications had been received. He indicated that there was a reluctance as it was being seen as another way to build debt.

D Lonsdale asked if this scheme had been advertised.

M Cook indicated that the Government would be happy to do so, if there was a demand for this. K Fraser added that Councils/Billing Authorities would have issued information with Rates Demand Notices.

D Lonsdale asked if the Tax Consultative Forum would have any bearing on Non-Domestic Rating.

M Cook replied that the forum's aim is to look to the replacement for Stamp Duty and to Landfill Tax.

S Love asked about the Scope of Revenues Scotland.

M Cook replied that Revenues Scotland was set up to oversee the replacement for Stamp Duty and Landfill Tax,

M Cook advised the meeting that the Scottish Government had an “Economy Blog”. D Lonsdale advised that he had already circulated information to his membership. M Cook undertook to forward a web link to all SRF members  
**[Action MC- completed]**

## **8.0 AOCB**

D Thomson advised that the Scottish Valuation Appeals Committee Forum was having a concurrent meeting in Perth to review responses to its consultation. Its aim was to review application of appeal procedures and it would not impinge upon the Government’s Business Rating Review. It may be that the Forum would make recommendations to the Government in terms of changes to appeal regulations.

D Thomson asked if members saw a continued need for the forum. The general view was that there was and that activity went in cycles with a natural low point in the middle of the Revaluation period. It was further noted that the timing of this particular meeting was unfortunate due to the lack of a decision on Mercat & Overgate appeals.

In light of that it was agreed that an early meeting might be useful to consider the outcome of the Mercat & Overgate appeals and the consultation in respect of the Business Rating Review. This will be arranged for a date in September  
**[Action MC/AMT]**

I Shearer indicated that this was his last meeting as he was due to move on in July. Fiona Moriarty will return for the next meeting. The Chair offered the Forum’s best wishes to him

## **9.0 Date of Next Meeting**

September 2012 (see 8, above).