

**MINUTE OF THE SCOTTISH  
RATEPAYERS' FORUM  
HELD AT the Offices of  
The Scottish Government,  
Victoria Quay, EDINBURGH  
on 6<sup>th</sup> December 2012**

**Present:** Marianne Cook (Scottish Government); Kevin Fraser (IRRV);  
Rosaleen Harley (SLTA); Louise Hester (Scottish Government );  
Joan Hewton (Vice President SAA); Alasdair MacTaggart (Secretary SAA);  
Ken McCormack (RICS); Stuart Mackinnon (Federation of Small Businesses);  
David Martin (Scottish Retail Consortium); David Melhuish (Scottish  
Property Federation); Graham Owenson (Scottish Government);  
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; Garry Clark; John Fletcher; Douglas Gillespie; Philip Glenwright;  
Tom Ironside; Alexander Jackman; Owen Kelly; Roger Littlewood;  
David Lonsdale;

#### **3.0 Minutes of the Meeting of 6th June 2012**

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. A series of preliminary hearings had concluded with full hearing commencing on 10<sup>th</sup> 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.

The appeals in respect of the Glasgow Underground had been resolved.

## **6.0 2010 Revaluation**

### **6.1 Key Issues**

D Thomson advised the meeting that the Lands Valuation Appeal Court had handed down decisions in respect of the Mercat Shopping Centre in Kirkcaldy and the Overgate Shopping Centre in Dundee. These decisions found that falls in rental level that had taken place prior to 15<sup>th</sup> March 2010 could not be reflected in the value issued in respect of the 2010 Revaluation.

D Thomson indicated that this had removed some uncertainty but separate issues may arise if it could be shown that there had been a relevant material change affecting value at a later date.

K McCormack advised the meeting that without a “double dip” in the economy there would be little to be gained by pursuing the appeals in respect of 2010/2011 and, perhaps, 2011/2012. The position with respect to 2012/2013 was reserved as he believed that there had been a “double dip”. He believed that the case in respect of shops in Sauchiehall Street in Glasgow that had been sent back to the Appeal Committee would shed some further light on the matter.

D Thomson explained the comments of their Lordships in regard to the original Sauchiehall Street appeals. It had been made clear that general economic trends and trading conditions are viewed as the normal flow of the market that should properly be reflected at a revaluation. This did not, however, rule out the effects of a recession which might be regarded as “exceptional”.

K McCormack indicated that he thought that a review of the legislation was required. He also indicated that the extract from Hansard was clear on the intention of the change made in respect of the Material Change of Circumstances provisions in the Local Government (Scotland) Act 1975 by the

Rating and Valuation (Amendment) (Scotland) Act 1984. K McCormack suggested that the legislation be amended or that the legislation should revert to the original position defined by the 1975 Act.

S Mackinnon indicated that there were a considerable number of ratepayers who did not consider that their rateable value properly reflected the level of rent passing.

D Thomson reminded the meeting that the intention of the Non-Domestic Rating system was to create a solid base for the period of a Revaluation and thus provide a considerable degree of certainty.

D Thomson also added that, now the decisions had been handed down, Assessors would liaise with Appeal Panel Secretaries to devise schedules that would allow the quickest possible disposal of the considerable volume of outstanding appeals and that, in this regard, the cooperation of the appellants' agents would be of assistance.

D Melhuish pointed to a study of high level data from the Valuation Office Agency which indicated that the delay in settling appeals had an effect on the levels of rental value. K McCormack advised that he did not think the data had originated within the Valuation Office Agency.

J Hewton indicated that ongoing analysis showed the greatest change in rental values were in respect of larger retail and office subjects and that smaller businesses had been affected to a much lesser extent.

## **7.0 Scottish Government Update**

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

The Small Business Bonus Scheme (SBBS) now extended to 89,000 ratepayers; an increase of almost 4,000.

The Scottish Government Bill on Empty Property Relief would receive Royal Assent this week; this is an enabling power that will reform empty property relief from 1 April 2013. Industrial Subjects and Listed properties would not be included. There would also be "fresh start" relief from 1 April 2013 where certain newly occupied previously empty properties will receive a new 50% relief for a period of 12 months.

In addition in the Autumn Statement, the Chancellor announced that the UK Government would introduce some limited relief or exemption for empty new developments from October 2013. Full details were not yet known, but any measure was to be capped by State Aid Provisions.

Questions remained regarding the definitions– and it was unlikely that refurbishments new entries which were created by splitting an existing subject were the intended beneficiaries.

The Scottish Government is considering this announcement and whether anything similar will be implemented in Scotland.

It was clarified that Scottish Water levied charges on empty. It was noted that the charging regime adopted by Scottish Water used rateable values from different dates - varying with date of change or introduction into the Valuation Roll. It was also noted that Scottish Water had, at one time, attended SRF meetings. A fresh invitation will be issued.

#### Recent Announcements:

M Cook advised of the following:

The reaffirmed commitment to matching rate poundage with England and that the next revaluation would take place in 2017.

K McCormack indicated that the Revaluation in Northern Ireland would proceed in 2015, but that no revaluation had taken place there since 2003 and M Cook advised that no decision had yet been reached in Wales.

K McCormack asked if the deadline for disposal of appeals could now be extended. M Cook replied that no direct approach had been made but would be considered if done, although the Scottish Government would want to consider the implications for ratepayers. D Thomson indicated that the SAA would not seek any extension.

M Cook advised that the “Supporting Business – Promoting Growth” Consultation on Business Rates had been published and responses were welcome by 22 February 2013. It was also indicated that Ministers had already received some requests to attend events organised by interested parties.

The only overarching caveats are that:

- Any change must be cost-neutral
- No change to principle of rating as a property tax.

D Melhuish asked if there would be any move from indexation of Rate Poundage using RPI. M Cook replied that the Scottish Government was committed to align with England. M Cook also added that the current RPI methodology was under review within the Office for National Statistics.

K McCormack asked if the Public Health supplement would run to 2015 or to 2017. M Cook replied that the supplement had a lifespan of 3 years - to 2015.

K McCormack also asked for how long would SBBS scheme be in place. M Cook replied that it would be in place until 2016.

S Mackinnon asked if Tax Incremental Financing (TIF) and Business Rates Incentivisation (BRIS) schemes would be affected by the change in revaluation date. G Owenson replied that there would be no impact on BRIS and he added that he did not think that TIF schemes would be affected.

K McCormack enquired as to the uptake in respect of Enterprise Areas. M Cook replied that it was too early to know as the mid-year returns from Local Authorities would be required.

D Melhuish asked if there was any indication of buoyancy in Valuation Rolls resulting from new developments, G Owenson replied that nothing was published.

## **8.0 AOCB**

D Thomson advised that, in line with the SAA commitment to provide information on appeal progress, a link had been placed on the SAA Web Portal that connected to the appropriate Scottish Government website. He added that, in general terms 72% of Revaluation appeals had been resolved and that this equated to 45% of the Rateable Value under appeal.

D Thomson pointed out that there was nothing to report in terms of changes arising from the Valuation Appeal Panel Forum's review of the appeal procedures and added that the Consultation would provide another opportunity to comment

## **9.0 Date of Next Meeting**

A date will be confirmed for the week beginning 3 June 2013.