

**MINUTE OF THE SCOTTISH
RATEPAYERS' FORUM
Held at the offices of
The Scottish Government
5 Atlantic Quay, Glasgow
On 3 June 2013**

Present

Marianne Cook (Scottish Government), Philip Glenwright (UK Petroleum Industry), Rosaleen Harley (SLTA), Joan Hewton **Chair** (SAA President), Graham Howarth (British Airports Authority), David Lonsdale (Confederation of British Industry), Alasdair MacTaggart (SAA Vice President), Stuart Mackinnon (Federation of Small Business), Ken McCormack (Royal Institution of Chartered Surveyors), David Meluish (Scottish Property Federation), Ian Milton (SAA Secretary), David Thomson (SAA Past President)

1. Welcome & Introductions

The Chair extended a warm welcome to all present and invited attendees to introduce themselves.

2. Apologies

Kevin Fraser, Roger Littlewood, Fiona Moriarty

3. Minute of Meeting of 6 December 2012

The minute was approved.

4. Matters arising

There were no matters arising from the previous minute that were not on the agenda.

5. 2005 Revaluation – Lands Tribunal appeals progress

Since the Forum last met, the main area of activity for the Tribunal had been relative to mobile telephone mast entries. The Tribunal had issued an interim decision and it will meet on Tuesday 11 June to consider the values that the interim decision would give rise to. A full formal decision will then follow. A MacTaggart advised that an appeal to the Lands Valuation Appeal Court was most likely.

6. 2010 Revaluation and Running Roll

- a. Appeal Volumes, Issues & Scheduling
&
- b. J Hewton advised that appeal resolution was progressing well with 90% of the 2010 Revaluation appeals resolved and that 70% of the running roll appeals for both 2010/11 and 2011/12 had also been resolved. The appeal resolution deadline had not been extended beyond 31 December 2013 and citations for all unresolved 2010

Revaluation appeals would be issued by 30 June 2013. The Lands Tribunal had indicated that it intended to seek early resolution for any disputed referral requests. J Hewton advised that referrals to the Tribunal may be sought by end of June on a unilateral basis, with referrals sought on a joint basis possible up to three months prior to the appeal resolution deadline.

K McCormack advised that some ratepayers' representatives were concerned that the appeal resolution deadline in Scotland was not mirrored in England and Wales where some schemes of valuation have yet to be discussed. He also raised the question of increased allowances for subjects valued by reference to costs following the outcome of an appeal against the 2005 assessment of a steelworks in Wales where allowances were increased for unimproved buildings that were more than 50 years old. D Thomson advised that the SAA were aware of the decision. It was observed that the decision was subject to a further appeal and that subjects in Scotland with unimproved elements that were more than 50 years old would be likely to benefit from end allowances.

In response to a question from D Lonsdale, J Hewton advised that harmonisation meetings took place with the Valuation Office representing England & Wales, the Northern Ireland Land and Property Service, the Valuation Agency for the Republic of Ireland and the Scottish Assessors Association twice per annum with liaison on a subject by subject basis as required. She also advised that Northern Ireland was proceeding with the 2015 revaluation whereas Scotland had postponed the 2015 revaluation to 2017 in line with the position in England and Wales.

c. Lands Valuation Appeal Court

J Hewton advised that a small number of Valuation Appeal Committee decisions were in the process of being stated for consideration by the court and that a diet of hearings is likely during September/October this year.

Since the Forum last met, the court had issued its opinions on the valuation of Stobo Castle health spa (<http://www.scotcourts.gov.uk/opinions/2012CSIH94.html>), reversing the Valuation Appeal Committee decision and upholding the Assessor for Scottish Borders approach.

In response to a question from R Harley regarding the progress in resolving material change of circumstance appeals, J Hewton advised that the majority of these appeals were due to be resolved by 31 December 2013 and that they would be allocated to hearings within a phased programme of citations by individual committees. She also acknowledged that the majority of these appeals would need to be withdrawn following decisions of the Lands Valuation Appeal Court but the merits of some appeals would remain open to debate due to the particular circumstances unique to the property in question.

7. Scottish Government

M Cook advised the Forum of recent Scottish Government personnel changes with Kenneth Hogg replacing Sarah Davidson as Director of Local Government and Communities. Stephen Gallagher has replaced Ian Davidson as Deputy Director of the Local Government Division.

The 2013/14 rate poundage is 46.2p with the larger business supplement at 0.9p. The public health is 13.0p for 2013/14.

The Small business bonus scheme thresholds and other reliefs remain unchanged in 2013-14. The exception being Empty property relief that has been reformed, with 100% relief for the first 3 months and 10% thereafter.

M Cook advised that two new reliefs were introduced from 1 April. Fresh start relief is targeted at new occupiers of shops or offices that have been unoccupied for at least a year; New start relief is aimed at developers of new build properties, providing relief of up to 100% for up to 18 months where the new properties remain vacant.

<http://www.scotland.gov.uk/Topics/Government/local-government/17999/11199/brief-guide>

M Cook advised that the costs of New start and Fresh start reliefs were estimated at approx. £2M and that the numbers benefitting from these reliefs will be made available in due course.

In addition, it was noted that there has been some revision to the boundary of the Inverness enterprise area and that new West Lothian enterprise area had been established <http://www.scotland.gov.uk/Topics/Economy/EconomicStrategy/Enterprise-Areas/Incentives/Business-Rates>

Whilst the outcomes from the Scottish Government consultation 'Supporting Business - Promoting Growth' were not yet available, individual responses (where consent was given) had been published. M Cook provided an overview of some common themes in the 93 responses. The postponement of the 2015 revaluation to 2017, the changes to empty property relief and the appeals process had featured in several responses. It is anticipated that the analysis of consultation responses will follow during the Summer.

M Cook also commented that timescales for the release of revaluation values, the advance publication of relief schemes, the provision of localised relief schemes and tackling avoidance also featured in many responses.

P Glenwright enquired whether a move to triennial revaluations, which he considered would be favoured by business and could reduce the impact of revaluations, would be entertained. M Cook responded that such a move would be likely to necessitate the decoupling of rates poundage with England if it was to be affordable in the long term.

D Meluish raised the issue of retail price indexation of the rate poundage and K McCormack made reference to the treatment of biomass power generation. M Cook responded that these points had been made in consultation responses.

S Mackinnon raised the issue of town centre reviews and the potential interplay with localised relief schemes. M Cook advised that she understood that the town centre review team was due to report shortly. She commented that the Business Rates Incentivisation Scheme that was currently under re-negotiation between COSLA and the Scottish Government would allow local councils to benefit from local economic

development. S Mackinnon also expressed concern that the consultation phases for the various initiatives might not be reaching all interested parties.

D Lonsdale referred to the recently established Revenues Scotland and Devolved Tax Collaborative. M Cook advised that the focus of the DTC was on land & building transaction tax and landfill tax. D Thomson advised that notwithstanding this differentiation, members of the SAA Executive attended the DTC as there may be areas of common ground and scope for joint working.

8. AOCB

K McCormack raised an issue regarding the levy of the surface water rates and undertook to forward the documentation to M Cook for further consideration. It was agreed that Scottish Water should be invited to nominate a representative to attend future forum meetings.

9. Date of next meeting

A date will be confirmed 6 months hence.