

Draft
MINUTE OF THE SCOTTISH
RATEPAYERS' FORUM
Held at Victoria Quay,
Edinburgh EH6 6QQ
On 29 January 2018 at 11am

Present

Marshall Bain (SLTA), Gary Bennett (SAA Secretary), Marianne Barker (Scottish Government), Marc Crothall (Scottish Tourism Alliance), Katy Dickson (Scottish Land & Estates), Hew Edgar (RICS), Kevin Fraser (IRRV), Cameron Gold (Petrol Retailers Association), Philip Glenwright (UK Petroleum Industry Association), Rosemary Greenhill (Scottish Government), Alastair Kirkwood (SAA Vice President), Roger Littlewood, (Tesco Stores Ltd), David Lonsdale (Scottish Retail Consortium), Stuart Mackinnon (Federation of Small Businesses), Willie MacLeod (British Hospitality Association), Douglas McLaren (Scottish Government), Ian Milton **Chair** (SAA President), Beatrice Morrice (Scottish Whisky Association), Brian Rogan (Scottish Chambers of Commerce), Hannah Smith (Scottish Renewables), David Smythe (Scottish Self Catering Association), Ian Storrie (Scottish Government), Gareth Williams (SCDI).

Apologies

Ian Cass (Forum of Private Businesses), Alison Galbraith (Scottish Whisky Association), Brian Madderson (Petrol Retailers Association), Charandeep Singh and Shane Taylor (Scottish Chambers of Commerce), David Thomson (SAA Past President), Mari Tunby (Confederation of British Industry).

1. Welcome & Introductions

The Chair extended a warm welcome to all present.

2. New Consultation Framework

The Chair spoke to a consultation framework which was circulated with the papers.

2a. Remit

The Chair picked out key elements of the SAA review into consultation arrangements following the Barclay review.

- The review had concluded that the consultation framework should include two forums; one dedicated to industry and trade bodies and one dedicated to rating professionals so that both rating professionals and trade/industry bodies have direct access to the SAA Executive, Scottish Government officials, water industry officials and finance representatives through the re-launched Scottish Ratepayers Forum (SRF) and a new Scottish Rating Surveyors Forum (SRSF) that would be dedicated to rating surveyors who represent trade/industry bodies and individual ratepayers.

- The two-forum consultation model came about through a desire to ensure that all parties had the benefit of direct access and dialogue with stakeholders along with the opportunity for discussion and debate whilst maintaining a level of openness and fairness to all parties.
- The proposed remit of the Scottish Ratepayers Forum is to provide an opportunity for ratepayers and representative industry bodies to meet directly with representatives from the Scottish Assessors Association, government, finance and related bodies such as the water industry. The purpose of the forum is to provide an opportunity for the exchange of ideas, improve understanding and facilitate dialogue between stakeholders. The forum is chaired by the SAA and the business will be focussed around lands valuation assessment issues for NDR. Wider NDR issues will also be within the remit of the forum.
- Membership of the SRF will be open to trade and industry bodies. In the interests of fairness, the Scottish Rating Surveyors Forum rather than the Scottish Ratepayers Forum will be the appropriate forum for surveyors who act as agents for a number of ratepayers.

There was general consensus that the proposed framework was appropriate.

2b. Minute of Meeting of 6 July 2017

The Minute was approved without change. There were no matters arising from the previous Minute that were not on the Agenda.

It was agreed at the meeting that approved minutes should be published on the SAA website.

3. 2005 & 2010 Revaluation and 2010 Running Roll

3a. Appeals Update

The Chair advised that the 2005 appeals and the vast majority of 2010 outstanding appeals are referred to the Lands Tribunal and that most of the appeal related to telecoms subjects. Settlements were being made in relation to these appeals with a number of outstanding appeals for the 2005 and 2010 revaluations now reducing. There were also some oil, gas and other appeal cases amounting to circa 100 that were outstanding and these were progressing also. There was nothing identified at the meeting that would require an early hearing by the Lands Tribunal at this stage.

Additionally, there was a number of running roll appeals in north east Scotland numbering to several thousand which were lodged in relation to material change of circumstances. The LVAC had recently sat in connection with these cases to consider a previous valuation appeal committee decision and it is expected that the LVAC will issue a decision in the next couple of months.

3b. Appeal Volumes and Issues

As covered at agenda item 3a.

3c. Lands Tribunal Update and Cases

As covered at agenda item 3a.

3d. Lands Valuation Appeal Court Cases

As covered at agenda item 3a. Additionally, a decision has been issued by the LVAC in relation to an open cast mine in Fife. I Milton reported that, in addition to the appeals referred to earlier, the LVAC also heard an appeal in respect of a large retail warehouse in the Aberdeen area.

In response to a question, M Barker advised that the decision of the LVAC in respect of the recent MCC cases will be considered to determine if the law in respect of MCC should be changed.

4. 2017 Revaluation

4a. Update

The chair advised the meeting that some 29% of all properties have been appealed in connection with the 2017 revaluation. This is roughly at the same percentage as the 2010 revaluation, although the number of entries in the valuation roll at the 2017 revaluation was circa 233,000 properties, whereas in 2010 this amounted to 213,000. Whilst the percentage of all properties under appeal was the same as 2010, the number of appeals had risen from circa 62,000 to circa 67,500 between the 2010 reval and the 2017 reval.

At 2017, the rateable value under appeal was circa £7.358 billion which is approximately 68% of total rateable value in Scotland; at 2010 this figure was £6.612 billion which was 71% of total rateable value in Scotland.

In relation to appeal programming, the meeting was advised by the Chair that in Glasgow the Secretary and Chair to the Valuation Appeal Panel (VAP) would be citing public houses in the spring of this year and that was as a result of representations made from the licensed trade sector. Similarly, the Lothian VAP was considering the citing of large hotels in the autumn with the Highlands VAP considering the citing of smaller hotels in the spring.

M Bain from the Scottish Licensed Trade Association raised the issue that relief was still uncertain in relation to licensed premises and in response M Barker advised that for the coming financial year there was no proposed change to any of the relief schemes. In response to a question regarding 6 month rent free periods for properties within the licensed trade, the Chair confirmed that such incentives are indeed taken into account when analysing rents for rating purposes.

W MacLeod of the British Hoteliers Association (BHA) expressed appreciation that licensed properties were being cited early and that a rates relief scheme had been introduced. He further advised that the BHA would be looking for the relief scheme to be extended through to the next non domestic revaluation.

In response to a question from the meeting in relation to whether Scottish Government would be looking to review legislation similar to the review undertaken in England in respect of the Woolway v Mazars case, the Scottish Government advised that there was no intention to review legislation and that no representations had been made to do so in Scotland. Given that the Supreme Court decision in relation to Woolway v Mazars was largely based on Scots Law it was acknowledged that the position in Scotland was somewhat different from that in England with regards to the identification of the unit of valuation.

4b. Consultation

The attendees at the meeting confirmed that they are in agreement to take for part of consultations as and when they arise on matters being considered by the Scottish Assessors Association. It was generally agreed that members can be consulted via email contact in the first instance.

4c. Appeal Procedures

I Milton outlined the key features of the changes to appeal regulations. He also confirmed that the vast majority of appeals for previous revaluations have been dealt with without recourse to valuation appeal committee hearings, and that appeal citation lists are available online, and can be accessed via the SAA website at saa.gov.uk. I Milton further stated that the amendments to the appeal regulations should improve the efficiency of the disposal of valuation appeals in that it should help focus more on those appeals which require a hearing by a valuation appeal committee insofar as such appeals not capable of resolution by negotiation will be identified at an earlier stage in the process.

4d. Shooting Rights

It was reported by the Chair that the majority of shooting rights are now in the valuation roll. There is still information being ingathered and more entries are likely to be made. A total of circa 10,400 shooting related entries were made in response to the introduction of the legislation with an RV of £16.4 million.

In relation to a question regarding the revenue generated as a result of the new entries made in connection with shooting rights, M Barker advised that she would circulate information from the Scottish Fiscal Commission which included estimates provided by that body. I Milton reported that the SAA continues to work with related organisations on shooting rights entries, in regard both to identifying entries which may still be made in the valuation roll, and in relation to representations being made in respect of current entries.

Members who are affected by or who have any issues in relation to shooting rights were encouraged to contact their local Assessor as soon as possible.

In respect of a question regarding relief for shooting rights, M Barker confirmed that where shooting rights are not exercised then applications can be made to the relevant local authority for unoccupied property relief.

I Milton advised that meetings were also taking place with the recently formed Scottish Business Ratepayers Group (an independent group of rating surveyors), the minutes of which are on the SAA website.

5. Barclay Review of Non Domestic Rating

5a. SAA Action Plan

I Milton advised that the action plan is on the SAA website and further advised that there is an issues log which records matters raised under investigation. He invited group members to raise any matter that they felt should be considered by the SAA and documented on the issues log. It was agreed that SRF members will be notified when the action plan is updated. Furthermore, the forum noted that the first meeting of the NDR Advisory Group will take place on 30 January 2018 and M Barker advised that representations can be made by SRF members to that group. She further advised that the forum was only one channel of engagement and that bi-lateral engagement will be undertaken with various stakeholders on different issues as contained in the Barclay Review.

5b. Provision of Information to Ratepayers (Barclay Recommendation 9)

M Barker advised that the mygovscotland website hosts information for ratepayers. In response to a question at the meeting re a one stop billing facility as part of the government's digital strategy, M Barker advised that such a facility would require a significant investment in IT and therefore was unlikely to be available in the short to medium term, however work was being undertaken to look at standardised billing.

In response to a question regarding the provision of rental information to ratepayers in order to better understand value levels, I Milton advised that there were commercial confidentiality and data protection concerns with the provision of such information and that proprietors, tenants and occupiers have provided rental information to Assessors in good faith, not expecting it be divulged.

5c. Plant & Machinery Review

The meeting noted that a review of the plant & machinery regulations will be underway soon with the initial focus on the hydro generating subjects. The meeting was advised that David Tretton had been appointed as Chair to that review group.

6. Scottish Water – Proposed Changes to Charging Scheme

R Greenhill from the Scottish Government who deals with Scottish Water reconfirmed that current rateable values will be used for water and sewage charges with effect from 1 April 2018 as decided by Scottish Ministers. She asked that any questions in the first instance should be directed to her. R Greenhill further advised that, following consideration by the industry regulator, it has been decided that any changes in value will, in terms of water and sewage charges, be effective from the date of the valuation notice. For example, an appeal resulting in a value change would only be backdated in respect of such charges to the date of the valuation notice, mainly due to the fact that there could be a change in licensed retailers meaning that the process would be overcomplicated to accommodate backdating to the actual date of the value change. R Greenhill advised that a customer could have gone through a number of changes to water retailers and the water industry commissioner had decided that this would simply be too difficult to administer. She further advised that the move to the current rateable values charging regime is revenue neutral and is not intended to generate any more income. R Greenhill undertook to send further information on the new charging regime to the members of the SRF.

I Milton further advised that any queries in relation to water or sewage should be directed in the first instance to the licensed provider as this was not a matter for Assessors.

7. Scottish Government

7a. Policy Update

M Barker advised that the rate poundage for 2018/19 is proposed at 48p which is capped at CPI uplift subject to parliamentary approval. She reconfirmed that there were no plans to change any rating relief schemes in 2018/19. She also advised that Scottish Government had written to circa 15,000 businesses as a result of an exercise undertaken to analyse the number of businesses that appeared to be eligible for small business rates relief but were not claiming it. This also included several thousand shooting right entries. M Barker advised that limited feedback had been received so far.

In relation to a question regarding councils' ability to raise supplementary rates, M Barker advised that this was on the agenda for the NDR Advisory Group. Also in relation to a question regarding large business rates supplement, M Barker advised that there was no intention currently to pull back from the current arrangements as previously advised by the Minister.

7b. Privacy Impact Assessment for Valuation Roll P/T/O Address Information

I Milton advised of the situation in relation to the cessation of publishing address information for proprietor/tenant/occupier (P/T/O) and that a privacy impact assessment is being carried out.

Members of the forum had raised that the cessation of the sale of data held by Assessors was not a welcome move, however, I Milton advised that this based upon legal advice and in respect of the P/T/O address information, the SAA were working with the Scottish Government regarding amendments to legislation to allow for the publication of such information. The members were satisfied to participate in a consultation in this regard.

8. AOCB

I Storrrie advised that he will be joining the Scottish Government rating team, and offered to take any matters which the group feel should be raised with him directly, continuing with the open door approach undertaken by D McLaren who will be leaving that particular team.

9. Date of Next Meeting

It was agreed to continue with bi-annual meetings and that a date would be set for the next meeting in due course.