

Ministear airson Ionmhas Poblach agus Eaconomaidh  
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Ceit Fhoirbheis BPA  
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James Dornan MSP  
Convener  
Local Government and Communities Committee

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17 April 2019

Dear Mr Dornan,

Thank you for your correspondence dated 25 March 2019, regarding the Committee's request that the Scottish Government provide information on the number of outstanding revaluation appeals from the 2017 Non-Domestic Rates Revaluation.

Statistics on revaluation appeals are published on a quarterly basis and are available on the Scottish Government website at: <https://www2.gov.scot/Topics/Statistics/Browse/Local-Government-Finance/NDR-Rates-Relief>. The next publication of appeals statistics will be on 29 May 2019.

According to our most recent data, 73,868 appeals were lodged against the 2017 revaluation, equivalent to 31.7% of all non-domestic properties in Scotland. 30,443 of these were resolved by December 2018 (41.2% of the total number of revaluation appeals). Over three-quarters (22,989) of resolved appeals did not result in any change of rateable value.

Therefore, as at 31 December 2018, a total number of 43,425 appeals against the 2017 revaluation remained outstanding. The deadline by which revaluation appeals need to be resolved, unless referred on to a higher court, is 31 December 2020.

Appeals are made to Valuation Appeal Committees (VAC) who are independent of the Scottish Government and of Scottish Assessors. Owners, tenants or occupiers, are able to lodge an appeal within 6 months of the date of their valuation notice. The deadline for lodging a standard revaluation appeal was 30 September 2017.

Tha Ministearan na h-Alba, an luchd-comhairleachaidh sònraichte agus an Rùnaire Maireannach fo chumhachan Achd Coiteachaidh (Alba) 2016. Faicibh [www.lobbying.scot](http://www.lobbying.scot)

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Valuation Appeal Committees manage all appeals in accordance with the statutory timetable. Appeals are typically scheduled in batches, organised by property class, following negotiation between assessors, Valuation Appeals Committees and ratepayer representatives. Furthermore, all ratepayers have the right to request an expedited hearing and have their case heard within 105 days of such a request being made. If the Committee is unable to accommodate this request they must explain this in writing to the ratepayer.

Recommendation 19 of the independent Barclay Review of Non-Domestic Rates called for a reform of the appeals system “to modernise the approach, reduce appeal volume and ensure greater transparency and fairness.” To inform delivery of the Scottish Government’s response to the Barclay Review Report, the Government convened a Barclay Implementation Advisory Group (BIAG), and an appeals sub-group was also been set up with the role of providing advice to the Government on how to best implement this recommendation.

The work of the Appeals sub-group has identified a number of reasons for the large volume of appeals at the 2010 and 2017 Revaluations including:

- the principles underpinning the valuation system and associated rateable values are complex and not widely understood;
- ratepayers currently receive limited information on how rateable values are calculated;
- there are no risks to appealing as the appeals system is free to access and easy to access (appeals can be submitted at the press of a button by sending an email to an assessor saying little more than “*I appeal my rateable value*”), and rateable values either go down or stay the same;
- ratepayers are unable to benefit from systemic adjustments to rateable values to equivalent properties unless they have also appealed, which can lead to speculative or “protective” appeals;
- there had not been a revaluation in seven years at the 2017 revaluation; and
- the last two revaluations have taken place during exceptional economic circumstances which has led to volatility in rateable values.

A number of reforms incorporated into the recently introduced Non-Domestic Rates (Scotland) Bill directly reflect the advice of the sub-group. These reforms aim to improve the efficiency of the appeals process and improve information flows between Assessors and ratepayers in order to reduce the level of reliance on the formal appeals process. Where appeals are required, we also hope to speed up the process so that ratepayers will not have such long waits before their appeals are heard.

The sub-group continues to meet and further administrative reforms will follow on conclusion of their deliberations.

I note that the Local Government and Communities Committee has been appointed as the Lead Committee for the Non-Domestic Rates (Scotland) Bill, and that on 9 April 2019 the Committee issued a call for evidence.

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I look forward to working with the Committee as the Bill progresses.

## KATE FORBES

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