



Scottish Assessors Association

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25 October 2019

James Dornan MSP
Convener of the Local Government and Communities Committee
The Scottish Parliament
EDINBURGH
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Dear Mr Dornan MSP

THE NON-DOMESTIC RATES (SCOTLAND) BILL 2019
THE LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

On behalf of the Scottish Assessors' Association (SAA) I thank the Committee for its detailed consideration of the Non-Domestic Rates (Scotland) Bill 2019 and the Stage 1 Report that the Committee has produced. The SAA notes that the Committee's Report is broadly supportive of the aims of the Bill and it welcomes the detailed comments that the Committee has made.

Following the publication of the Report the SAA would wish to highlight three issues which it considers may be useful to bring to the Committee's, and the Government's, attention before Stage 2 commences. These are noted below:

Firstly, the greatest concern of the SAA is the possibility that extremely large numbers of proposals and appeals may be lodged which may serve to clog up the system. As the Committee rightly notes, the current level of speculative appeals is simply unsustainable in the context of regular three yearly revaluations and any such logjam would not be in the interests of ratepayers or administrators. In particular the SAA considers it to be essential that all proposals and appeals must be cleared before the next three yearly revaluation commences. To this end the SAA would suggest the following "gate keeping" measures:

- The SAA considers that the number of speculative proposals lodged would be significantly reduced if a fee was charged when proposals are lodged, and welcomes the Committee's view at section 54, page 19 of the report.
 - The SAA considers that ratepayers should not have the right to lodge a proposal where they have failed to respond to an Assessor's Information Notice.
 - The SAA considers that there should be a statutory date by which all proposals must be resolved.
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- The SAA considers that there must be a fee charged before a proposal can be pursued to the appeal stage. The SAA would expect that if no such fee is charged ratepayers may, as a matter of course and without penalty, routinely pursue proposals to the appeal stage which would effectively undermine the purpose and value of the proposal stage.
- The SAA considers that grounds of appeal and supporting information that has not been provided to the Assessor at the proposal stage should be inadmissible in any appeal proceedings.
- The SAA considers that there should be a statutory date by which all appeals should be resolved. This date should be before the date on which valuations are to be finalised for the following revaluation.

Secondly, consideration to date has been limited to “revaluation” proposals and appeals which are lodged following each revaluation. In recent times “running roll” appeals (i.e. appeals lodged during the period whilst the valuation roll is in force) have been lodged in very substantial numbers. The SAA view is that the move to a three yearly revaluation, coupled with reducing the period between the tone date and the date on which the roll coming into force to one year, is to ensure that rating assessments will, in future, be much more closely aligned to current market levels than they may have been in recent revaluations.

We therefore no longer see the need for running roll appeals based upon a material change of circumstances related to economic changes. We would therefore recommend that the provisions introduced by the Rating and Valuation (Amendment) (Scotland) Act 1984 which allow such appeals in Scotland but not in England, Wales and Northern Ireland be removed. Such a decision would minimise the risk of appeals, would be in line with other devolved administrations and most importantly better reflect the realities of the shorter revaluation cycle and tone date.

Thirdly, the SAA would reiterate its view that the size of penalties which are to be imposed for the non-return of Assessor’s Information Notices should be set at a sufficient level as to ensure the timely return of the necessary information. The non-domestic rates system is entirely based upon accurate information being returned to the Assessor in time to ensure that Assessor can arrive at the correct valuations. Such a process is essential to allow ratepayers to be confident in their assessment and to reduce the time and cost of dealing with proposals and appeals.

Further, the SAA considers it to be essential that the provisions of S14(2) of the Bill are sufficiently wide to allow information gathering for a variety of different purposes such as establishing unit cost rates, quantum scales and other features to support schemes of valuation. The SAA would therefore request that less prescriptive wording such as “information required for the purposes of maintaining the Valuation Roll under the Valuation Acts” or something similar is utilised.

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I hope this information is of assistance to the Committee. The SAA would of course be happy to provide further information or to provide further evidence on any matters which the Committee may deem relevant.

Yours sincerely

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President

CC The Scottish Government