

Barclay Implementation – Appeals Subgroup
6 July 2018 (pm)
Victoria Quay, Leith

Attendees

Marianne Barker (Chair)
James Messis
Ken McCormack
Moir Walker
Brian Rogan
Ian Milton

Apologies- Graeme Strachan

1. It was agreed that the current volume of appeals is unfeasible with 3 yearly revaluations and 1 year tone dates and the system needs to be reformed in time for 2022 (which is the first year that 3 yearly revaluations will apply)
2. The following options were suggested as methods which could reduce the volume of appeals (although it was likely that several of these would be required in combination)
 - a) Legal Gateways need to be established to allow Assessors to access information.– For example Revenue Scotland and Registers of Scotland hold rent data for certain leases and if Assessors could access this it could reduce the burden on ratepayers to provide information to Assessors that they have already provided to other public authorities. However, it was noted that rental info would have to include details of any incentives to be valid.
 - b) Assessors need to provide more comparator information to ratepayers. Barclay recommended this in report. For example ‘the rents of numbers 1-7,11 and 12 The High Street were used to inform the valuation of the property at 8 The High Street’. It was noted that some of this information may be commercially sensitive or personal (where it relates to non-domestic properties occupied by individuals unrelated to business activities) and that Assessors are personally liable for any data breaches. A legal gateway may therefore be required to permit Assessors to publish personal/ commercially sensitive data.
 - c) Public sector properties could be discouraged from appealing as money is circular.
 - d) The Assessors proposed new power to request information will ensure better information in at the start and less need to rely on appeals to set valuations.
 - e) Fees could be considered at the initial stage, but may be problematic as limits access to justice and would these be refunded if the appeal was successful. It was, however, agreed that current fees should be retained to have cases held at higher courts (Lands Tribunal) or their future equivalent.
 - f) Info must be supplied or the appeal is invalid/ there is no right of appeal. For owner occupiers a return would be required stating there is no rent for the property. It was noted that there may be a need to allow for extenuating circumstances e.g. if a ratepayer was overseas.

- g) Better information- such as available in Northern Ireland on valuations – may mean that a ratepayer better understands their valuation and so is less likely to appeal. Noting that this is a significant project and investment would be needed to deliver reforms of this type to the SAA portal.
 - h) Appeals on zero rated properties could be considered quickly and dismissed.
 - i) SBBS thresholds could be looked at - currently the cliff edged nature of relief means that anyone with a property just above the £15,000 RV cut off for 100% relief tends to appeal. A sliding scale of decreasing relief may reduce this rather than the current large drop to 25% relief at £15,000 RV.
 - j) The risk that valuations can go up or down may limit numbers of appeals.
 - k) Currently unless a ratepayer has lodged an appeal they will not benefit if a neighbouring or equivalent property wins an appeal and sees their RV reduce. This means many may lodge “holding” appeals so that in the event of a neighbour receiving a reduction they can benefit. If the Assessor had wider powers to alter the roll, this could reduce those holding appeals as any ratepayer would know that they would benefit from any relevant decisions that applied to their property. However in the interest of fairness this would also apply if a relevant decision increased the value of another property.
 - l) It was noted that any change to appeals (particularly k) would potentially increase volatility to SG income estimates due to appeal loss. However, it was noted that the appeals loss could be factored in as an adjusting factor in poundage calculations – this would allow any significant loss to SG /any windfall to SG to be recouped/ redistributed to ratepayers in the next year. Once revaluations are decoupled from England in 2022 (by virtue of England having a revaluation in 2021) there may be less pressure for uniform tax rates across the UK and cross border businesses already cope with different rates in Wales and NI.
3. It was also noted that a fast track system should be retained within the appeals system.