



Renfrewshire Valuation Joint Board

Report to: Renfrewshire Valuation Joint Board

Meeting on: 21 August 2015

Subject: 2017 Non Domestic Rating Revaluation Progress Report

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1.0 Introduction

The purpose of this report is to inform members of the Board on the current work that is being undertaken in preparation of the 2017 Non Domestic Rating Revaluation which comes into effect on the 1st April 2017.

2.0 Background

A five yearly Revaluation process was introduced by the Valuation and Rating (Scotland) Act 1956. This requires the Assessor to value all the lands and heritages within his valuation area. The valuations are totally fresh and bear no relation to the value applied in the preceding five years. The last revaluation was in 2010 with the expectation that the next Revaluation would have taken place in 2015. However due to various factors, this was postponed until 2017.

Every revaluation involves the production of a new Valuation Roll, containing revised values for all non-domestic properties situated within the Joint Board area. In addition to over 10,000+ non domestic subjects that require to be valued throughout the Joint Boards three local authority constituencies, the Assessor for Renfrewshire, being a designated Assessor, has the additional responsibility for valuing all Fixed Line Telecommunication subjects named within The Non Domestic Rating (Valuation of Utilities) (Scotland) Order 2005 throughout Scotland.

The process of carrying out these statutory duties involves the collection and analysis of rental, building cost and turnover data to establish the new levels of value to be applied to the various types of subjects. This process is founded on continuous processes carried out throughout each quinquennium. However the bulk of the work in relation to each Revaluation is carried out in the two years preceding the date of Revaluation. In effect, the steps outlined in the report to the Board by the Depute Assessor in January 2015 are now underway.

3.0 Number of Subjects to be valued.

In order to give the Board an idea of the scale of the project, the tables attached in **Appendix 1**, outline the number of subjects for which information requires to be ingathered, analysed and valued as at time of writing. These have been split into the Statistical Categories used by the Scottish Government. The 20 categories divide subjects into easily understood groupings such as Retail, Offices, Industrials, Health, Education and Hotels.

The category titled “Public Service” includes subjects such as Airports, Bus Stations, Court Houses, Fire Stations, Military Establishments, Police Stations and Waste Water Treatment Works.

Category 17, titled “Others” includes subjects such as Car Parks, Car Spaces, Ground, Kennels, Livestock Auction Marts, Premises Under Reconstruction, Stables, Water Rights and Weighbridges.

These figures will change up to the publishing of the Valuation Roll in 2017, as running roll changes are processed.

The Revaluation will involve a considerable amount of hard work by the Assessor’s staff. This is not just in the mechanics of revaluation but also in the discussions and negotiations that will be carried out under the auspices of the Scottish Assessors’ Association to achieve the timeous completion of Practice Notes.

4.0 Current Progress in Collection of Rental Evidence

The date upon which all values will be based is the 1st April 2015. In order to ascertain rental levels for let subjects as close to this tone date as possible, rental questionnaires were issued at the beginning of July to individual proprietors and tenants of all known let subjects in respect of shop, office and industrial type subjects. Forms could either be returned by completing the paper copy or by completing the form on line at the Scottish Assessors Association Portal. Bulk landlords and their representatives have also been contacted to obtain the desired information. Examples include, Braehead, The Avenue at Mearns and the Oakmall shopping centres. The table below outlines the number of individual forms issued and returns received at time of writing.

Rental Questionnaires Issued

| Council Area | Forms Issued | Forms Retuned | % of Forms Returned |
|-------------------|--------------|---------------|---------------------|
| Renfrewshire | 5347 | 1237 | 23.13% |
| East Renfrewshire | 1418 | 386 | 27.22% |
| Inverclyde | 1891 | 418 | 22.10% |
| Total | 8656 | 2041 | 23.58% |

The response thus far has not been as good as expected with return rates below 25% on average.

In order to reach as many taxpayers as possible, it is intended that those properties known to be let that have not made a return will be visited by a member of staff in order to increase the return rate. Our goal is to produce values that are “right first time” and this can only be achieved upon receipt of the required information.

In addition, category specific questionnaires have also been issued for Petrol Filling Stations and Self Catering Units. These will be followed over the coming weeks with a request for turnover and cost details for a variety of subjects such as Licensed Premises, Hotels, Churches, Halls, and a wide variety of Sport and Leisure subjects.

5.0 Scottish Assessors Association Representation & VOA

Numerous meetings have taken place and will continue do so over the coming months with various working groups and committees within the Assessors Association and the Valuation Office in London. These meetings will be particularly useful in relation to more complex subjects such as telecommunications and filling stations. The purpose of the meetings is largely to facilitate discussions and exchange of information in preparation of Practice Notes and agreeing schemes of valuation with members of the SAA, Valuation Office and professional agents representing various industries.

6.0 Preparations & Timeline

It was anticipated that the proposed timeline for preparing and completing proposed valuations for the 2017 Revaluation would be the summer of 2016 some three months earlier than the previous revaluation at 2010. The Scottish Government has intimated that they are now seeking harmonisation with the English timetable set for the VOA and are looking for the bulk of subjects to be valued as early as January 2016. This aspiration is to allow sufficient time for the Scottish Government to establish the net effect of the Revaluation as soon as possible. This will allow the Government to establish an appropriate rate poundage, transition relief schemes and decapitalisation rates.

This significantly shortened timetable will place additional pressure on the staff and resources.

7.0 General Conclusions

While every endeavor will be made to meet the current performance levels in relation to running roll and council tax targets, these may be affected as a result of time pressures due to the Governments requirement to produce valuations six months earlier that what was anticipated and the volume of work a revaluation involves.

8.0 Recommendations

The Board notes the contents of this report.

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5 August 2015

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APPENDIX 1

| EAST RENFREWSHIRE | | |
|-------------------|---|-----------------------------------|
| Cat | Description | Number of Subjects to be Revalued |
| 1 | Retail | 566 |
| 2 | Public House | 23 |
| 3 | Office including Banks | 327 |
| 4 | Hotel Etc | 6 |
| 5 | Industrial subjects including Factories Warehouses Stores and Workshops | 333 |
| 6 | Leisure Entertainment Caravans and Holiday Sites | 60 |
| 7 | Garages and Petrol Stations | 45 |
| 8 | Cultural | 17 |
| 9 | Sporting Subjects | 8 |
| 10 | Education and Training | 34 |
| 11 | Public Service Subjects | 69 |
| 12 | Communications (Non Formula) | 6 |
| 13 | Quarries Mines etc | 3 |
| 14 | Petrochemical | 0 |
| 15 | Religious | 43 |
| 16 | Health Medical | 40 |
| 17 | Other | 79 |
| 18 | Care Facilities | 22 |
| 19 | Advertising | 34 |
| 20 | Undertakings | 16 |
| | | |
| | Total | 1,731 |

INVERCLYDE

| Cat | Description | Number of Subjects to be Revalued |
|-----|---|---|
| 1 | Retail | 775 |
| 2 | Public House | 47 |
| 3 | Office including Banks | 339 |
| 4 | Hotel Etc | 9 |
| 5 | Industrial subjects including Factories Warehouses Stores and Workshops | 510 |
| 6 | Leisure Entertainment Caravans and Holiday Sites | 97 |
| 7 | Garages and Petrol Stations | 43 |
| 8 | Cultural | 29 |
| 9 | Sporting Subjects | 3 |
| 10 | Education and Training | 39 |
| 11 | Public Service Subjects | 92 |
| 12 | Communications (Non Formula) | 0 |
| 13 | Quarries Mines etc | 0 |
| 14 | Petrochemical | 0 |
| 15 | Religious | 64 |
| 16 | Health Medical | 34 |
| 17 | Other | 120 |
| 18 | Care Facilities | 52 |
| 19 | Advertising | 35 |
| 20 | Undertakings | 19 |
| | | |
| | Total | 2,307 |

RENFREWSHIRE

| Cat | Description | Number of Subjects to be Revalued |
|-----|---|---|
| 1 | Retail | 1,737 |
| 2 | Public House | 121 |
| 3 | Office including Banks | 1,372 |
| 4 | Hotel Etc | 27 |
| 5 | Industrial subjects including Factories Warehouses Stores and Workshops | 1,661 |
| 6 | Leisure Entertainment Caravans and Holiday Sites | 145 |
| 7 | Garages and Petrol Stations | 70 |
| 8 | Cultural | 61 |
| 9 | Sporting Subjects | 11 |
| 10 | Education and Training | 78 |
| 11 | Public Service Subjects | 160 |
| 12 | Communications (Non Formula) | 20 |
| 13 | Quarries Mines etc | 1 |
| 14 | Petrochemical | 3 |
| 15 | Religious | 102 |
| 16 | Health Medical | 77 |
| 17 | Other | 396 |
| 18 | Care Facilities | 57 |
| 19 | Advertising | 144 |
| 20 | Undertakings | 34 |
| | | |
| | Total | 6,277 |

RVJB

| Cat | Description | Number of Subjects to be Revalued |
|-----|---|---|
| 1 | Retail | 3,078 |
| 2 | Public House | 191 |
| 3 | Office including Banks | 2,038 |
| 4 | Hotel Etc | 42 |
| 5 | Industrial subjects including Factories Warehouses Stores and Workshops | 2,504 |
| 6 | Leisure Entertainment Caravans and Holiday Sites | 302 |
| 7 | Garages and Petrol Stations | 158 |
| 8 | Cultural | 107 |
| 9 | Sporting Subjects | 22 |
| 10 | Education and Training | 151 |
| 11 | Public Service Subjects | 321 |
| 12 | Communications (Non Formula) | 26 |
| 13 | Quarries Mines etc | 4 |
| 14 | Petrochemical | 3 |
| 15 | Religious | 209 |
| 16 | Health Medical | 151 |
| 17 | Other | 595 |
| 18 | Care Facilities | 131 |
| 19 | Advertising | 213 |
| 20 | Undertakings | 69 |
| | | |
| | Total | 10,315 |