



Renfrewshire Valuation Joint Board

Report to: Renfrewshire Valuation Joint Board

Meeting on: 29th May 2020

Subject: Non-Domestic Appeals

Author: Assistant Assessor & Electoral Registration Officer

Introduction

The purpose of this report is to brief members on the appeal process and report progress not only on disposal of Revaluation appeals, but the disposal of Running Roll Appeals received since the 2017 Revaluation.

1. Background

A 5-yearly Revaluation process was introduced by the Valuation and Rating (Scotland) Act 1956. The previous revaluation was carried out as at 1st April 2010, the Revaluation due at 2015 was postponed by two years, therefore it has been seven years since the last revaluation. The 2017 Revaluation required the Assessor to value or revalue all of the lands and heritages in his valuation area. These valuations are totally fresh and need bear no relation to the value applied in the preceding 7 years.

The process 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 subject. These valuations are then updated, the new valuation roll is published, and all interested parties notified. This process is founded on continuous processes but the bulk of the work in relation to the Revaluation is carried out in the 2 years preceding the date of the Revaluation.

2. Right of Appeal

The Revaluation brings with it a fresh right of appeal. This right of appeal has to be exercised within a six-month period starting on the 1st April in the year of the Revaluation or within six months of the date of issue of the Valuation Notice, whichever is later.

Any person to whom the Assessor has issued a Revaluation Notice is entitled to appeal. In practice this means the Proprietor, the Tenant or the Occupier of the property.

These appeals must be disposed of within time limits prescribed in a Timetable Order. This currently states by the end of the third year following the revaluation; in this case, 31st December 2020.

3. Negotiation of Appeals

Following citation of an appeal, it is normal practice for a member of the Assessor's staff to enter into negotiation with the appellant or the appellant's agent. In the majority of cases, these discussions will result in a settlement of the appeal without any need to present the appeal to the Valuation Appeal Committee; this settlement will be a withdrawal of the appeal by the appellant or an adjustment to the value by the Assessor.

If, however, the parties cannot reach agreement, the appeal will be presented to the Valuation Appeal Committee. In the normal course of events, a senior member of the Assessor's staff will lead the case, however depending on the complexity and legal arguments involved, it may require that Counsel is employed to lead the case for the Assessor. In all cases one or more members of the Assessor's staff will require to give evidence as an expert witness.

4. Local Valuation Appeal Committee

The Appeal Committee is drawn from the Renfrewshire Valuation Appeal Panel. The members of the Panel are appointed by the Sheriff Principal. They are all unpaid, are completely independent of the Assessor and the local councils and have no prior knowledge of any case listed for hearing.

In the case of highly complex appeals, either party has the right to request that the appeal is referred to the Lands Tribunal for Scotland. Referral is not undertaken lightly as it involves a considerable amount of preparatory work by several members of staff and may involve several days of examination, cross-examination and submissions in front of a High Court Judge and a Lay Expert.

In all appeals, either party may appeal the decision of the Appeal Panel or Lands Tribunal. This appeal will be heard by the Lands Valuation Appeal Court (The Court of Session).

It was reported at the last meeting in February that the current Secretary to the Valuation Appeal Panel had informed the Assessor that he has notified the Sheriff Principal of his intention to resign from the post. I can confirm that the position was advertised in March, prior to the Government's advice on lock down due to the Coronavirus, however, there has been no update regarding a replacement for this post to date.

5. Revaluation Appeals

As members will be aware, the Revaluation brings with it a fresh right of appeal and traditionally results in a large influx of appeals. This Revaluation is no different with an increase of 6% on the number of 2010 Revaluation appeals. The total number of Revaluation Appeals received for 2017 is 3,832, which relates to 3,542 subjects with a cumulative value of £324,294,785.

A number of statistical extracts have been compiled to show the Revaluation Appeals received in 2017 and the subsequent running roll appeals. These have been shown by category type and map the categories used by the Scottish Executive; see Appendix 1. The 20 categories divide subjects into easily understood groupings such as Retail, Offices, Industrials, Health, Education and Hotels.

Category 11, titled "Public Service" includes subjects such as the Airport, Bus Station, Court House, Fire Station, Military Establishment, Police Station 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.

Following a Revaluation, new values will generally remain unchanged until the next Revaluation; unless the property is altered, or other changes take place. New properties will be added to the Roll as they become capable of occupation and entries for demolished buildings will be deleted.

However, a Running Roll appeal can be lodged by a ratepayer or their agent on the grounds that there has been a Material Change of Circumstances which has affected the value of the property or on the basis of an error in the valuation at any time.

6. The disposal of 2017 Revaluation Appeals

A number of statistical extracts have been compiled to show the 2017 Revaluation Appeals. These have been shown by the same category type as stated above, see Appendix 1.

As the Board is aware, the Assessor for Renfrewshire Valuation Joint Board is the "Designated Assessor" for fixed line Telecommunications subjects which are included at line 20 in the tables.

All the Revaluation appeals MUST be cited for a local Valuation Appeal Committee hearing and disposed of by 31st December 2020.

The disposal of the Revaluation appeals began with the first local Valuation Appeal Committee hearing on 10th May 2018 followed by scheduled hearings from then to present date. Since last reporting there had been hearings scheduled for the 27th February, the 26th of March and the 14th May. However, the Secretary to the Valuation Appeal Committee confirmed to the Assessor that due to the current Coronavirus crises, both hearings scheduled for March and May would be postponed to a later date. Exactly when or how future hearings will take place has still to be determined. The consequence of this decision is that there are 22 appeals outstanding from the March hearing and 202 appeals outstanding from the May hearing that ordinarily would have been completed by now.

At present, as dictated by the U.K. and Scottish Governments, our office has been closed with staff working remotely since the announcement on the 23rd March. Where possible, valuation staff have continued to try and bring the outstanding appeals cited for the above hearings to a conclusion. This of course has been dependent on the communication capabilities of appellants or their agents which in many instances has not been feasible. A further complication relates to the fact that in order to resolve some appeals, a physical inspection of the premises concerned may be required which, due to the current restrictions, is unable to take place.

The statistics provided within this report continue to relate to all revaluation appeals processed over the last quarter up to the 31st March 2020.

As at 31st March we have disposed of 3167 appeals which equates to 89.41% of the number of subjects under appeal. This figure is less than was anticipated in my last report due to the unexpected cancellation of two hearings by the Secretary to the Panel and the current lock down situation.

The numbers currently disposed of can be seen in Appendix 1 which clearly shows progress made for subjects within each of the three Local Authorities together with a total for the Joint Board area.

As outlined above the programming and disposal of the remaining appeals will now be dependent on the lifting of the current lock down restrictions and how and when the Secretary to the Valuation Appeal Panel decides these may best be facilitated. We are fortunate that at this point in time we only have just over 10% of appeals remaining. It is important to note that these still require to be dealt with prior to the current statutory deadline of 31st December 2020.

Many of the appeals which will be cited up to and including December 2020 may generate referral requests to the Lands Tribunal for Scotland. Depending on the complexity of the appeals the Assessor may not object to such referrals. However, where it is felt the appeals

can be dealt with by the Local Valuation Appeal Panel and do not meet the necessary criteria for such a referral, the Assessor will object. In either case, this may involve allocation of additional resources.

7. The disposal of Running Roll Appeals

In addition to the Revaluation appeals, Running Roll appeals have also been programmed into hearings and disposed of in line with the prescribed statutory timetable. Unlike the revaluation appeals which is a known quantity, running roll appeals are a moving target as ratepayers and their agents can lodge this type of appeal at least once in any one financial year. Therefore, whilst the revaluation appeals have steadily and progressively reduced throughout the quinquennium, the number of running roll appeals outstanding has fluctuated depending on numbers received and disposed of throughout this period of time.

Since the last report to the Board in February, we have disposed of an additional 75 Running roll appeals increasing the number dealt with from 479 to 554 these are in addition to the Revaluation appeals outlined above.

I also outlined that the number of additional running roll appeals that we had received between reports was 49 bringing the total number received to 812. I must bring to the Boards attention that as a result of the Coronavirus pandemic and the situation facing many businesses, the number of running roll appeals received since February has exponentially increased. In particular, since the Prime Minister's announcement on the 23rd March up to the 31st March we have received an additional 2,704 material change appeals. This increases the total number received up to the 31st March to 3,516. In addition, there are approximately 380 appeals that have been received after 01/04/2020 that are also currently in the process of being logged.

An increase of this magnitude will of course have significant resource implications for the coming year given that the disposal date for all 2,704 appeals received prior to the 01/04/2020 will require to be dealt with within 12 months from the date of their receipt, in other words before the end of March next year. This is an unprecedented number of appeals that will require to be disposed of within such a short timeframe at the same time as trying to deliver the 2022 Revaluation while working under lock down conditions if these remain in place.

The disposal of appeals is a major component of the work undertaken by the Assessor's valuation staff. These appeals will not only significantly impact on staff's workload over the coming months but will involve increased costs for citations and VAC hearings. The workload placed on each member of staff is further increased due to the fact that RVJB has had a number of qualified valuation staff leave over the last year and to date, despite two recruitment drives, we have been unable to replace them.

This type of work can be stressful for staff due to the strict legislative timetables and the adversarial nature of the negotiations and it is anticipated that this may increase as a result of the additional pressure the current lock down regime brings to working practices. I am confident however that staff will continue to deal with these matters with fairness, courtesy, commitment, and professionalism.

Given the large number of running roll appeals received, there will be additional Appendices produced similar to that provided for revaluation appeals outlining the category of subject and specific numbers of appeals for each category by the next scheduled Board meeting in September. Unfortunately, this has been unable to be produced in time for the May Board Meeting.

I would like to express thanks to all members of staff who, despite working remotely, have managed to log such a tsunami of appeals in preparation for the work to begin discussing them over the coming months.

8. Disposal of Other Outstanding Appeals

As outlined previously, if a case is considered highly complex it may be necessary for it to be referred to the Lands Tribunal for Scotland. At present there are a number of subjects that have cases from both the 2005 and 2010 Revaluations that have been referred to the Lands Tribunal, the bulk of which relate to mobile or complex fixed line telecommunication subjects. Negotiations are currently on-going with the relevant agents and it is hoped that agreement will be reached over the coming months without the need for any cases proceeding to formal hearings. The number of appeals referred to the Lands Tribunal currently outstanding are as follows:

6 appeals remain outstanding from 2005 Revaluation in relation to 5 subjects

24 appeals remain outstanding from 2010 Revaluation in relation to 12 subjects

Conclusion:

The disposal of appeals is a major component of the work undertaken by the Assessor's valuation staff. It is work that can be stressful due to the strict legislative timetables and the adversarial nature of the negotiations. The unexpected results of the current pandemic have resulted in VAC hearings scheduled during the Spring diet requiring to be cancelled. The effect of which will condense our disposal timetable and will bring some pressure on meeting the statutory disposal date for revaluation appeals by the 31st December 2020. However, given we only have 10% of these remaining I am confident that this will be achieved. The bigger challenge facing us is the additional number of Running Roll appeals received recently together with the short statutory deadline for their disposal. This will require careful planning of resources in order to meet their statutory disposal date while concurrently delivering the 2022 Revaluation. I am sure this challenge will be met with the usual commitment and professionalism shown by the staff in previous difficult times.

It is hoped this gives an insight into the background of the appeal process and progress of revaluation and running roll appeals disposal to date.

Recommendations

- i. The Board notes the contents of this report.

Jacqueline Murgatroyd
Assistant Assessor and ERO
12th May 2020

For further information please contact Jacqueline Murgatroyd by email at jackie.murgatroyd@renfrewshire-vjb.gov.uk.

APPENDIX 1

RVJB Revaluation 2017 – Appeals (By number of subjects under appeal as at 31/03/2020 – **RENFREWSHIRE**)

Category	Number Received	RV under Appeal	Disposed	Original RV	Adj RV	Number O/S	Appeal RV O/S	% O/S
1 Retail	528	£ 63,147,350	509	£ 50,221,350	£ 46,977,250	19	£ 12,926,000	3.60%
2 Public House	67	£ 2,482,000	67	£ 2,482,000	£ 2,198,900	0	£ -	0.00%
3 Office including Banks	526	£ 13,448,400	468	£ 12,745,650	£ 12,012,100	58	£ 702,750	11.03%
4 Hotel Etc	18	£ 6,229,500	18	£ 6,229,500	£ 5,212,500	0	£ -	0.00%
5 Industrial	443	£ 30,604,205	442	£ 29,904,205	£ 28,541,155	1	£ 700,000	0.23%
6 Leisure	46	£ 5,977,950	23	£ 1,133,450	£ 928,450	23	£ 4,844,500	50.00%
7 Garages and Petrol Stations	19	£ 1,003,500	19	£ 1,003,500	£ 912,000	0	£ -	0.00%
8 Cultural	37	£ 1,326,150	32	£ 1,124,900	£ 937,150	5	£ 201,250	13.51%
9 Sporting Subjects	3	£ 136,000	0	£ -	£ -	3	£ 136,000	100.00%
10 Education and Training	76	£ 13,701,350	22	£ 5,833,750	£ 5,386,000	54	£ 7,867,600	71.05%
11 Public Service Subjects	89	£ 5,590,000	63	£ 2,329,700	£ 2,131,950	26	£ 3,260,300	29.21%
12 Communications (Non Formula)	5	£ 9,200	2	£ 8,900	£ 8,900	3	£ 300	60.00%
13 Quarries Mines etc	1	£ 21,500	1	£ 21,500	£ 21,500	0	£ -	0.00%
14 Petrochemical	2	£ 239,000	2	£ 239,000	£ 229,000	0	£ -	0.00%
15 Religious	11	£ 127,600	11	£ 127,600	£ 124,400	0	£ -	0.00%
16 Health Medical	22	£ 4,890,200	14	£ 4,275,450	£ 3,932,350	8	£ 614,750	36.36%
17 Other	185	£ 3,020,970	185	£ 3,020,970	£ 1,551,930	0	£ -	0.00%
18 Care Facilities	18	£ 1,308,850	1	£ 25,000	£ 25,000	17	£ 1,283,850	94.44%
19 Advertising	38	£ 121,140	38	£ 121,140	£ 102,340	0	£ -	0.00%
20 Undertakings / Fixed Line	16	£ 100,261,800	6	£ 92,495,800	£ 67,893,200	10	£ 7,766,000	62.50%
	2,150	£ 253,646,665	1,923	£ 213,343,365	£ 179,126,075	227	£ 40,303,300	10.56%

RVJB Revaluation 2017 – Appeals (By number of subjects under appeal as at 31/03/2020 – **EAST RENFREWSHIRE**)

Category	Number Received	RV under Appeal	Disposed	Original RV	Adj RV	Number O/S	Appeal RV O/S	% O/S
1 Retail	180	£ 11,304,000	171	£ 5,271,000	£ 4,993,550	9	£ 6,033,000	5.00%
2 Public House	12	£ 963,750	12	£ 963,750	£ 844,650	0	£ -	0.00%
3 Office including Banks	118	£ 2,330,950	89	£ 1,514,900	£ 1,314,250	29	£ 816,050	24.58%
4 Hotel Etc	5	£ 635,000	5	£ 635,000	£ 554,000	0	£ -	0.00%
5 Industrial	85	£ 1,175,105	85	£ 1,175,105	£ 1,154,855	0	£ -	0.00%
6 Leisure	13	£ 2,248,000	3	£ 119,500	£ 119,500	10	£ 2,128,500	76.92%
7 Garages and Petrol Stations	8	£ 205,850	8	£ 205,850	£ 190,400	0	£ -	0.00%
8 Cultural	14	£ 432,200	14	£ 432,200	£ 319,550	0	£ -	0.00%
9 Sporting Subjects	0	£ -	0	£ -	£ -	0	£ -	0.00%
10 Education and Training	31	£ 6,885,000	28	£ 6,739,000	£ 6,408,500	3	£ 146,000	9.68%
11 Public Service Subjects	36	£ 1,319,940	29	£ 1,018,140	£ 958,140	7	£ 301,800	19.44%
12 Communications (Non Formula)	1	£ 100	0	£ -	£ -	1	£ 100	100.00%
13 Quarries Mines etc	1	£ 60,000	1	£ 60,000	£ 60,000	0	£ -	0.00%
14 Petrochemical	0	£ -	0	£ -	£ -	0	£ -	0.00%
15 Religious	4	£ 11,700	4	£ 11,700	£ 11,700	0	£ -	0.00%
16 Health Medical	7	£ 919,900	4	£ 79,900	£ 44,000	3	£ 840,000	42.86%
17 Other	22	£ 108,950	22	£ 108,950	£ 101,850	0	£ -	0.00%
18 Care Facilities	5	£ 486,000	2	£ 95,000	£ 95,000	3	£ 391,000	60.00%
19 Advertising	13	£ 55,100	12	£ 38,900	£ 32,150	1	£ 16,200	7.69%
20 Undertakings / Fixed Line	8	£ 1,167,200	2	£ 300,000	£ 192,100	6	£ 867,200	75.00%
	563	£ 30,308,745	491	£ 18,768,895	£ 17,394,195	72	£ 11,539,850	12.79%

RVJB Revaluation 2017 – Appeals (By number of subjects under appeal as at 31/03/2020 – **INVERCLYDE**)

Category	Number Received	RV under Appeal	Disposed	Original RV	Adj RV	Number O/S	Appeal RV O/S	% O/S
1 Retail	245	£ 12,093,100	238	£ 6,083,100	£ 5,491,250	7	£ 6,010,000	2.86%
2 Public House	28	£ 1,147,500	28	£ 1,147,500	£ 1,014,900	0	£ -	0.00%
3 Office including Banks	171	£ 5,767,375	154	£ 5,082,950	£ 4,978,750	17	£ 684,425	9.94%
4 Hotel Etc	2	£ 171,500	2	£ 171,500	£ 170,000	0	£ -	0.00%
5 Industrial	153	£ 3,917,550	152	£ 3,732,550	£ 3,616,150	1	£ 185,000	0.65%
6 Leisure	25	£ 1,812,500	15	£ 497,300	£ 377,800	10	£ 1,315,200	40.00%
7 Garages and Petrol Stations	15	£ 451,300	15	£ 451,300	£ 445,300	0	£ -	0.00%
8 Cultural	16	£ 519,700	14	£ 481,400	£ 429,800	2	£ 38,300	12.50%
9 Sporting Subjects	0	£ -	0	£ -	£ -	0	£ -	0.00%
10 Education and Training	34	£ 7,564,550	28	£ 6,571,300	£ 6,289,800	6	£ 993,250	17.65%
11 Public Service Subjects	61	£ 2,763,800	47	£ 1,102,300	£ 1,026,700	14	£ 1,661,500	22.95%
12 Communications (Non Formula)	0	£ -	0	£ -	£ -	0	£ -	0.00%
13 Quarries Mines etc	0	£ -	0	£ -	£ -	0	£ -	0.00%
14 Petrochemical	0	£ -	0	£ -	£ -	0	£ -	0.00%
15 Religious	2	£ 57,400	2	£ 57,400	£ 57,400	0	£ -	0.00%
16 Health Medical	11	£ 2,886,550	6	£ 2,470,050	£ 2,410,050	5	£ 416,500	45.45%
17 Other	41	£ 261,000	41	£ 261,000	£ 222,250	0	£ -	0.00%
18 Care Facilities	9	£ 264,600	0	£ -	£ -	9	£ 264,600	100.00%
19 Advertising	7	£ 23,750	7	£ 23,750	£ 17,950	0	£ -	0.00%
20 Undertakings / Fixed Line	9	£ 637,200	4	£ 251,000	£ 191,100	5	£ 386,200	55.56%
	829	£ 40,339,375	753	£ 28,384,400	£ 26,739,200	76	£ 11,954,975	9.17%

RVJB Revaluation 2017 – Appeals (By number of subjects under appeal as at 31/03/2020 – **TOTALS IN JOINT BOARD AREA**)

Category	Number Received	RV under Appeal	Disposed	Original RV	Adj RV	Number O/S	Appeal RV O/S	% O/S
1 Retail	953	£ 86,544,450	918	£ 1,575,450	£ 57,462,050	35	£ 24,969,000	3.67%
2 Public House	107	£ 4,593,250	107	£ 4,593,250	£ 4,058,450	0	£ -	0.00%
3 Office including Banks	815	£ 21,546,725	711	£ 9,343,500	£ 18,305,100	104	£ 2,203,225	12.76%
4 Hotel Etc	25	£ 7,036,000	25	£ 7,036,000	£ 5,936,500	0	£ -	0.00%
5 Industrial	681	£ 35,696,860	679	£ 4,811,860	£ 33,312,160	2	£ 885,000	0.29%
6 Leisure	84	£ 10,038,450	41	£ 1,750,250	£ 1,425,750	43	£ 8,288,200	51.19%
7 Garages and Petrol Stations	42	£ 1,660,650	42	£ 1,660,650	£ 1,547,700	0	£ -	0.00%
8 Cultural	67	£ 2,278,050	60	£ 2,038,500	£ 1,686,500	7	£ 239,550	10.45%
9 Sporting Subjects	3	£ 136,000	0	£ -	£ -	3	£ 136,000	100.00%
10 Education and Training	141	£ 28,150,900	78	£ 9,144,050	£ 18,084,300	63	£ 9,006,850	44.68%
11 Public Service Subjects	186	£ 9,673,740	139	£ 4,450,140	£ 4,116,790	47	£ 5,223,600	25.27%
12 Communications (Non Formula)	6	£ 9,300	2	£ 8,900	£ 8,900	4	£ 400	66.67%
13 Quarries Mines etc	2	£ 81,500	2	£ 81,500	£ 81,500	0	£ -	0.00%
14 Petrochemical	2	£ 239,000	2	£ 239,000	£ 229,000	0	£ -	0.00%
15 Religious	17	£ 196,700	17	£ 196,700	£ 193,500	0	£ -	0.00%
16 Health Medical	40	£ 8,696,650	24	£ 6,825,400	£ 6,386,400	16	£ 1,871,250	40.00%
17 Other	248	£ 3,390,920	248	£ 3,390,920	£ 1,876,030	0	£ -	0.00%
18 Care Facilities	32	£ 2,059,450	3	£ 120,000	£ 120,000	29	£ 1,939,450	90.63%
19 Advertising	58	£ 199,990	57	£ 183,790	£ 152,440	1	£ 16,200	1.72%
20 Undertakings / Fixed Line	33	£ 102,066,200	12	£ 3,046,800	£ 68,276,400	21	£ 9,019,400	63.64%
	3,542	£ 324,294,785	3,167	£ 60,496,660	£ 223,259,470	375	£ 63,798,125	10.59%