



# Renfrewshire Valuation Joint Board

**Report to:** Renfrewshire Valuation Joint Board

**Meeting on:** 18<sup>th</sup> January 2019

**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 1<sup>st</sup> 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, 31<sup>st</sup> 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).

#### **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.

## **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 by 31<sup>st</sup> December 2020.

The disposal of the Revaluation appeals began with the first local Valuation Appeal Committee hearing on 10th May 2018 followed by subsequent hearings throughout the year the last one for 2018 being held on the 6<sup>th</sup> December 2018.

Further hearings have been arranged for the 21<sup>st</sup> February, 7<sup>th</sup> March and 28<sup>th</sup> March and staff are currently in negotiation with appellants and agents working towards their disposal. By the end of the financial year it is anticipated that the bulk of all shop, office and industrial subjects within each of the three Local Authority areas will be disposed of. This represents approximately 70% of all appeals received.

Appendix 1 shows the number of appeals disposed of and processed up to the 31<sup>st</sup> December 2018 and the numbers remaining to be dealt with. The information is provided for each of the three local authorities together with a total for the Joint Board area.

## **7. The disposal of Running Roll Appeals**

In addition to the Revaluation appeals, Running Roll appeals will also have to be programmed into dates throughout this period. Unlike the revaluation appeals which is a known quantity, running roll appeals will be 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 will progressively reduce over this period of time, the numbers of Running Roll appeals outstanding will fluctuate depending on numbers received throughout the quinquennium. The disposal date for this type of appeal will be determined by the date the appeal is lodged – generally by 31<sup>st</sup> December in the following year or 12 months after receipt, whichever is later.

To date we have received 552 such appeals that will require to be disposed of in addition to the 3,832 Revaluation appeals. At present 34 such appeals have been disposed of.

## **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 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. Progress has been made since the last report and the number of appeals currently outstanding are as follows:

5 appeals remain outstanding from 2005 Revaluation

20 appeals remain outstanding from 2010 Revaluation

## **Conclusion:**

It is clear that over the following period the staff of the Joint Board face a challenge both in terms of volume and complexity of appeal cases.

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. It is to the credit of the staff that they are able to deal with these matters with fairness, courtesy and professionalism. I hope this gives an insight into the background of the appeal process and progress of Revaluation and Running Roll appeals disposal.

## **Recommendations**

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

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8<sup>th</sup> January 2019

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## APPENDIX 1

### RVJB Revaluation 2017 – Appeals (By number of subjects under appeal as at 31/12/2018 – 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	352	£ 20,633,700	£ 20,250,600	176	£ 42,513,650	33.33%
2 Public House	67	£ 2,482,000	2	£ 30,000	£ 26,000	65	£ 2,452,000	97.01%
3 Office including Banks	526	£ 13,448,400	258	£ 5,760,200	£ 5,505,950	268	£ 7,688,200	50.95%
4 Hotel Etc	18	£ 6,229,500	1	£ 625,000	£ 390,000	17	£ 5,604,500	94.44%
5 Industrial	443	£ 30,604,205	84	£ 1,622,150	£ 1,605,650	359	£ 28,982,055	81.04%
6 Leisure	46	£ 5,977,950	3	£ 6,400	£ 6,400	43	£ 5,971,550	93.48%
7 Garages and Petrol Stations	19	£ 1,003,500	0	£ -	£ -	19	£ 1,003,500	100.00%
8 Cultural	37	£ 1,326,150	0	£ -	£ -	37	£ 1,326,150	100.00%
9 Sporting Subjects	3	£ 136,000	0	£ -	£ -	3	£ 136,000	100.00%
10 Education and Training	76	£ 13,701,350	1	£ 101,000	£ 101,000	75	£ 13,600,350	98.68%
11 Public Service Subjects	89	£ 5,590,000	5	£ 71,050	£ 66,550	84	£ 5,518,950	94.38%
12 Communications (Non Formula)	5	£ 9,200	0	£ -	£ -	5	£ 9,200	100.00%
13 Quarries Mines etc	1	£ 21,500	0	£ -	£ -	1	£ 21,500	100.00%
14 Petrochemical	2	£ 239,000	0	£ -	£ -	2	£ 239,000	100.00%
15 Religious	11	£ 127,600	0	£ -	£ -	11	£ 127,600	100.00%
16 Health Medical	22	£ 4,890,200	2	£ 32,100	£ 14,000	20	£ 4,858,100	90.91%
17 Other	185	£ 3,020,970	37	£ 2,477,370	£ 1,076,680	148	£ 543,600	80.00%
18 Care Facilities	18	£ 1,308,850	0	£ -	£ -	18	£ 1,308,850	100.00%
19 Advertising	38	£ 121,140	0	£ -	£ -	38	£ 121,140	100.00%
20 Undertakings / Fixed Line	16	£ 100,261,800	1	£ 64,000,000	£ 47,000,000	15	£ 36,261,800	93.75%
	2,150	£ 253,646,665	746	£ 95,358,970	£ 76,042,830	1,404	£ 158,287,695	65.30%

RVJB Revaluation 2017 – Appeals (By number of subjects under appeal as at 31/12/2018 – **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	146	£ 3,703,000	£ 3,536,050	34	£ 7,601,000	18.89%
2 Public House	12	£ 963,750	0	£ -	£ -	12	£ 963,750	100.00%
3 Office including Banks	118	£ 2,330,950	51	£ 1,085,000	£ 898,050	67	£ 1,245,950	56.78%
4 Hotel Etc	5	£ 635,000	0	£ -	£ -	5	£ 635,000	100.00%
5 Industrial	85	£ 1,175,105	3	£ 4,275	£ 4,275	82	£ 1,170,830	96.47%
6 Leisure	13	£ 2,248,000	0	£ -	£ -	13	£ 2,248,000	100.00%
7 Garages and Petrol Stations	8	£ 205,850	0	£ -	£ -	8	£ 205,850	100.00%
8 Cultural	14	£ 432,200	0	£ -	£ -	14	£ 432,200	100.00%
9 Sporting Subjects	0	£ -	0	£ -	£ -	0	£ -	0.00%
10 Education and Training	31	£ 6,885,000	0	£ -	£ -	31	£ 6,885,000	100.00%
11 Public Service Subjects	36	£ 1,319,940	3	£ 34,100	£ 34,100	33	£ 1,285,840	91.67%
12 Communications (Non Formula)	1	£ 100	0	£ -	£ -	1	£ 100	100.00%
13 Quarries Mines etc	1	£ 60,000	0	£ -	£ -	1	£ 60,000	100.00%
14 Petrochemical	0	£ -	0	£ -	£ -	0	£ -	0.00%
15 Religious	4	£ 11,700	0	£ -	£ -	4	£ 11,700	100.00%
16 Health Medical	7	£ 919,900	3	£ 50,900	£ 15,000	4	£ 869,000	57.14%
17 Other	22	£ 108,950	1	£ 100	£ 100	21	£ 108,850	95.45%
18 Care Facilities	5	£ 486,000	0	£ -	£ -	5	£ 486,000	100.00%
19 Advertising	13	£ 55,100	0	£ -	£ -	13	£ 55,100	100.00%
20 Undertakings / Fixed Line	8	£ 1,167,200	0	£ -	£ -	8	£ 1,167,200	100.00%
	563	£ 30,308,745	207	£ 4,877,375	£ 4,487,575	356	£ 25,431,370	63.23%

RVJB Revaluation 2017 – Appeals (By number of subjects under appeal as at 31/12/2018 – **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	196	£ 2,237,600	£ 2,179,800	49	£ 9,855,500	20.00%
2 Public House	28	£ 1,147,500	0	£ -	£ -	28	£ 1,147,500	100.00%
3 Office including Banks	171	£ 5,767,375	103	£ 4,839,200	£ 4,735,000	68	£ 928,175	39.77%
4 Hotel Etc	2	£ 171,500	0	£ -		2	£ 171,500	100.00%
5 Industrial	153	£ 3,917,550	21	£ 167,000	£ 135,500	132	£ 3,750,550	86.27%
6 Leisure	25	£ 1,812,500	1	£ 15,000	£ 15,000	24	£ 1,797,500	96.00%
7 Garages and Petrol Stations	15	£ 451,300	5	£ 13,000	£ 13,000	10	£ 438,300	66.67%
8 Cultural	16	£ 519,700	1	£ 7,400	£ 7,400	15	£ 512,300	93.75%
9 Sporting Subjects	0	£ -	0	£ -	£ -	0	£ -	0.00%
10 Education and Training	34	£ 7,564,550	0	£ -	£ -	34	£ 7,564,550	100.00%
11 Public Service Subjects	61	£ 2,763,800	5	£ 65,500	£ 65,500	56	£ 2,698,300	91.80%
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	0	£ -	£ -	2	£ 57,400	100.00%
16 Health Medical	11	£ 2,886,550	4	£ 50,050	£ 50,050	7	£ 2,836,500	63.64%
17 Other	41	£ 261,000	6	£ 600	£ 600	35	£ 260,400	85.37%
18 Care Facilities	9	£ 264,600	0	£ -	£ -	9	£ 264,600	100.00%
19 Advertising	7	£ 23,750	0	£ -	£ -	7	£ 23,750	100.00%
20 Undertakings / Fixed Line	9	£ 637,200	0	£ -	£ -	9	£ 637,200	100.00%
	829	£ 40,339,375	342	£ 7,395,350	£ 7,201,850	487	£ 32,944,025	58.75%

RVJB Revaluation 2017 – Appeals (By number of subjects under appeal as at 31/12/2018 – **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	694	£ 26,574,300	£ 25,966,450	259	£ 59,970,150	27.18%
2 Public House	107	£ 4,593,250	2	£ 30,000	£ 26,000	105	£ 4,563,250	98.13%
3 Office including Banks	815	£ 21,546,725	412	£ 11,684,400	£ 11,139,000	403	£ 9,862,325	49.45%
4 Hotel Etc	25	£ 7,036,000	1	£ 625,000	£ 390,000	24	£ 6,411,000	96.00%
5 Industrial	681	£ 35,696,860	108	£ 1,793,425	£ 1,745,425	573	£ 33,903,435	84.14%
6 Leisure	84	£ 10,038,450	4	£ 21,400	£ 21,400	80	£ 10,017,050	95.24%
7 Garages and Petrol Stations	42	£ 1,660,650	5	£ 13,000	£ 13,000	37	£ 1,647,650	88.10%
8 Cultural	67	£ 2,278,050	1	£ 7,400	£ 7,400	66	£ 2,270,650	98.51%
9 Sporting Subjects	3	£ 136,000	0	£ -	£ -	3	£ 136,000	100.00%
10 Education and Training	141	£ 28,150,900	1	£ 101,000	£ 101,000	140	£ 28,049,900	99.29%
11 Public Service Subjects	186	£ 9,673,740	13	£ 170,650	£ 166,150	173	£ 9,503,090	93.01%
12 Communications (Non Formula)	6	£ 9,300	0	£ -	£ -	6	£ 9,300	100.00%
13 Quarries Mines etc	2	£ 81,500	0	£ -	£ -	2	£ 81,500	100.00%
14 Petrochemical	2	£ 239,000	0	£ -	£ -	2	£ 239,000	100.00%
15 Religious	17	£ 196,700	0	£ -	£ -	17	£ 196,700	100.00%
16 Health Medical	40	£ 8,696,650	9	£ 133,050	£ 79,050	31	£ 8,563,600	77.50%
17 Other	248	£ 3,390,920	44	£ 2,478,070	£ 1,077,380	204	£ 912,850	82.26%
18 Care Facilities	32	£ 2,059,450	0	£ -	£ -	32	£ 2,059,450	100.00%
19 Advertising	58	£ 199,990	0	£ -	£ -	58	£ 199,990	100.00%



20 Undertakings / Fixed Line	33	£	102,066,200	1	£	64,000,000	£	47,000,000	32	£	38,066,200	96.97%
	3,542	£	324,294,785	1,295	£	107,631,695	£	87,732,255	2,247	£	216,663,090	63.44%