



# Renfrewshire Valuation Joint Board

**Report to:** Renfrewshire Valuation Joint Board

**Meeting on:** 28<sup>th</sup> February 2020

**Subject:** Non-Domestic Appeals

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## 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 1<sup>st</sup> 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).

It may be of interest to the Board to note that the current Secretary to the Valuation Appeal Panel has informed the Assessor that he has notified the Sheriff Principal of his intention to resign from the post. The position will be advertised, and a replacement appointed by the Sheriff Principal in due course. The position has been held by a solicitor within the firm T F Reid & Donaldson for considerable years and I would like to extend thanks on behalf of the Board to the existing Secretary for all his work undertaken to ensure the smooth running of the valuation appeal hearings throughout the years.

#### **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 scheduled hearings from then to present date. Since last reporting there has been three non-domestic hearings held between the 5<sup>th</sup> November through to the 19<sup>th</sup> December. The statistics provided within this report relate to all appeals processed over the last quarter up to the 31<sup>st</sup> December 2019.

As at 31<sup>st</sup> December we have disposed of 2972 appeals which equate to 83.91% of the number of subjects under appeal. I am pleased to further report that included within this number we have been able to dispose of 95 appeals without the need for citations being issued. These were predominantly in relation to local authority school subjects and was facilitated by the co-operation of the Local Authority Estate Departments in Renfrewshire and East Renfrewshire, the result of which has produced a saving to our budget.

The numbers currently disposed of can be seen in Appendix 1; currently the number disposed of throughout the Board area is 2,972 with 570 still outstanding. The information is provided for each of the three local authorities together with a total for the Joint Board area.

Further non-domestic appeal hearings are scheduled from February through to June this year which will encompass the disposal of more specialised subjects. It is anticipated that we will have disposed of approximately 95% of all Revaluation appeals by the end of June.

This puts us in a good position for meeting our statutory duty of disposing of all the 2017 Revaluation appeals by the deadline of 31<sup>st</sup> December this year.

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

In addition to the Revaluation appeals, Running Roll appeals have also been programmed into hearings 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.

Since the last report in November, to date we have received an additional 49 running roll appeals which increases the total number received to 812. At time of writing we have disposed of 479 appeals in addition to the Revaluation appeals outlined above.

## **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. It is to the credit of the staff that they are able to deal with these matters with fairness, courtesy and professionalism. It is hoped 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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23 January 2020

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## APPENDIX 1

### RVJB Revaluation 2017 – Appeals (By number of subjects under appeal as at 31/12/2019 – **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	492	£ 43,722,100	£ 41,294,000	36	£ 9,425,250	6.82%
2 Public House	67	£ 2,482,000	66	£ 2,444,000	£ 2,160,900	1	£ 38,000	1.49%
3 Office including Banks	526	£ 13,448,400	466	£ 12,269,900	£ 11,547,100	60	£ 1,178,500	11.41%
4 Hotel Etc	18	£ 6,229,500	17	£ 6,212,500	£ 5,195,500	1	£ 17,000	5.56%
5 Industrial	443	£ 30,604,205	439	£ 29,568,705	£ 28,207,655	4	£ 1,035,500	0.90%
6 Leisure	46	£ 5,977,950	9	£ 179,600	£ 184,600	37	£ 5,798,350	80.43%
7 Garages and Petrol Stations	19	£ 1,003,500	19	£ 1,003,500	£ 912,000	0	£ -	0.00%
8 Cultural	37	£ 1,326,150	30	£ 991,900	£ 804,150	7	£ 334,250	18.92%
9 Sporting Subjects	3	£ 136,000	0	£ -	£ -	3	£ 136,000	100.00%
10 Education and Training	76	£ 13,701,350	2	£ 119,000	£ 105,000	74	£ 3,582,350	97.37%
11 Public Service Subjects	89	£ 5,590,000	18	£ 1,085,850	£ 923,850	71	£ 4,504,150	79.78%
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	2	£ 239,000	£ 229,000	0	£ -	0.00%
15 Religious	11	£ 127,600	10	£ 118,000	£ 115,000	1	£ 9,600	9.09%
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	35	£ 105,890	£ 88,190	3	£ 15,250	7.89%
20 Undertakings / Fixed Line	16	£ 100,261,800	5	£ 92,482,000	£ 67,882,300	11	£ 7,779,800	68.75%
	2,150	£ 253,646,665	1,810	£ 197,863,365	£ 165,158,525	340	£ 55,783,300	15.81%

RVJB Revaluation 2017 – Appeals (By number of subjects under appeal as at 31/12/2019 – **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	11	£ 926,750	£ 807,650	1	£ 37,000	8.33%
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	84	£ 1,139,105	£ 1,118,855	1	£ 36,000	1.18%
6 Leisure	13	£ 2,248,000	1	£ 56,000	£ 56,000	12	£ 2,192,000	92.31%
7 Garages and Petrol Stations	8	£ 205,850	8	£ 205,850	£ 190,400	0	£ -	0.00%
8 Cultural	14	£ 432,200	12	£ 417,900	£ 305,750	2	£ 14,300	14.29%
9 Sporting Subjects	0	£ -	0	£ -	£ -	0	£ -	0.00%
10 Education and Training	31	£ 6,885,000	26	£ 6,514,000	£ 6,191,500	5	£ 371,000	16.13%
11 Public Service Subjects	36	£ 1,319,940	6	£ 96,440	£ 96,440	30	£ 1,223,500	83.33%
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	3	£ 50,900	£ 15,000	4	£ 869,000	57.14%
17 Other	22	£ 108,950	21	£ 106,550	£ 99,450	1	£ 2,400	4.55%
18 Care Facilities	5	£ 486,000	1	£ 15,000	£ 15,000	4	£ 471,000	80.00%
19 Advertising	13	£ 55,100	10	£ 23,300	£ 16,550	3	£ 31,800	23.08%
20 Undertakings / Fixed Line	8	£ 1,167,200	2	£ 300,000	£ 192,100	6	£ 867,200	75.00%
	563	£ 30,308,745	455	£ 17,344,395	£ 16,038,195	108	£ 2,964,350	19.18%

RVJB Revaluation 2017 – Appeals (By number of subjects under appeal as at 31/12/2019 – **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	237	£ 6,056,600	£ 5,464,750	8	£ 6,036,500	3.27%
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	2	£ 15,550	£ 15,550	23	£ 1,796,950	92.00%
7 Garages and Petrol Stations	15	£ 451,300	15	£ 451,300	£ 445,300	0	£ -	0.00%
8 Cultural	16	£ 519,700	13	£ 401,400	£ 349,800	3	£ 118,300	18.75%
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	18	£ 560,000	£ 484,400	43	£ 2,203,800	70.49%
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	2	£ 226,000	£ 166,100	7	£ 411,200	77.78%
	829	£ 40,339,375	707	£ 27,228,850	£ 25,703,150	122	£ 3,110,525	14.72%

RVJB Revaluation 2017 – Appeals (By number of subjects under appeal as at 31/12/2019 – **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	900	£ 55,049,700	£ 51,752,300	53	£ 1,494,750	5.56%
2 Public House	107	£ 4,593,250	105	£ 4,518,250	£ 3,983,450	2	£ 75,000	1.87%
3 Office including Banks	815	£ 21,546,725	709	£ 18,867,750	£ 17,840,100	106	£ 2,678,975	13.01%
4 Hotel Etc	25	£ 7,036,000	24	£ 7,019,000	£ 5,919,500	1	£ 17,000	4.00%
5 Industrial	681	£ 35,696,860	675	£ 34,440,360	£ 32,942,660	6	£ 1,256,500	0.88%
6 Leisure	84	£ 10,038,450	12	£ 251,150	£ 256,150	72	£ 9,787,300	85.71%
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	55	£ 1,811,200	£ 1,459,700	12	£ 466,850	17.91%
9 Sporting Subjects	3	£ 136,000	0	£ -	£ -	3	£ 136,000	100.00%
10 Education and Training	141	£ 28,150,900	56	£ 13,204,300	£ 12,586,300	85	£ 4,946,600	60.28%
11 Public Service Subjects	186	£ 9,673,740	42	£ 1,742,290	£ 1,504,690	144	£ 7,931,450	77.42%
12 Communications (Non Formula)	6	£ 9,300	0	£ -	£ -	6	£ 9,300	100.00%
13 Quarries Mines etc	2	£ 81,500	1	£ 60,000	£ 60,000	1	£ 21,500	50.00%
14 Petrochemical	2	£ 239,000	2	£ 239,000	£ 229,000	0	£ -	0.00%
15 Religious	17	£ 196,700	16	£ 187,100	£ 184,100	1	£ 9,600	5.88%
16 Health Medical	40	£ 8,696,650	23	£ 6,796,400	£ 6,357,400	17	£ 1,900,250	42.50%
17 Other	248	£ 3,390,920	247	£ 3,388,520	£ 1,873,630	1	£ 2,400	0.40%
18 Care Facilities	32	£ 2,059,450	2	£ 40,000	£ 40,000	30	£ 2,019,450	93.75%
19 Advertising	58	£ 199,990	52	£ 152,940	£ 122,690	6	£ 47,050	10.34%
20 Undertakings / Fixed Line	33	£ 102,066,200	9	£ 93,008,000	£ 68,240,500	24	£ 9,058,200	72.73%
	3,542	£ 324,294,785	2,972	£ 242,436,610	£ 206,899,870	570	£ 1,858,175	16.09%