

**To: Infrastructure, Land & Environment Policy Board**

**On: 27 January 2021**

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**Report by: Director of Finance & Resources**

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**Heading: Outcome of 2017 Rating Revaluation**

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## **1. Summary**

1.1 This report advises the Board on the outcome of the 2017 Non-Domestic Rating Revaluation appeals process for Renfrewshire Council property interests.

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## **2. Recommendations**

It is recommended that the Board note: –

2.1 Renfrewshire Council's property portfolio has been reviewed by the Asset and Estates Section to ensure that the Council pays what is appropriate for Non-Domestic Rates for its' operational and non-operational property interests (where it has an interest).

2.2 The total (appealed) Rateable Value, taken from the Valuation Roll prepared by the Renfrewshire Valuation Joint Board (the Assessor) for Renfrewshire Council's property interests with effect from the revaluation date of 1<sup>st</sup> April 2017, was recorded at £18,578,750 for 354 properties appealed, where there is an actual or potential tax liability.

2.3 The 354 properties were considered appropriate for the Council to appeal the valuations to seek reductions. These appeals resulted in a reduction in Rateable Value of £954,450, which translates into an estimated cash value saving of c. £553,905 per annum (including default water rates), or an estimated total cash value saving of £3.23 Million over the financial years from 1/4/2017 to 31/3/2023, when the next revaluation is to take effect, now that future revaluation has been delayed.

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### 3. Background

3.1 Non-domestic rates payments are collected by the Local Authority (Renfrewshire Council) and the Council as occupier is liable to pay non-domestic rates as a property running cost. It is therefore in the Council's interest to endeavour to minimise new rating assessments proposed by the Assessor in each revaluation cycle. For the 2017 revaluation, generally, all assessments where the Council has an operational interest were appealed. This report summarises the approach to the settlement of these appeals and the results.

### 3.2 Progression of Appeals

Up to and after the 1<sup>st</sup> April 2017, discussions were had with the Assessor to attempt to limit the extent of appeals which were required for the Council's property portfolio.

The result of this exercise was that non-operational commercial retail and industrial properties (let to external Tenants), along with vacant low value operational property which was below the NDR collection threshold of £1,700 NAV, generally were not appealed, except where the Council had some specific interest, in order to concentrate resources.

All other operational properties generally were appealed en-masse in September 2017 to seek to minimise their rating assessments.

Upon advice from the Assessor that properties had been cited for future Valuation Appeal Committee (VAC) hearings, which have occurred periodically since the appeals process started, all appeals were concluded for the properties concerned in advance of their relevant VAC hearing dates, unless there were mitigating circumstances confirmed by the Assessor which governed further reasonable delays, or lingering disagreements requiring attendance at VAC hearings.

The last VAC hearing covering Renfrewshire Council entries appealed as at 1<sup>st</sup> April 2017 convened on 3<sup>rd</sup> December 2020, however all outstanding appeals remaining for this committee were concluded and agreed in advance with the Assessor. We did not require to attend any of the prior VAC hearings.

### 4. Results Summary

No. of RC properties in Assessor's Valuation Roll appealed	354
Total value of RC property portfolio appealed as at 1 <sup>st</sup> April 2017	£18,578,750
No. of reductions achieved	113
<b>Total value of reductions achieved during appeals process</b>	<b>£954.450</b>

<b>Total value of reductions achieved during appeals process as % of Total value of RC property portfolio appealed as at 1<sup>st</sup> April 2010</b>	<b>-5.14%</b>
<b>Notional calculation of estimated Actual Non- Domestic and Water Rates payable reductions <i>per annum</i> (using 2020-2021 app. £0.51288p / £ RV).</b>	<b>£553,905</b>

## 5. Future Action and Continuing Running Roll Appeals

The process of aligning records with the Assessor's information during appeals discussions has also been beneficial. It should be noted that the continuous improvement in the quality and accuracy of information which the Assessor has obtained over this and previous historic revaluations should ensure that any future revaluations in 2023 and beyond are more accurate. As a result therefore, any future appeal exercises are likely to be less fruitful in securing value reductions.

We continue to review any new assessments upon receipt of Valuation Notices from the Assessor and generally appeal these to allow further discussion and review of the facts with the Assessor to ensure that the Council's position is preserved. Currently, some ongoing assessments are cited or awaiting citation for future Valuation Appeal Courts and we are in discussion with the Assessor in this regard to finalise / agree appropriate valuations.

## 6. Conclusion

The current revaluation cycle has been extended beyond the normal 5 years cycle until the next revaluation date on 1<sup>st</sup> April 2023; therefore, the savings achieved are applicable over a 6 year period from 1<sup>st</sup> April 2017. Using the current rates poundage figures for Non Domestic Rates and those for Water Rates for the current year (assuming non-metered accounts throughout the portfolio) results in an estimated overall saving to Renfrewshire Council of approximately **£3.23 Million** over the six year cycle.

### Implications of the Report

1. **Financial** - Significant reductions to the Council's ongoing revenue payments for Non-domestic Rates.
2. **HR & Organisational Development** – None.
3. **Community Planning**
  - Wealthier and Fairer  
Savings made allow further investment in other priority areas.

- Smarter  
Council is seeking to obtain best value for stakeholders.
- Developing our Organisation  
Renfrewshire Council is adopting a more sophisticated role in dealing with Non-Domestic Rating liabilities.

4. **Legal**  
None.

5. **Property/Assets**  
As per Report.

6. **Information Technology**  
None.

7. **Equality & Human Rights**

- (a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because no groups or individuals have any involvement currently at the property. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.

8. **Health & Safety**  
None.

9. **Procurement**  
None.

10. **Risk**  
None.

11. **Privacy Impact** – Not applicable.

12. **Cosla Policy Position** – Not applicable.

13. **Climate Risk** – None.

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## List of Background Paper

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