



AGENDA ITEM 6

CENTRAL SCOTLAND VALUATION JOINT BOARD

Subject: Non-Domestic Appeal Disposal
Meeting: Central Scotland Valuation Joint Board
Date: 16th November, 2012
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1.0 Introduction

The 2010 Revaluation came into effect on 1st April, 2010 and will remain in effect until the next Revaluation which is scheduled for 2015. Values for the 2010 Revaluation relate to levels of value as at 1st April 2008.

2.0 Revaluation Cycle

Since 1985 Revaluations have been prepared and implemented every five years. This statutory 5 yearly cycle allows sufficient time for the gathering, analysis and communication of information. This cycle allows sufficient flexibility to deal with our other statutory functions.

3.0 Appeals

Once the Revaluation Roll comes into force there is a fixed period within which appeals against the Revaluation figures must be lodged. For the current Revaluation the appeal period ran from 1st April, 2010 to 30th September, 2010. All Revaluation Appeals must be dealt with by the Valuation Appeal Committee by the 31st December, 2013.

In addition to the Revaluation appeals there are also appeals against changes that the Assessor has made to the Valuation Roll since 1st April 2010, such as in the case of new entries or values which have been amended to reflect alterations to a property. Another category of appeal relates to appeals lodged on the grounds that there has been a Material Change of Circumstance affecting the value of the subjects. Any such appeals lodged to date will also have to be disposed of by 31st December 2013.

There were significantly more Revaluation appeals lodged following the 2010 Revaluation than following the previous Revaluation in 2005. In 2005 a total of 2,700 Revaluation appeals were lodged whereas in 2010 this figure was 3,800 (circa 40% increase).

In addition we have received some 5000 non Revaluation appeals since 1st April 2010, this compares to 285 non Revaluation appeals received during the same time period following the 2005 Revaluation. This increase reflects the current state of the economy with the majority of appeals being lodged during March 2011 and March 2012 on the basis of falling rental levels (MCC appeals).

In summary we have received a total of 8,800 non domestic appeals since 1st April 2010, all of which have to be disposed of by 31st December 2013. This compares to 2985 for the same period following the 2005 Revaluation. This represents an increase of 194%. We have to date dealt with approximately 3300 of these appeals. The vast majority of appeals dealt with to date are Revaluation Appeals as it is important to deal with Revaluation Appeals prior to consideration of subsequent appeals such as those lodged on the grounds of Material Change of Circumstance. It should be noted that we have dealt with more appeals to date than the total received following the 2005 Revaluation.

Whilst it is regrettable that we have such a large number of appeals remaining at this point in the appeal cycle this was due in the main to outstanding legal challenges regarding the effects of the economic downturn. These legal challenges include appeals to the Lands Valuation Appeal Court in respect of retail subjects in the Overgate shopping centre, Dundee, Mercat shopping centre in Kircaldy and Sauchiehall Street in Glasgow.

4.0 Timetable

The vast majority of appellants employ agents to deal with appeals. Although appeals can be discussed at any time experience shows that agents are much more likely to react to the impetus of an appeal being listed for hearing by Central Scotland Valuation Appeal Panel. There were thirteen appeal committee hearings in 2011 and fifteen hearings were arranged for 2012. A further fourteen hearings have been arranged for 2013. We liaise with the Secretary of the Valuation Appeal Panel over which appeals will be allocated to each hearing. As appellants must receive a minimum of seventy days notice of any appeal hearing (we in fact attempt to give eighty four days notice) the preparatory work needs to be completed at least three months before each hearing.

5.0 Future Arrangements

Valuation Appeal Committee Hearings dates have now been set for 2013 and as all appeals received to date must be dealt with by 31st December 2013 it may well be necessary to have more hearings during 2013 in addition to those already fixed. Under the current regulations all appeals must have been listed for a Valuation Appeal Committee Hearing by the end of June 2013. There may also be appeals to be prepared for hearing by the Lands Tribunal for Scotland and the Lands Valuation Appeal Court.

6.0 Conclusions

2013 will prove a challenging year for the Valuation Team as in addition to the significant number of outstanding appeals we must also commence preparation work for the 2015 Revaluation. Most of our deadlines are statutory and there is no reason to consider that they will not continue to be met, however it is likely that such an increase in appeal workload will impact on other areas of work and may result in KPI targets not being met.

7.0 Recommendations

The Valuation Joint Board is asked to note this Report.

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Jane Wandless