

The background of the slide features a large, light blue watermark of the City of Vancouver's coat of arms. The crest includes a crown with four maple leaves, a shield divided into four quadrants (top-left: a ship, top-right: a tree, bottom-left: a ship, bottom-right: a tree), and a banner at the bottom with the motto 'A NE FOR A'.

Agenda Item 5

Valuation Appeals Progress Report

AGENDA ITEM 5

CENTRAL SCOTLAND VALUATION JOINT BOARD

Subject: Valuation Appeals Progress Report
Meeting: Central Scotland Valuation Joint Board
Date: 14th August 2020
Author: Russell Hewton, Divisional Assessor (Acting)

1. INTRODUCTION

- 1.1 The Assessor is required to carry out a general Revaluation of all Non-domestic properties normally every 5 years. Following the postponement of the 2015 Revaluation, the 2017 Revaluation came into effect from 1st April, 2017. The 2017 Revaluation required the revaluation of 11,856 non-domestic properties with a total Rateable Value of £348,650,340. Following the 2017 Revaluation the Assessor received 4,574 appeals, a 17% increase on the number of appeals received following the 2010 Revaluation.
- 1.2 In addition, following the Land Reform (Scotland) Act 2016 and the removal of the exemption from the Valuation Roll for Shooting Rights and Deer Forests, a further 532 entries were made in the Valuation Roll in September 2017 resulting in 163 additional appeals with effect from 1st April, 2017.
- 1.3 A number of appeals against entries in the 2005 and 2010 Valuation Rolls remain outstanding. These were referred by the local Valuation Appeal Panel to the Lands Tribunal for Scotland, and work continues towards disposal of these appeals.
- 1.4 Appeals on the basis of a Material Change in Circumstance can be made at any time while the Roll is in force (and for 6 months after). The effect of the current Covid pandemic has been cited as a Material Change in Circumstance affecting value on a number of appeals received this year.
- 1.5 The Assessor is also required to maintain the Valuation Roll which includes the addition of new entries and amendments to existing entries to reflect a number of circumstances including physical changes to properties. These changes, together with changes to proprietors, tenant or occupier may also result in appeals being lodged by relevant parties.
- 1.6 The Assessor is required to maintain the Council Tax Valuation List by amending the List to reflect new, altered and demolished properties. Additionally he must dispose of any proposals which are made against any entry in the Council Tax List.

2. 2017 REVALUATION APPEAL PROGRESS TO JULY 2020

- 2.1 The Assessor received 4574 Revaluation appeals following the 2017 Revaluation. Progress with these appeals is outlined in the table below:

Disposed of as at	Number of Appeals disposed of	% disposed of	Number of Appeals outstanding
06/06/2018	1002	22%	3560
26/10/2018	1649	36%	2913
17/06/2019	3206	70%	1356
31/07/2020	4109	90%	465

- 2.2 There are a further four non-domestic appeal hearings scheduled prior to 31st December 2020. A schedule of hearings for 2021 will be put in place by the Secretary to the Valuation Appeal Panel in the near future.

3. 2017 RUNNING ROLL APPEALS

- 3.1 2017 Running Roll appeals include appeals received against new or altered Valuation Roll entries which are effected during the lifetime of the Roll. Since the 2017 Valuation Roll came in to force, there have been a total of 3,623 changes to the Valuation Roll. This has resulted in 675 appeals being lodged.
- 3.2 New Proprietors, Tenants or Occupiers of Valuation Roll entries may also lodge an appeal against an existing entry in the Valuation Roll within 6 months of the date their legal interest commenced. This has resulted in 129 appeals being lodged.
- 3.4 Appeals may also be lodged on the grounds that the appellant considers that there is an error (as defined in Statute) in the Valuation Roll entry. In such cases the onus of proof rests with the appellant. 96 appeals of this type have been lodged.
- 3.5 A further right of appeal exists on the basis that a Material Change of Circumstances (MCC) has occurred which has affected the value of the entry. There have been 4,089 such appeals lodged since 01/04/2017, with 3,394 being as a result of the Covid-19 pandemic. Due to the timing of when these appeals were lodged, 3,266 of them require to be disposed of prior to 15th March 2021. This is a large increase in the number of appeals requiring dealt with within the legal timescales for disposal and is a significant increase in workload for both the Assessor and ratepayers' representatives. The Scottish Assessors Association is therefore liaising with the Scottish Government and other stakeholders on this matter.

- 3.6 Running Roll appeals lodged prior to 31st December 2019 also require to be dealt with by a Committee of the Valuation Appeal Panel by the 31st December 2020. There are currently 701 appeals outstanding. In addition, 3,335 appeals require to be disposed of by the 31st March 2021. The next deadline for disposal is the 31st December 2021 – at present, an additional 262 appeals require to be disposed of by this date.
- 3.7 A summary of the outstanding appeal workload with their associated deadlines for disposal is shown in the following table:

Type of Appeal	Number disposed of since 01/04/2017	Disposal due by 31/12/2020	Disposal due between 01/01/2021 and 31/03/2021	Disposal due by 31/12/2021	Total outstanding
Revaluation	4,109	465	0	0	465
Running Roll	463	151	19	42	212
New Interest	91	19	7	13	39
Error	78	9	3	6	18
MCC	520	55	3,306	206	3,567
Total	5,261	699	3,335	267	4,301

4. APPEALS LODGED AGAINST 2005 AND 2010 VALUATION ROLLS

- 4.1 There are currently 3 appeals outstanding against entries in the 2005 Valuation Roll. All of these have been referred to the Lands Tribunal for Scotland.
- 4.2 There are also 17 appeals (against 8 different subjects) outstanding against entries in the 2010 Valuation Roll. These appeals also sit with the Lands Tribunal for Scotland and include substantial and complex subjects such as the Oil Refinery in Grangemouth and the Glass Works in Alloa.
- 4.3 The 2010 Revaluation appeal against the Grangemouth Oil Refinery has recently been disposed of. Good progress is being made in disposing of the associated running roll appeals.

5. COUNCIL TAX PROPOSALS & APPEALS

- 5.1 In the financial year to 31st March 2020 there were 1093 new entries made in the Council Tax Valuation List.
- 5.2 Council Tax payers may lodge a proposal within 6 months of becoming a taxpayer, or within 6 months of receiving a Notice of Banding in the case of a new house, or an altered banding. If the Assessor disagrees with the proposal and it is not withdrawn, it becomes an appeal to the Valuation Appeal Panel.

- 5.3 In the year to 31st March 2020, 163 proposals were made and 210 were dealt with by the Valuation Teams.
- 5.4 As at 31st July 2020 there were 52 live proposals which are being considered, and 14 appeals which are with the Valuation Appeal Panel and will be cited for a future hearing.

6.0 RECOMMENDATIONS

The Valuation Joint Board is asked to consider and comment on the following:

- (i) The significant appeal workload arising from the 2017 Revaluation and the progress toward disposing of these by the statutory deadlines.
- (ii) The significant workload faced as a result of over 4,000 appeals requiring to be dealt with by 31/03/2021 following receipt of 3,266 Covid-19 MCC Appeals.
- (iii) Progress in disposal of appeals relating to the 2005 and 2010 Revaluations.
- (iv) Progress in disposal of Council Tax proposals and appeals.

.....
Russell Hewton
Divisional Assessor (Acting)
31st July 2020