

Appendix 3

Grampian Valuation Joint Board – Response to the Scottish Government consultation on non-domestic rates reform June 2018

The Grampian Valuation Joint Board was established as part of the 1996 reorganisation of local government in terms of The Valuation Joint Boards (Scotland) Order 1995 and is vested with the functions of the three valuation authorities (Aberdeen City Council, Aberdeenshire Council and Moray Council) in the area of the former Grampian Region. With the agreement of the three councils the Board also has responsibility for the Electoral Registration function. The Board comprises 15 members who are appointed by the three councils with the Aberdeen and Aberdeenshire councils each nominating 6 members and Moray Council 3 members. The Board is responsible for the administrative side of the valuation process: ensuring that there are sufficient resources to fulfil the valuation function, monitoring accounts, and performance, audit and complaint matters.

The Clerk to the Board is Roddy Burns and the Treasurer is Lorraine Paisey. This response addresses the issues as they relate to the Board rather than the Assessor that has been appointed by the Board or the constituent councils that provide local government services within the Grampian area.

Question 1 – What are your views on how the growth accelerator and new unoccupied build should be treated in legislation?

The Board considers that the legislation must be precise and clear to minimise disputes that would impact on the resource requirements for the Board.

Question 2 - Do you have any comments on three yearly revaluations?

The Board recognises that a reduction in the revaluation cycle from 5 to 3 years and the tone date from two years to one year prior to the revaluation is a positive step towards making the valuation roll more reflective of changes that have occurred over time. More regular revaluations mean that in Grampian the Assessor appointed by the Board will be required to revalue the 27,000 non-domestic properties 5 times in the coming 15 years, a total of 135,000 valuations compared to the current requirements of a revaluation every 5 years that would equate to 81,000 valuations. Whilst improvements in technology available to the Assessor will assist, the Scottish Government needs to ensure that the valuation authorities receive sufficient additional funding to allow the necessary IT development work to be carried out ahead of 2022 and meet the significant ongoing increase in workload in terms of a 67% increase in the number of valuations over the next 15 year period.

Question 3 - From 2020 a small number of pilot councils will have a new power to increase rates paid by out of town or predominantly online businesses. a) Do you agree or disagree with putting in place safeguards? b) Please explain your response to (a) including what the safeguards should be if you agree they are required.

The Board has no view on this matter.

Question 4 - Do you have any comments on the criteria and process which should be used to assess the pilot scheme(s)?

The Board has no view on this matter.

The current criminal penalty for non-provision of information to Assessors should become a civil penalty and Assessors should be able to collect information from a wider range of bodies.

Question 5 - What level(s) should this civil penalty be set at?

Question 6 - How should the penalty be set? Should it be a fixed penalty or proportionate to/ banded by rateable value?

Question 7- Do you have any views on who is responsible for administering the penalty and the process for appeals against the penalty notice?

The Board is aware that Assessor's current powers to request information are inadequate and that this leads to inefficiencies in the valuation process. It has no view on the setting or the level of any penalty, nor the administration of such penalties and appeals against them beyond seeking a robust and effective system that ensure that Assessors have access to the information they require and minimises the demands on the resources of the valuation authorities.

Question 8 - Which organisations/ individuals should be required to supply necessary information to the Assessors, where applicable?

The Board has no view on this matter beyond asking that Assessors are given sufficient powers to obtain all necessary information so that disputes, and thus demands on the Board's resources are minimised.

A new civil penalty for non-provision of information to Councils by ratepayers should be created.

Question 9 - What level(s) should this penalty be set at?

Question 10 - How should the penalty be set? Should it be a fixed penalty or proportionate to / banded by rateable value?

Question 11- Do you have any views on who is responsible for administering the penalty and the process for appeals against any penalty notice?

Question 12 - Should this be a mandatory penalty or one that the Council has discretion over?

These are matters for councils rather than valuation authorities.

Question 13 - How should the debt recovery changes be communicated to ratepayers?

Question 14 - What are your views on whether Councils should retain a discretion over debt recovery to allow for any extenuating circumstances?

These are matters for councils rather than valuation authorities.

Reform of the appeals system is needed to modernise the approach, reduce appeal volume and ensure greater transparency and fairness.

Question 15 - How should this change be communicated to ratepayers?

The move to transfer the functions of the current Valuation Appeal Committees (VACs) to the Scottish Tribunals in 2022 is welcome as the current arrangement of funding is unsatisfactory. The proposal for the outcome of an appeal to increase as well as decrease the rateable value of a property is noted and the Board has no view on how this should be communicated to ratepayers beyond commenting that the messaging needs to be clear and direct to avoid confusion and thus enquiries from ratepayers that would in turn impact on the resources of the valuation authorities.

Question 16 - Do you have any points about the change to allow valuation appeals to increase?

No

Question 17 - When the General Anti Avoidance Rule is introduced, do you have any recommendations or principles that this should encompass?

No

To counter a known avoidance tactic, the current 42 days reset period for empty property should be increased to 6 months in any financial year.

Question 18 - How do we raise awareness of this change among ratepayers?

Question 19 - Do you have any further comments around the 6 month reset period for empty property relief?

These are matters for councils rather than valuation authorities.

To counter a known avoidance tactic for second homes, owners or occupiers of self-catering properties must prove an intention to let for 140 days in the year and evidence of actual letting for 70 days.

Question 20 - Should there be any local discretion in the application of this policy?

Question 21 - If your answer to question 18 is yes, under what circumstances should this discretion apply?

No view

Question 22 - Charity relief should be reformed/restricted for a small number of recipients. How should independent schools with exceptional circumstances such as specialist music schools be treated?

No View

Question 23 - To focus relief on economically active properties, only properties in active occupation should be entitled. How should active occupation be defined?

No View

Question 24 - To encourage bringing empty property back into economic use, relief should be reformed to restrict relief for listed buildings to a maximum of 2 years and the rates liability for property that has been empty for significant periods should be increased. What are your views on whether Councils should have discretion in the application of this measure for properties, so that local circumstances can be accounted for?

No view

Question 25 - Sports club relief should be reviewed to ensure it supports affordable community-based facilities, rather than members clubs with significant assets which do not require relief. How should affordable/ community sports facilities be defined?

No view

Question 26 - Commercial activity on current exempt parks and Local Authority (council) land vested in recreation should pay the same level of rates as similar activity elsewhere so as to ensure fairness. How should commercial activity on parks be defined?

Clear definitions will be required for subjects to be added to the valuation roll. A lack of clarity may give rise to disputes and challenges that will require place additional demands on valuation authority resources.