

Barclay Implementation Advisory Group - Appeals sub-Group

Final Report

October 2019



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Barclay Implementation

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1. Introduction

The Barclay Review of Non-Domestic Rates (NDR) concluded with a report published on 22 August 2017. Following an initial response on 12 September 2017, the Scottish Government published an Implementation Plan¹ on 14 December 2017.

The Barclay Implementation Advisory Group (“the Group”) was established to inform advice to Scottish Ministers in respect of the implementation detail of a number of the Barclay recommendations. The early meetings of the Group focussed primarily on the recommendations requiring primary legislation and led to the Group endorsing a consultation paper² which initiated a consultation running from 25 June 2018 to 17 September 2018. The Group published its Final Report on 21 February 2019.³

Informed by the consultation responses and the Barclay Implementation Advisory Group’s Report, the Government drafted the Non-Domestic Rates (Scotland) Bill (“the Bill”) to implement the Barclay Review recommendations that it had accepted and require primary legislation. The Bill was introduced by the Cabinet Secretary for Finance, Economy and Fair Work, Derek Mackay MSP, on 25 March 2019.

At its first meeting the Group agreed to establish the Appeals sub-Group and the Billing sub-Group. The Appeals sub-Group in turn later established a Working Group which considered the technical detail of the reforms to the appeals system.

2. Membership

The membership of the Appeals sub-Group is taken from the Group (Table 1). The Appeals sub-Group was chaired by members of the Scottish Government’s NDR Policy Team.

Table 1: Membership of the Appeals sub-Group

Name	Organisation
Graeme Strachan	Lothian Valuation Joint Board (LVJB)
Ian Milton	Scottish Assessors Association (SAA)
Alastair Kirkwood ⁴	Scottish Assessors Association (SAA)
Ken McCormack	Royal Institution of Chartered Surveyors (RICS)
Brian Rogan	Scottish Chambers of Commerce (SCC)
Moira Walker/Niall Rankin	Scottish Property Federation (SPF)
Alastair Beattie ⁵	Scottish Valuation Appeal Committees Forum (SVACF)

¹ https://consult.gov.scot/local-government-and-communities/non-domestic-rates/user_uploads/00537324.pdf

² https://consult.gov.scot/local-government-and-communities/non-domestic-rates/user_uploads/00537324.pdf

³ <https://www2.gov.scot/Publications/2019/02/7960/downloads#res546439>

⁴ Alastair Kirkwood joined the Appeals sub-Group when he took up the SAA Presidency from Ian Milton in June 2019.

⁵ From January 2019.

The membership of the Working Group comprises the original members of the Appeals Sub-Group,⁶ and the following two members (Table 2).

Table 2: Additional membership of the Working Group

Name	Organisation
Derek Kidd	Scottish Business Ratepayer Group (SBRG)
Kate Crawford	Renfrewshire Valuation Joint Board (RVJB)

3. Remit

The Appeals sub-Group was established to inform advice to Scottish Ministers in respect of the implementation of Recommendation 19 of the Barclay Review Report: *Reform of the appeals system is needed to modernise the approach, reduce appeal volume and ensure greater transparency and fairness.*

This report provides advice to inform potential changes to the Bill at Stage 2 and to secondary legislation in relation to the appeals system, which will be needed from 1 April 2022 to implement reforms of this system.

4. Meetings

The Appeals Sub-Group met on 10 occasions between March 2018 and September 2019.⁷ Minutes of all the meetings are available at:

<https://www.gov.scot/publications/barclay-implementation-appeals-sub-group/>

5. Background

Non-domestic rates are levied on rateable non-domestic properties and based on their rateable value (RV), which in Scotland are derived by fourteen independent Assessors. In order to ensure that RVs reflect changing property rental values over time, these are “revalued” periodically. “Revaluations” occur generally every five years, though the last two were in 2010 and 2017. At each revaluation the Assessor seeks new evidence to ascertain an RV, that is derived from the Net Annual Value,⁸ calculated using different valuation methodologies (Comparative method, Contractor’s method, or Receipts and Expenditure method) according to the type of property. This may involve asking for rent details, or other value-relevant characteristics such as financial accounts, throughputs, extraction rates, etc. In order to ensure consistency, the evidence gathered is benchmarked to a fixed date - this is known as the tone date and is currently two years prior to revaluation. The Assessor informs the

⁶ The SPF was represented by Niall Rankin.

⁷ 13 March 2018, 18 April, 26 September, 7 November, 28 November, 29 January 2019, 9 April, 16 May, 25 June and 12 September.

⁸ This is defined in section 6(8) of the Valuation and Rating (Scotland) Act 1956 as: “the rent at which the lands and heritages might reasonably be expected to let from year to year if no grassum or consideration other than the rent were payable in respect of the lease and if the tenant undertook to pay all rates and to bear the cost of the repairs and insurance and the other expenses, if any, necessary to maintain the lands and heritages in a state to command that rent”. Currently, for the majority of properties, RV and Net Annual Value are the same.

proprietor, tenant or occupier (PTO) of their property's RV through the issuance of a Valuation Notice.

Assessors issue a Return of Information (ROI) request to PTO for the majority of rateable non-domestic properties – those where rental or cost information is required to revalue them. Despite the fact that the failure to return the information is liable to a criminal penalty, the SAA reports that returns are poor – with little over 50%⁹ of rental and turnover information returned ahead of the 2017 revaluation.¹⁰

This point was further raised by the Barclay Review, which stated:¹¹ “Considerable evidence was presented to us to indicate that the provision of information by ratepayers to Assessors to enable Assessors to accurately derive RVs was often poor and that this happened for various reasons, including where ratepayers were advised to do so by a professional rates advisor (who stood to gain a portion of any reduction in rates paid following a successful appeal).” The absence of adequate evidence can have a detrimental impact on the derivation of RVs.

The Barclay Review recommended that Assessors be given greater information-gathering powers. The Non-Domestic Rates (Scotland) Bill introduces a civil penalty for not complying with an Assessor ROI request, removes the existing criminal penalty for this, and provides Assessors with the power to request information from any person where they think this is reasonably required to carry out a valuation.

All rateable non-domestic properties are entered on the Valuation Roll (“the Roll”) – the statutory list maintained by Assessors. 233,386 properties were entered on the Roll at the 2017 revaluation. Shops were the most prevalent type of property on the Roll, making up nearly a quarter (23%) of the number of properties and RV on the Roll. Industrial subjects and offices are the next two largest categories in terms of numbers and RV. Together, these three categories account for 63% of properties on the Roll, and 54% of the RV (Table 3).

⁹ Barclay Review Of Business Rates October 2016, Submission from SAA to Local Government and Communities Committee:

https://www.parliament.scot/S5_Local_Gov/Meeting%20Papers/20170426_MeetingPapers.pdf

¹⁰ Local Government and Communities Committee evidence session with Assessors, Stage 1 Non-Domestic Rates (Scotland) Bill, Wednesday 29 May 2019

<http://www.parliament.scot/parliamentarybusiness/report.aspx?r=12138&mode=pdf>

¹¹ <https://www2.gov.scot/Resource/0052/00523643.pdf>

Table 3: Non-Domestic Rates Properties by Classification (as at 1 April 2017)¹²

	Number of properties	RV (£)	% of Properties on Valuation Roll	% of RV on Valuation Roll
Shops	53,709	1,611,664,302	23.0%	21.9%
Industrial Subjects	49,050	1,256,125,440	21.0%	17.1%
Offices	44,061	1,082,525,979	18.9%	14.7%
Leisure, Entertainment, Caravans, etc.	22,299	281,406,378	9.6%	3.8%
Other	16,156	141,617,533	6.9%	1.9%
Public Service Subjects	10,082	356,549,995	4.3%	4.8%
Religious	6,101	56,293,665	2.6%	0.8%
Hotels	5,469	275,073,193	2.3%	3.7%
Garages and Petrol Stations	4,245	74,937,080	1.8%	1.0%
Public Houses	3,732	132,642,075	1.6%	1.8%
Education and Training	3,705	559,765,675	1.6%	7.6%
Health and Medical	3,233	228,000,365	1.4%	3.1%
Sporting Subjects	3,010	18,120,492	1.3%	0.2%
Care Facilities	2,975	118,542,034	1.3%	1.6%
Advertising	1,924	10,538,430	0.8%	0.1%
Cultural	1,419	53,810,920	0.6%	0.7%
Statutory Undertaking	1,065	935,200,808	0.5%	12.7%
Quarries, Mines, etc.	660	17,990,509	0.3%	0.2%
Communications	349	24,645,995	0.1%	0.3%
Petrochemical	142	122,224,305	0.1%	1.7%
Total	233,386	7,357,675,173	100.0%	100.0%

Based on draft RVs provided to the Scottish Government by Assessors on 4 October 2016, 98% of the properties on the Roll had been given RVs, with less than 3,000 properties having not received a draft RV on that date. 87% of properties receiving a draft RV saw no change between October 2016 Draft RV and April 2017 RV.

Assessors are also required to keep property RVs up to date by reflecting alterations and extensions, new construction and demolitions and any other Material Change of Circumstances (MCC). In 2018-19 Assessors made 19,149 changes to property RVs.

¹² Scottish Local Government Finance Statistics, 2017-18:
<https://www.gov.scot/binaries/content/documents/govscot/publications/statistics/2019/02/scottish-local-government-financial-statistics-2017-18/documents/scottish-local-government-finance-statistics-2017-18/scottish-local-government-finance-statistics-2017-18/govscot%3Adocument/scottish-local-government-finance-statistics-2017-18.pdf>

5.1. Appeals system

The key legislation that covers the appeals system are:

- Lands Valuation (Scotland) Act 1854
- Local Government (Scotland) Act 1975
- The Valuation Appeal Committee (Procedure in Appeals under the Valuation Acts) (Scotland) Regulations 1995
- The Valuation Timetable (Scotland) Order 1995

RVs can be appealed when a new entry is made to the Roll, when the RV is re-assessed at a new revaluation, or when there is an MCC.¹³ PTO have six months to appeal their value at each revaluation. There is also a six-month right of appeal when there is a change of interest in the property (change in PTO). PTO all have the right to lodge an appeal on a given property, and in some cases different parties lodge appeals on the same property.

Anybody may also lodge a complaint against an entry in the Roll to the Assessor.¹⁴

Appeals are made to Valuation Appeal Committees (VACs) but are lodged with the Assessor in the first instance, potentially through a professional advisor who will provide advice and assist the appellant in the appeal-lodging process. They are then notified to the VAC Secretary.

VACs hear both non-domestic rates appeals, and appeals related to Council Tax (see Annex A). They comprise members drawn from a Valuation Appeal Panel for each Valuation Area who are appointed by the Sheriff Principal.

Appeals are heard by VACs, but complex cases can be requested for referral to the Lands Tribunal for Scotland (LTS).¹⁵ Their decisions can be appealed on points of law only to the Lands Valuation Appeal Court (LVAC). VACs have to dispose of all appeals by a statutory deadline which varies according to when an appeal is lodged. There is no such deadline for the LTS or LVAC to determine appeals, or for a VAC to determine an appeal that is referred back to them by the LVAC.

The VAC must give the parties to an appeal at least 105 days notice of the hearing date. The statutory disposal date for revaluation appeals is 31 December in the third year after revaluation (31 December 2020 for the 2017 revaluation¹⁶). Appellants also have the right to request an expedited hearing from the VAC, to which the VAC must respond with a written explanation if it is unable to comply with the request.

In practice appeals are cited for a hearing date by the VAC, although a VAC Secretary may consult with the Assessor and possibly the appellant or their representative.

¹³ As defined in Section 37(1) of the Local Government (Scotland) Act 1975.

¹⁴ Section 13 of the Lands Valuation (Scotland) Act 1854.

¹⁵ As per Regulation 4 of The Valuation Appeal Committee (Procedure in Appeals under the Valuation Acts) (Scotland) Regulations 1995, as amended, this can be by unilateral application of one party, or joint application of both. The VAC decides on this basis whether to refer a case to LTS.

¹⁶ The Valuation Timetable (Scotland) Order 1995, as amended.

At least 35 days prior to a hearing date, the appellant must set out in writing to the Assessor the grounds for their appeal, and the proposed alternative RV and grounds on which that value was arrived at. Within 28 days of receiving this, and no later than 21 days before the hearing, the Assessor must provide in writing to the appellant the grounds on which the entry in the Roll was arrived at.

The issuance of the 105-day citation notice for the hearing in many cases marks the starting-point for the appellant and the Assessor to exchange information in an attempt to negotiate an agreement in advance of the hearing. The Appeals sub-Group heard that limited information is usually exchanged ahead of this citation notice.

The vast majority of appeals are resolved during this 105-day period and hearings often do not take place. By means of illustration, of the 16,398 appeals (revaluation and running roll appeals) lodged between 2010 and 2015 with the Grampian Assessor, 97% were resolved prior to VAC hearing. Of the 599 remaining cases, three-quarters were not resolved prior to the VAC hearing dates and the remainder was referred to the LTS. Of those appeals that were due to be heard by the VAC, only six cases were actually heard and determined by VAC, whereas 243 appeals were dismissed for non-attendance on the appellant's part.¹⁷ However, the Appeals sub-Group cautioned that these figures are purely illustrative and cannot be used to extrapolate figures across different cycles, or across different parts of Scotland.

The Scottish Government collects and publishes data on revaluation appeals on a quarterly basis.¹⁸ Of the 233,386 rateable non-domestic properties in Scotland, 73,882, or 32%, were subject to appeals following the 2017 revaluation (Table 4 and Figure 1). 60% of those appeals had been resolved by 30 June 2019, although this only represents a third of the RV that was appealed; large complex cases tend to be dealt with towards the end of the appeal disposal period. Around three-quarters of appeals resolved at that point had not resulted in any change in RV.

Table 4 compares the appeal disposals at the 2010 and 2017 revaluation at the same point in the cycle. It shows that there has been slower resolution of appeals in the 2017 revaluation cycle (60%) compared to the 2010 revaluation cycle (69%). The Appeals sub-Group suggested that this may be related to a number of factors, including:

- the order in which different property classes are being cited in the 2017 cycle differs from the 2010 cycle
- the seven-year period between the 2010 and 2017 cycle compared to five years at the 2010 revaluation
- the particular economic circumstances prevailing at the time date for these two revaluations (1 April 2008 and 1 April 2015)
- the increase in the number of entries on the Roll between the two cycles, which is close to 20%. As at 1 April 2010 there were 213,311 properties on

¹⁷ Information provided by the Grampian Assessor to the Scottish Government on 2010 appeals during the period from 15 March 2010 to 30 September 2015.

¹⁸ Rateable Values Non-Domestic Appeals (RVAPP):

<https://www2.gov.scot/Topics/Statistics/Browse/Local-Government-Finance/ReturnRVAPP>

the Roll.¹⁹ As at 1 April 2017 there were 233,386²⁰, rising to 252,153 as at 1 June 2018 – following in addition to the ‘standard’ increase in property numbers over time, the inclusion of 11,914 shootings and deer forests to the Roll – these having been exempt from rating prior to the Land Reform (Scotland) Act 2016

- the resources available to both Assessors and rating advisors.

Table 4: Percentage of appealed properties for which appeals were disposed of following the 2010 and 2017 revaluations, Scotland²¹

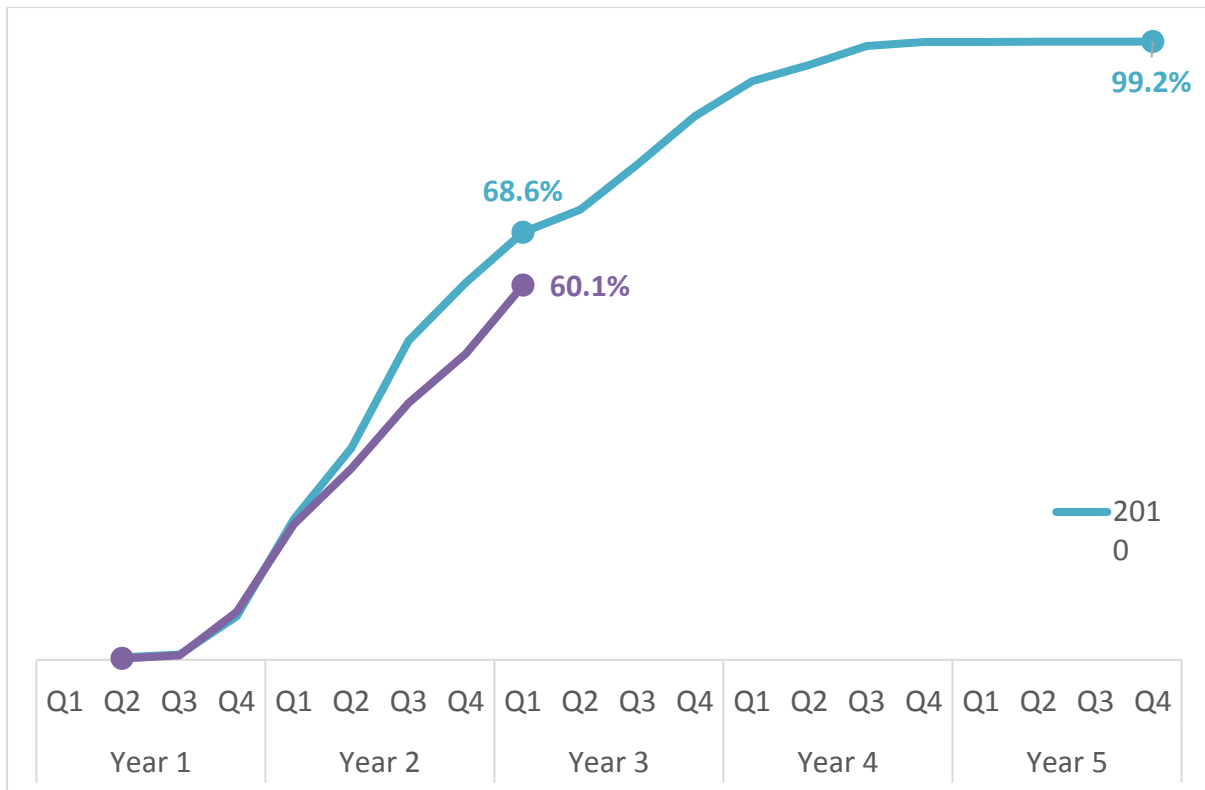
27 months after revaluation	2010 Cycle	2017 Cycle
Share of Roll appealed	31%	32%
Share of RV appealed	75%	73%
Share of appeals resolved	69%	60%
Share of appealed RV resolved	41%	34%

¹⁹ <https://www.gov.scot/binaries/content/documents/govscot/publications/statistics/2012/02/scottish-local-government-financial-statistics-2010-11/documents/00388252-pdf/00388252-pdf/govscot%3Adocument/00388252.pdf>

²⁰ <https://www.gov.scot/binaries/content/documents/govscot/publications/statistics/2019/02/scottish-local-government-financial-statistics-2017-18/documents/scottish-local-government-finance-statistics-2017-18/scottish-local-government-finance-statistics-2017-18/govscot%3Adocument/scottish-local-government-finance-statistics-2017-18.pdf>

²¹ <https://www2.gov.scot/Topics/Statistics/Browse/Local-Government-Finance/NDR-Rates-Relief/Appeals2019-20Q1>

Figure 1: Percentage of appealed properties for which appeals were disposed of following 2010 and 2017 revaluations, Scotland²²



Note: Since Quarter 1 (Q1) of Year 1 ended before the September 2010 & 2017 appeals deadlines, figures for Q1 have been excluded.

Aside from revaluation appeals, there are also “running roll” appeals. These are due to changes occurring after the revaluation and include MCC appeals, new PTO, or new entries in the Roll. The proportion of revaluation appeals to running roll appeals can vary markedly in different areas and across different revaluation cycles.

Assessors report that 5,774 running roll appeals were lodged across Scotland in 2018-19, while 5,105 running roll appeals were also resolved that year. There was a total of 9,985 running roll appeals at the start of 2018-19, rising to 10,654 at the end of the year. While these figures can provide some indication of the potential magnitude of the number of running roll appeals relative to the number of revaluation appeals in the system at any point in time, these ratios vary not only within a given cycle, but may also vary considerably from one cycle to another. For instance, the number of running roll appeals may increase if a potential relevant appeal decision is anticipated. This was the case for instance in 2010, 2011 and 2012 due to the outstanding case *Assessor for Fife v. Mercat Kirkcaldy Limited and Others*.

²² <https://www2.gov.scot/Topics/Statistics/Browse/Local-Government-Finance/NDR-Rates-Relief/Appeals2019-20Q1>

6. Discussion

6.1. Overview

The Appeals sub-Group discussed numerous proposals in relation to the appeals system including:

- More effective information-sharing and pre-agreement²³ between Assessors and PTO, including public sector bodies and their agents
- Providing Assessors with new powers to gather information from a wider group of stakeholders and the introduction of a civil penalty for failure to return information to them
- The provision of better information by Assessors in valuation notices (which are currently issued by post for all rateable non-domestic properties) and/or valuations²⁴ (which are published online for the majority of properties)
- The transfer of the VACs' functions to the Scottish Tribunals – which is scheduled for 2022
- The Barclay Review's recommendation that VACs should have the power to increase RVs where there is evidence to support this
- A two-stage appeals system with a pre-appeal (a "proposal") dealt with by Assessors and appeals by the VAC, LTS or LVAC
- Removing the right to lodge a proposal where there is an outstanding ROI request and a civil penalty has been issued
- Assessors having the power to update the Roll, in light of new evidence, for properties that are not under appeal
- The implications of three-yearly revaluations and a one-year tone date on the appeals resolution timetable
- The introduction of a statutory requirement on Assessors to produce draft RVs before the Roll comes into force at revaluation

6.2. Three-yearly revaluations

The Barclay Review recommended three-yearly revaluations from 2022 onwards, moving to a one-year tone date from the 2025 revaluation in order for RVs to more accurately reflect market trends, and to reduce volatility.²⁵ The Scottish Government accepted this recommendation, recognising that this should be carried out in tandem with reforms to the appeal system. The UK Government subsequently announced it would move to three-yearly revaluations in 2021,²⁶ which would mean revaluation cycles in Scotland and England will no longer be in sync.

²³ This is when PTO agrees an RV in advance of revaluation with the Assessor.

²⁴ These are currently known as Summary Valuations on the SAA Portal.

²⁵ Annex C.2 of the Barclay Review stated: "In an ideal world we would have liked this to be implemented as soon as practicable – with the first revaluation occurring ideally in 2020. However, in discussion with practitioners, we realise this would not be feasible. This is because we feel a number of our other reforms need to take place ahead of more frequent revaluations. These include the movement of appeals system into Tribunal Scotland and the opportunity for the vast majority of all appeals against 2017 revaluation to be settled, new information gathering powers to be created to enable valuations to be better informed and less likely to be appealed and time to allow the various administrative and cultural changes to be introduced."

²⁶ <https://www.gov.uk/government/speeches/spring-statement-2018-philip-hammonds-speech>

The Appeals sub-Group agreed that the disposal date for appeals would need to be changed to accommodate a three-year cycle, and that all revaluation appeals in a cycle should continue to be disposed of before the next revaluation, as set out in statute. It also discussed the challenges of doing so in a shorter cycle and agreed that, when compressing the timeframe for appeals, a fair balance should be sought between the time that both Assessors (to carry out revaluations and consider appeals) and ratepayers (to assess their RV and build an appeals case) will have available under the new system.

Assessors highlighted that in the current five-year cycle, they broadly revalue properties during the two years preceding revaluation, and deal with appeals in the three following. The Appeals sub-Group noted the challenges of moving to three-yearly revaluations with an earlier disposal date for appeals and noted the success of the reforms to the appeals system depended on adequate resourcing for Assessors and VACs.

6.3. Pre-agreements

The Appeals sub-Group discussed the benefits of reaching an agreement on the RV in advance of the revaluation. These would be expected to deliver a lower RV than otherwise as they are typically the result of negotiation. The group heard that pre-agreement was not currently common between Assessors and PTO, with Assessors noting that historically pre-agreements had at times been subsequently disregarded and appeals lodged by PTO. The group agreed that pre-agreements should be binding, in that they cannot be subsequently appealed. It cautioned however that consideration would have to be given to putting in place appropriate safeguards if this were the case.

6.4. Draft RVs

In order to allow PTO to view, query and potentially contest their RV before revaluation, and thus before rates become due on the RV, the Appeals sub-Group called for draft RVs to be published in advance of revaluation. It then further noted the possibility that PTO may be able to lodge a proposal against the draft RV with the Assessor.

The SAA proposed 15 December the year before the revaluation for the publication of draft RVs. However, some members of the Appeals sub-Group were in support of an earlier publication date on the basis that most RVs would likely not change between then and 1 April in the revaluation year; according to information provided to the Appeals sub-Group by the Scottish Government, at the last revaluation less than a quarter of RVs had changed between October 2016 (when draft RVs were provided to the Government by Assessors) and when the Roll came into force. The group also called for consideration to be given to the fact that ratepayers were unlikely to take any action on draft RVs during December due to public holidays.

6.5. Transfer of VAC functions to the Scottish Tribunals

The Tribunals (Scotland) Act 2014 provides for the transfer of the functions of VACs to a First-tier Tribunal (FTT) of the Scottish Tribunals - referred to below as the "Valuation Appeals Tribunal".

The transfer of VAC functions will require a number of secondary instruments to be passed as per the powers created under the Tribunals (Scotland) Act 2014, namely in relation to the transfer of functions but also panel membership, selection procedures, etc. Draft regulations on the transfer will be published for consultation the year before the transfer, in 2021.

This transfer is planned at the next revaluation in 2022. The chairs of the Valuation Appeals Tribunal will be legal members of the FTT and it is envisaged they will be selected by the Chamber President on the basis of their relevant expertise. No decision has as yet been taken on the Chamber to which VACs will be transferred, though initial exploration indicates that the Tax Chamber would seem a suitable option.

In terms of a review process, existing FTT rulings are subject to a review process by the FTT, and FTT on points of law go to the Upper Tribunal of the Scottish Tribunals.

The Appeals sub-Group overall welcomed the transfer of VAC functions to the Scottish Tribunals, noting this provided an opportunity for greater transparency and consistency of practice. Notwithstanding, it highlighted the advantages of VAC members' local knowledge and expertise, and called for the President of the Scottish Tribunals to ensure the members of the FTT which take on the VACs' functions have sufficient expertise to deal with rating appeals. In the first instance of the transfer, eligible members of VACs would likely be expected to transfer to the FTT. They would then be assigned to the relevant Chamber and Tribunal by the President. The President will also consider whether any of the existing legal or ordinary members of the FTT have sufficient expertise in the subject matter and with their agreement, and that of the Chamber President, assign them to the Tribunal.

If, in the opinion of the President, there are insufficient members to meet the business needs of the tribunal, she will notify Scottish Ministers. It is for Scottish Ministers to authorise the Judicial Appointments Board for Scotland to recruit tribunal members with appropriate qualifications and expertise to meet the needs of a tribunal.

Some members suggested that all members of the FTT should be chartered surveyors, though others discussed that this could be overly restrictive as relevant expertise may be present elsewhere e.g. members of other professional bodies such as the IRRV, retired surveyors and existing lay VAC members.

After some discussion and debate, the Appeals sub-Group supported the transfer of VAC functions into the Scottish Tribunals no sooner than the next revaluation. It was agreed that it would be operationally challenging for all parties involved to do so earlier and may also cause confusion amongst ratepayers. It was suggested that all

outstanding appeals be transferred into the new system rather than operating a dual system.

While the Appeals sub-Group did not reach agreement on the potential design of a new system, it considered that from a ratepayer's perspective the most simple option would be a complete transfer without transitional stages. In other words, VACs would cease to exist from 1 April 2022 and any outstanding appeals cited with VACs would be cited to the FTT. It did not however discuss in detail the treatment of appeals that had not yet been cited for hearing by a VAC at the point of transfer, but one member cautioned that careful consideration would have to be given to these cases.

At the point of transfer of VAC functions to Scottish Tribunals, the Appeals sub-Group agreed that consideration could be given to leaving appeals that had already been lodged with the LTS and LVAC, with these respective bodies. Reasons for this included:

- maintaining consistency for the appellant between the point of lodging an appeal and the hearing
- the fact the decision to lodge an appeal may have been contingent on knowledge of which tribunal/court would hear it, and
- the fact that preparations may already be underway e.g. legal advice may have been obtained (and paid for) by both parties on strategy for further progression of the appeal to the LTS or LVAC.

The group, noting that VACs and LTS both act as FTTs, suggested there may be merit in considering the amalgamation of the functions of both VACs and the LTS in the same FTT for the purposes of rating appeals. This could potentially allow for FTT members to be recruited from both VACs and LTS, contributing to ensuring the correct expertise is in place.

The Appeals sub-Group broadly supported the continuation of the LVAC's role on the basis it delivers timeous and authoritative rulings. Although given existing FTT appeals on points of law are to the Upper Tribunal, this leaves a question as to whether the Upper Tribunal should replace the LVAC as the body that deals with appeals on points of law in rating as well. One member raised the point that the role of the LVAC (in relation to rating appeals) would in fact effectively cease to exist at the point the functions of VACs are transferred to the FTT.

Recognising that it was challenging to comment on the introduction of a pre-appeals system without the detail of the future appeals system being available, the Scottish Government's Devolved Tribunals Team attended the Appeals sub-Group on two separate occasions in 2018. Notwithstanding these difficulties, the Appeals sub-Group was nevertheless able to agree on the following principles:

- Appointments to panels should be made through an open and transparent process
- Diversity on panels should be sought
- Consideration should be given to a remuneration for panel members (VAC members are not currently remunerated)
- Appointments should be for fixed terms, with scope to review at regular intervals

- The FTT should have a clear code of conduct including a requirement to declare conflicts of interest
- There should be no geographical limit to the area in which panel members live or work
- Consideration should be given to ensuring that all panel members have received appropriate training
- All hearings should be held in public (except where there is a good cause or a statutory requirement that they be private), advertised in advance and all rulings should be published in the same place for ease of access
- Guidance for appearing before a panel for appellants should be made available.

The Appeals sub-Group also discussed whether the parties, or the FTT should have the power to refer complex cases directly to higher tribunals/courts, but was unable to agree on this matter.

6.6. A two-stage appeal system

6.6.1. Overview

The Appeals sub-Group discussed issues relating to the exchange of information between parties in an appeal and also the fact that a large number of hearings are cancelled shortly before the hearing, either because the matter is settled, or, more often, because the appellant does not believe their case will be successful at hearing or the costs to present a case may not make it commercially viable.

While it is currently the case that a notice for the hearing needs to be issued before parties exchange information,²⁷ the fact that such a small proportion of these cases will actually proceed to hearing, suggests there may be a better way to trigger information-sharing.

The Appeals sub-Group noted:

- the large volume of appeals lodged at each revaluation
- the lengthy resolution timescales for some ratepayers
- the fact that the vast majority of 2017 revaluation appeals resolved so far did not lead to a change in RV,²⁸
- the fact the overwhelming majority of appeals do not go to hearing
- the fact the Scottish Tribunals system operates on the basis that a dispute resolution approach is undertaken before cases reach a tribunal
- the potential reluctance of the Scottish Courts and Tribunals Service, who provide administrative support to the Scottish Tribunals, to facilitate over 70,000 revaluation appeals cases, when only a small number will actually go to hearing.

²⁷ Assessors noted that this was due to their incapacity to fully disclose information prior to citation due to concerns over the sharing of commercially sensitive information.

²⁸ In the first 24 months following revaluation, 27,596 (or 76% of the total number of appeals), resulted in no change in RV. Source: <https://www2.gov.scot/Topics/Statistics/Browse/Local-Government-Finance/NDR-Rates-Relief/Appeals2018-19Q4>

The Group agreed the current system can lead to an inefficient use of public resources, especially in situations where hearings are cancelled in the days running up to the hearing date, or a VAC meets for a hearing but no appellant turns up.

The Appeals sub-Group discussed the potential introduction of a pre-appeal, or “proposal” stage, as is currently the case for Council Tax list appeals. This would aim to encourage a settlement between the Assessor and the proposer without the need for involvement by the VAC.

The group also discussed whether the proposal stage should be an informal discussion before the appeal or a formal procedure with statutory deadlines and restrictions on lodging an appeal tied to the proposal – in other words PTO would have to first lodge a proposal, and could only subsequently appeal. Some members expressed concerns that in the former case, the proposal stage may lead to a duplication of work at the proposal and appeal stages, which may render the proposal an ineffective tick-box exercise, with no incentive for parties to share information with each other early on in the process. The group therefore agreed that the Assessor should be required to conclude consideration of a proposal before an appeal can be lodged. It further noted that all parties to an appeal may struggle to resource this, especially in a three-yearly revaluation system.

The Appeals sub-Group discussed how proposals should be disposed of. Based on the fact the Assessor often has a role to play in setting a schedule for hearings, it found it reasonable that the Assessor may be responsible for issuing a Proposal Disposal Date (PDD), which would trigger certain statutory information-exchange requirements between parties, in the same way the issuance of a citation notice by the VAC triggers these requirements currently. However, it cautioned that consideration would have to be given to putting appropriate safeguards in place if this were the case e.g. the right to request an expedited PDD, and the right of appeal if the Assessor refused to consider a given proposal.

The Appeals sub-Group suggested that PDDs could be “batched” by the Assessor in a similar manner to appeals, which currently tend to be grouped by property type. Following a period to allow the exchange of information between parties after the PDD is issued, the Assessor would then issue a Decision Notice, which the proposer would have a short time to appeal.

The group expressed concern over the problems associated with the Check, Challenge and Appeal (CCA) system in England, particularly in relation to the difficulties ratepayer representatives have encountered in lodging appeals on behalf of their clients and challenges in communicating with the Valuation Office Agency. It suggested that, learning from the complex arrangement under CCA, the Scottish system should simply allow for agents to upload a mandate authorising them to act on behalf of their client alongside the proposal in order to be accredited.

The Appeals sub-Group agreed that the two-stage system should be in place at the next revaluation on 1 April 2022. While one member favoured earlier introduction of the system in order to avoid FTT potentially having to run a “legacy” system, the other members did not support this and stressed that to do so may challenge the deliverability of the new system for Assessors and appellants. It also agreed that it

would be sensible for all appeals (revaluation and running roll) to be treated in the same way, i.e. subject to a two-stage system.²⁹

The Appeals sub-Group suggested that it would be sensible for the Assessors to set out a national PDD disposal schedule for all property classes, and make this available to the Scottish Ratepayers Forum and Scottish Rating Surveyors Forum in advance. This would allow ratepayers to know approximately when their proposal is likely to be dealt with.

The Appeals sub-Group unanimously agreed that ratepayers should have the right, from the point of lodging a proposal, to request an expedited proposal from the Assessor, with a right of appeal to the FTT if the Assessor refuses or does not respond. It envisaged the FTT would have a role to play in potentially setting a PDD itself and/or placing further requirements on the Assessor. However, given that the current system of expedited appeals was seen to be effective, despite the absence of penalty to the VAC for failure to bring a hearing date forward in the current system, the group did not immediately see the need to create a penalty if the Assessor fails to provide an expedited PDD on request.

6.6.2. Timescales for proposals

The Appeals sub-Group agreed it was sensible that the right to lodge a proposal commence at the point the draft RV is available, in order for parties to attempt to resolve any disagreement before the tax year comes into force. However, it expressed concerns that ratepayers may not be aware that they will have to consider lodging a proposal against their draft RV, rather than waiting for the Roll to come into force on 1 April of a revaluation year. The Appeals sub-Group agreed with the Group regarding the importance of appropriately communicating the proposed reforms to ratepayers and other stakeholders.

The Appeals sub-Group broadly supported setting a statutory deadline for lodging proposals, in contrast to England and Wales where values can be challenged at any time. While it was unable to reach agreement on the deadline for lodging a proposal against a draft RV, it discussed a range of models, including having a four, or a six-month period after the issuance of the draft RV notice (or potentially online publication) for lodging a proposal. It also discussed the possibility that PTO would have a longer period to lodge a proposal if the final RV issued on 1 April was different to the draft RV, the risk being that this would likely delay the issuance of all PDDs. A deadline of 30 June was also suggested for all proposals, irrespective of whether the final value produced on 1 April is different to the draft RV.

Ratepayer representatives cautioned that if the proposal-lodging period was too short, this may lead to an increase in the number of protective proposals as ratepayers may not have time to assess their RV, particularly if no information was provided by the Assessor as to how they derived it.

²⁹ The Appeals sub-Group did not discuss the treatment of complaints in any detail.

If draft RVs are to issue in December, ratepayer representatives called for account to be taken of the fact that no work was likely to occur in the period between the publication of draft RVs and the New Year.

It was agreed that Assessors and rating advisors would benefit from having as long as the system could allow to consider proposals. The Appeals sub-Group suggested that all proposals be disposed of by 30 June or 30 September the year before the next revaluation in a three-yearly cycle (2024 for the 2022 revaluation). This should allow sufficient time for the FTT to clear the remaining proposals by the next revaluation, for instance if a disposal deadline for appeals was set in December the year before revaluation (December 2024 for the 2022 revaluation). It noted however that revaluation appeals should start to be lodged and heard shortly after the deadline for lodging a revaluation proposal as Assessors start issuing Decision Notices on proposals.

The Appeals sub-Group highlighted that the current 105-day period (increased from 70 days in 2017) had not led to significant improvements in the appeals system, and agreed that within a three-year revaluation cycle, a 70-day notification period for the PDD would be sufficient.

Annex B includes a comparison between the current appeals system in a five-year revaluation cycle, and an illustrative proposal/appeal schedule in a three-year revaluation cycle.

6.7. Information-sharing between the ratepayer and the Assessor

The Appeals sub-Group agreed with the Barclay Review Report that the appeals process should be as streamlined as possible and encourage the prompt and full exchange of all information ahead of formal hearings.

Both Assessors and ratepayer representatives agreed that there should be improvements in the information that each party shares with the other, both at tone date and at appeal. In particular, the Appeals sub-Group discussed:

- Information provided by the ratepayer in response to ROI requests
- Information provided by Assessor on publication of the Draft RV
- Information provided by proposer
- Information provided by both parties during the proposal resolution stage
- Information provided by both parties to an appeal.

6.7.1. Information provided by the ratepayer in response to ROI requests

The Appeals sub-Group attributed the low return rate of ROI forms to a lack of understanding and trust on ratepayers' part in the rates system, including the perception that returning information, for instance on rent, may lead to a higher RV. Assessors explained that the level of detail requested was due both to previous appeal rulings and the increase in the complexity of valuation over time, but agreed that consideration should be given to simplifying existing ROI forms and streamlining online ROI forms.

Assessors highlighted there are situations where PTO may not hold the information that the Assessor requires to value the property. Assessors suggested that consideration be given to expanding their power, set out in the Non-Domestic Rates (Scotland) Bill to request information from any person where this is deemed necessary, for example, to compile unit costs for all properties throughout the cycle, not simply necessarily for that property's revaluation. Ratepayer representatives expressed strong concerns over the fact that under the Non-Domestic Rates (Scotland) Bill, Assessors will be able to request information from any person where they deem this to be reasonably required for the purpose of valuation.

Ratepayer representatives expressed concerns over service of a civil penalty, including to a third party, such as a contractor, for not providing requested information relating to a property they have previously worked at and not known that this rendered them liable to a civil penalty. They also cautioned there was a risk PTO would not necessarily be made aware that an ROI form had been sent to a third party, and queried what would be in place to ensure that the same information is not asked of different persons.

They also suggested that the requirement introduced in the Non-Domestic Rates (Scotland) Bill that ratepayers provide information to the Council pertaining to changes in circumstances of the property be replicated for Assessors on the basis that this would help reduce the volume of information requested at revaluation.

6.7.2. Provision of information to the ratepayer by the Assessor

A valuation notice is currently issued in postal form to PTO when a property is added to the Roll or its entry is amended. It currently provides the RV, but no information on how that value was arrived at. Assessors reported that at the last revaluation, around 400,000 valuation notices were issued as multiple notices must be issued on the same property if there is more than one of PTO. The Appeals sub-Group noted that, at revaluation, the number of valuation notices would double if there is a requirement to publish draft RVs before final values are issued and that these be accompanied by a draft valuation notice (DVN).

Assessors called for the online provision of at least one of the two notices, and the Appeals sub-Group agreed that it was not unreasonable for notices to be issued by post for the draft RV, and subsequently updated online if there was any change to the value. Annex C provides an example of how Assessors could consider progressively moving to the online provision of information over the next revaluation period. The Appeals sub-Group agreed however that the right to provide notices online would have to be accompanied by an extensive communication campaign by the Scottish Government to make people aware that they had to check the SAA Portal.

Assessors noted that they also provide "summary valuations" on the SAA Portal for around 60% of properties – such as shops, offices and workshops, factories and stores valued using the Comparative method. They are not available for large or complex subjects valued using the Contractor's method, or the Receipts and Expenditure method. They typically contain a breakdown of the different physical elements of a property and the valuation treatment of these elements, as well as any

adjustments such as “quantum” and end allowances. Assessors stated they were committed to increasing the number of properties for which “summary valuations” are made available, but noted their concerns over the restrictions that commercial confidentiality and the General Data Protection Regulation (GDPR) may place on making publicly available the details of the rent of the other properties that had been used to derive a property’s RV, which may prevent them from sharing this type of information.

Ratepayer representatives on the other hand expressed concerns over the fact that for some properties, no information was available regarding how the Assessor derived the RV, and the different types of information and layout provided by different Assessors. They also stressed that “summary valuations” may not, for a layperson, be helpful to understand how the RV was derived. During this discussion, there was broad agreement with the findings of the Barclay Review that ratepayers require, and are entitled to, greater transparency over how the RV of their property has been derived.

The Appeals sub-Group agreed that consideration should be given to putting in place a statutory requirement that the Assessor publish, alongside each valuation notice, the addresses of let properties the rental evidence of which has been used to inform the basic rate at Draft RV stage. It agreed that this could be rolled out progressively, for ‘standard’ shops, offices and warehouses & workshops - valued using the Comparative method in the first instance, with a view of expanding the list to all properties valued using this method at future revaluations. It also discussed whether PTO would be issued with a login to access this type of information on the SAA Portal.

The Appeals sub-Group also discussed the potential of merging the valuation notice and the “summary valuation” into one document, as well as ensuring providing links between these two documents and the practice note. Ratepayer representatives stressed that the current practice notes do not necessarily allow PTO to understand why they are asked different types of information.

6.7.3. Information to be provided at proposal

The Appeals sub-Group discussed what information the ratepayer had to provide in order to lodge a proposal with the Assessor, and in advance of the PDD, but no consensus was reached.

The Appeals sub-Group discussed the point at which the parties would have to set out their grounds of proposal (for the proposer) or valuation (for the Assessor). Ratepayer representatives raised concern that they may be required to set out their detailed grounds of proposal at the point of lodging a proposal, when the Assessor may not have provided any information on how the value was arrived at, and that the Assessor may be able to refuse to consider a proposal on the basis of insufficient grounds because of this. Assessors on the other hand raised concern that they may be required to deal with a large number of proposals lodged without clear grounds of proposal being set out.

Assessors suggested that a proposal should be invalid if they have an outstanding ROI request and a civil penalty served on the property in question.

Two scenarios were discussed in detail in relation to the sharing of information between the two parties once a PDD is issued.

Scenario 1

- 42 days before PDD: Ratepayer provides grounds and comparisons
- 28 days before PDD: Assessor submits response and comparisons
- 14 days before PDD: Ratepayer submits representations of Assessor's response
- Decision notice on PDD

Scenario 2

- 49 days before PDD: ratepayer provides grounds and comparisons
- 28 days before PDD: Assessor provides response and comparisons
- Decision notice on PDD

The Appeals sub-Group expressed concern that if grounds and comparisons were exchanged too early on, this would mark an end to discussions and create dead space between this exchange and the PDD.

Under Scenario 2, ratepayer representatives voiced concerns that they did not have the statutory opportunity to respond to the Assessor's response and comparisons. This was seen as particularly problematic if no new information could be brought forward at appeal stage (see below).

Assessors were concerned about the prescriptive requirements under Scenario 1 and did not believe there was sufficient time or resource available to enter into a back-and-forth discussion for every proposal, whilst still ensuring the timeous resolution of all proposals.

6.7.4. Lodging an appeal and disposal of appeals

The Appeals sub-Group agreed that unresolved proposals should *not* automatically become appeals after the PDD.

Assessors stated that both the ratepayer and the Assessor should have the right to appeal a proposal as it was unlikely that a ratepayer would go to appeal if they felt their RV was likely to go up. This power was seen as complementary to the fact that a ratepayer cannot, under the Bill, retract an appeal without the VAC's approval.

The Appeals sub-Group suggested that an appeal could be lodged up to 14 or 21 days after the issuance of a Decision Notice.

It was not in agreement over whether there should be a disposal deadline for appeals lodged with the FTT, but some members cautioned the risk of creating a loophole where appeals would be "parked" if there was no such deadline in place –

noting that appeals with LTS can take a very long time to be heard as the tribunal tends to wait for parties to be ready for the appeal to be heard rather than setting timescales itself. It agreed that resolving all first-tier appeals in a three-yearly revaluation would be a challenge even with a deadline in place and advised that this is unlikely to be achieved without one. This risked causing a build-up of appeals over multiple revaluation cycles, which was not desirable. It recommended, if a deadline were to be considered, that this allow for sufficient time before revaluation, e.g. December in the year before revaluation.

6.7.5. Information to be provided at appeal

The Appeals sub-Group agreed that the proposal stage would inevitably be undermined if there were no restrictions on the information that parties are allowed to provide when lodging an appeal as the incentive to withhold information as in the current system would prevail. Assessors voiced a strong preference for the information to be limited to the information that had already been provided at proposal stage, that was not in existence before the PDD or where it is explicitly requested by FTT. They raised concern that failure to do so would risk undermining the proposal stage to a tick-box exercise for both parties, and would duplicate the resources required by both parties to resolve an appeal.

The group however called for consideration to be given to the interaction between the restriction of information when lodging an appeal to that which was shared by the proposal Decision Notice (or which was not in existence at that point) and an expert witness duty of candour to the courts.

6.8. Consequentials

The Appeals sub-Group discussed whether Assessors should have the power to update the Roll, in light of new evidence, for properties that are not under appeal.

Currently, when the Assessor makes a change to a valuation scheme, for instance to a unit cost, this only has a bearing on the property for which this has been agreed. Other similar properties would only currently benefit if they were under appeal as this information would be brought forward to the VAC as relevant.³⁰ Only relevant decisions by the VAC, LTS and LVAC are considered MCC that reopen the right of appeal for six months for relevant properties.

While this could introduce a revenue risk for Scottish Ministers, the Appeals sub-Group was in agreement that it could potentially lead to a reduction in the number of “protective” appeals – which are lodged as a matter of course in order to ensure the property would benefit from any potential changes to the valuation of similar properties.

³⁰ Relevant decisions by the VAC, LTS or LVAC are defined as an MCC and also re-open the right of appeal for relevant properties.

6.9. Fees to lodge an appeal

The Appeals sub-Group noted that under the current system there is no disincentive to lodge an appeal given the absence of a fee and the fact RVs cannot go up on appeal – both of which are being addressed in the Bill by introducing the ministerial power to levy fees to lodge an appeal (this would be set out in regulations) and the VAC power to raise RVs on appeal.

Some members of the Appeals sub-Group expressed concerns over the levying of fees, and stressed that any fee should be proportionate and linked to RV, with particular consideration to be given to smaller business. It also discussed the possibility that fees be refundable if an appeal was successful and the related issues such as the possibility that this may lead to the increased reluctance to abandon or withdraw an appeal. Assessors also questioned whether, if they were able to lodge an appeal following a proposal made by PTO, they would also have to pay a fee.

Noting that the Bill legislates only for the power to levy a fee at appeal stage, the Appeals sub-Group agreed that putting in place a fee at proposal stage could risk restricting access to justice, and that a fee at the appeal stage only may be the most appropriate way to proceed.

7. Conclusion

This report will help inform the implementation of the reforms to the appeals system, as well as its legislation in the Bill and secondary legislation.

The Scottish Government has set out to the Local Government and Communities Committee that it intends to consult on draft regulations in relation to the reform of the appeals system.³¹ The Appeals sub-Group agreed there would be merit in it continuing to meet to consider these draft regulations and the associated consultation.

³¹ https://www.parliament.scot/S5_Local_Gov/Inquiries/20190903_MinPFDEToConvener.pdf

8. Annexes

8.1. Annex A – Council Tax appeals

Appeals linked to Council Tax include:

- Non-list appeals – these relate to Council Tax, specifically amounts payable, penalties, the chargeable status of a property and building completion notices.
- List appeals – these relate to the alteration of the valuation list (this is the list maintained by Assessors of all domestic properties for Council Tax purposes). Formal challenge of information on the valuation list can be made by the submission of a “proposal” to the relevant Scottish Assessor. If a taxpayer remains aggrieved following an Assessor’s proposal decision they may appeal to their VAC. However, no proposal to alter the valuation list may be submitted where a previous proposal has been considered based on the same property and facts and appealed to a Valuation Appeal Committee.

The SAA provided to the Scottish Government their best estimate of the number of Council Tax appeals in the past five years in order to provide an indication of caseload (Table 5).³²

Table 5: Number of Council Tax appeals, Scotland, 2014-15 to 2018-19

	2014-15	2015-16	2016-17	2017-18	2018-19
No. of proposals received	1,774	2,223	3,157	3,411	3,399
No of proposals converting to appeals	943	991	1,291	1,323	1,095
No of appeals cited for hearing	930	613	771	950	743
The number of appeals listed for hearing on the day	377	239	264	321	264
The above number split (where known) as follows:					
Dismissed on procedural grounds	213	133	150	163	139
Heard in relation to validity (time or title)	62	38	39	66	63
Substantive hearing	102	68	73	92	61

As with non-domestic rating appeals, while these figures can provide some indication of the potential magnitude of the number of Council Tax appeals relative to the number of non-domestic revaluation appeals in the system, Council Tax appeals may vary markedly from year to year, for instance if a particular issue arises in a large estate.

³² The SAA cautioned that the following should be taken into account:

- Some Assessors’ systems changed during this period so the data had to be pulled from archives/manual records.
- The number of proposals received includes both valid and invalid proposals.
- Some systems did not carry the necessary markers to identify the different categories in Table 3.
- Some banding “enquiries” were treated as proposals, which may artificially have inflated the number of proposals.
- As the appeals process is managed by VACs, the status of some proposals/appeals is unknown.

8.2. Annex B - Comparison between existing revaluation/appeals schedule and illustrative schedule in the reformed system

Figure 2 seeks to illustrate the key milestones of the existing five-yearly revaluation and appeals system, compared to an illustrative schedule for the reformed appeals system in the context of three-yearly revaluations.

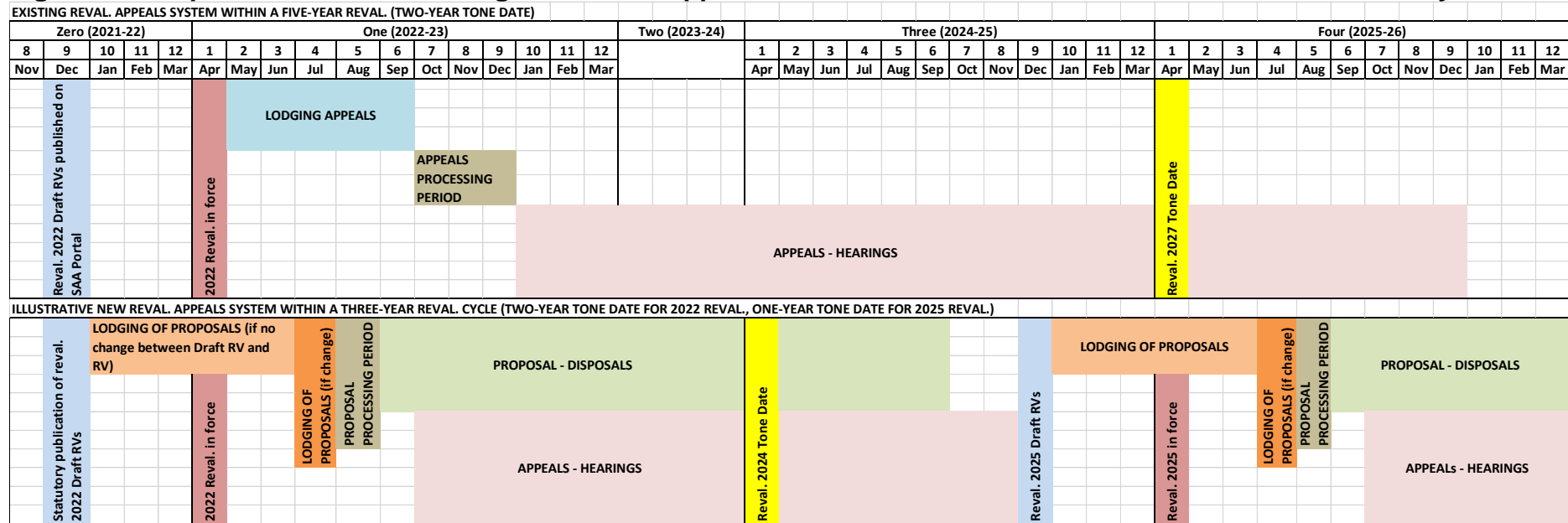
The dates and deadlines under the proposed new system in Figure 2 fall within those discussed by the group, but are purely illustrative here. Specifically, it assumes that draft RVs are issued in December 2021 and revaluation proposals can be lodged by 30 June 2022 if the RV on 1 April 2022 is the same as the Draft RV, and until 31 July otherwise.

Based on precedent in the 2017 revaluation, 2022 revaluation appeals would commence in January 2023 if the current system were to continue. It assumes that under the new system, proposals will start being heard in September 2022 – providing Assessors with one to two months to issue PDDs, and that appeals will start being heard from October 2022.

Figure 2 shows that under the existing system, it takes three months for VACs to start hearing appeals from the end of the lodging period for appeals, but assumes it will only take Assessors two months to do so for those RVs that did not differ from draft RV, and one month otherwise. This is based on historic practice where appeals do not tend to be cited before the new calendar year following revaluation, and under the illustrative system assumes that for the majority of PTO, the deadline for lodging an appeal will be 30 June 2022. It also takes into account the economies of scope that should be achievable by the fact the Assessor rather than the VAC Secretary will set the PDD.

Finally, the table assumes a disposal date for proposals of 30 September 2024 and of appeals in December 2024, ensuring that all revaluation appeals are disposed of before the next revaluation.

Figure 2: Comparison between existing revaluation/appeals schedule and illustrative schedule in the reformed system



Notes - EXISTING REVAL. APPEALS SYSTEM WITHIN A FIVE-YEAR REVAL. (TWO-YEAR TONE DATE)

- 1 Revaluation 2022 Draft RVs published on SAA Portal in December 2021 (note this is not a statutory requirement)
- 2 2022 Revaluation comes into force on 1 April Year 1 (1 April 2022)
- 3 Appellant may lodge revaluation appeal up to 6 months after 1 April 2022/after the valuation notice issue date (whichever is later)
- 4 During Months 7 to 9 Year 1 (October - December 2022) appeals are processed by Assessors/VAC Secretary
- 5 Appeals start being heard early in 2023. Disposal deadline for revaluation appeals: 31 December 2025
- 6 Tone date for 2027 revaluation (1 April 2025)

Notes - ILLUSTRATIVE NEW REVAL. APPEALS SYSTEM WITHIN A THREE-YEAR REVAL. CYCLE (TWO-YEAR TONE DATE FOR 2022 REVAL., ONE-YEAR TONE DATE FOR 2025 REVAL.)

- 1** Statutory requirement that draft RVs be published on 31 December Year 0 (31 December 2021)
- 2** If no change in Draft RV prior to Revaluation (1 April 2022), proposal may be lodged up to 30 June Year 1 (30 June 2022)
- 3** 2022 Revaluation comes into force on 1 April Year 1 (1 April 2022)
- 4** If Draft RV changes between 31 December Year 0 (31 December 2021), proposal to Assessor may be made up to 31 July Year 1 (31 July 2022)
- 5** During Month 5 Year 1 (August 2022) Assessor to process and batch proposals for Proposal Disposal Dates (PDD) that fall between Month 6 Year 1 (September 2022) and Month 6 Year 3 (September 2024)
- 6** Proposal-disposal period between Month 6 Year 1 and Month 6 Year 3 (September 2022 and December 2024)
- 7** Appeals can be lodged to First-Tier Tribunal (FTT) within 21 days of DN. FTT issues appellant with hearing date up to 31 December Year 3 (31 December 2024)
- 8** Tone date for 2025 revaluation (1 April 2024)

8.3. Annex C – Illustrative move to online communication of valuation notices and further information

The Appeals sub-Group supported the move to a paperless interaction between the Assessor and PTO on the basis of encouraging digitalization and lowering public sector costs as well as the environmental impact of communication.

It would be sensible for this move to be gradual between the 2022 revaluation and the 2025 revaluation in order that ratepayers may become familiar with the proposed changes in the valuation system, the introduction of draft RVs, and reforms to the appeals system. It should also always allow for postal provision of information upon request.

Based on these principles, one member of the group suggested that at the point of online publication of Draft RVs for the 2022 revaluation, the Assessor issues a postal letter to all PTOs advising of the publication of Draft RVs and where they can be accessed online. It should also reference other information that is available, including the move to three yearly revaluations, the creation of a proposal stage and associated PTO rights.

The letter should also indicate that if the revaluation RV is different when the revaluation comes into force on 1 April then another letter will be issued.

The member further suggested that from 2025 all notifications from the Assessor be provided via a user account on the SAA Portal (noting that this facilities does not currently exist), and that the above letter should encourage PTO or their agent to register for a user account. This could allow for any future electronic notifications to be given to PTO either directly or via e-mail alerts. PTO could have the opportunity to opt out of this system if desired.

This schedule would provide the SAA with three years from 2022 to ensure that facilities to support SAA Portal user accounts can be developed, tested and implemented.



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