

Report

Report to:	Lanarkshire Valuation Joint Board
Date of Meeting:	7 December 2020
Report by:	Assistant Assessor and Electoral Registration Officer

Subject:	Non-Domestic Appeals Update
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ present to members of the Joint Board, for information, the progress in the disposal of appeals in respect of the 2017 Revaluation and to update the Board on recent developments as regards non-domestic appeals in general

2. Recommendation(s)

2.1. The Board is asked to approve the following recommendation(s):-

- (1) that the content of the report be noted.

3. The Effect of Covid-19

3.1. The global pandemic has had a marked effect on the disposal of both Revaluation and Running Roll appeals and has led to a large number of new Running Roll appeals lodged on the grounds that the effect of COVID-19 is a material change of circumstances (MCC) affecting the annual value of non-domestic properties.

3.2. Effect on Running Roll Appeal Numbers

As stated, COVID-19 has led to the lodging of voluminous Running Roll appeals, lodged on the grounds that the effect of COVID-19 is a MCC affecting the annual value of non-domestic properties. In North and South Lanarkshire combined, there were a total of 4,234 such appeals lodged. This is a significant number of appeals, which will be resource intensive for the Lanarkshire Valuation Joint Board (LVJB) both administratively and in terms of discussing the appeals to ensure they are disposed of timeously. Details of these appeals can be seen in Appendix 1.

3.3. Effect on Appeal Disposal

When the country entered lock-down on 23 March 2020, there were already 5 Valuation Appeal Panel Hearings scheduled to sit prior to 30 June 2020. There were circa 1,600 appeals cited for these hearings. This constituted the bulk of all outstanding appeals that were required by statute to be disposed of by 31 December 2020. In addition, there were a further 6 non-domestic hearings scheduled, for the period from 23 September to 16 December 2020, to allow substantive cases to be heard and disposed of by the Appeal Panel.

3.4. Due to health concerns associated with the pandemic, the Secretary to the Appeal Panel, understandably, cancelled the 5 outstanding hearings up to June 2020, with the outstanding appeals being postponed and re-cited for the hearings between September and December 2020. However, the Secretary to the Appeal Panel, again understandably, decided that, although not cancelled, these hearings would only deal with administrative matters and not substantive matters. The effect of which is that many appeals that would have been dealt with have been postponed until early in 2021.

3.5 Notwithstanding this, LVJB's staff have continued to attempt to settle appeals with ratepayers and their professional representatives. The results of these on-going discussions are quantified at sections 5.3 and 6.3.

3.6 Effect on Appeal Disposal Dates

With appeal hearings being interrupted throughout Scotland, and looking to the additional Running Roll appeals caused by Covid-19, the Scottish Government introduced The Valuation Timetable (Scotland) Order 2020 whereby all 2017 Revaluation appeals with a disposal date of 31 December 2020, and any Running Roll appeals that had a disposal date before 1 April 2021, had their disposal date amended to 31 December 2021.

4. 2005 and 2010 Appeals

4.1. In respect of the 2005 Revaluation, in total 7 appeals remain, of which 4 are Revaluation appeals and 3 are Running Roll appeals, all are in respect of Telecoms subjects and all are referred to the Lands Tribunal for Scotland (LTS). Discussions on these appeals are being led by the office of the Assessor for Renfrewshire.

4.2. In respect of the 2010 Revaluation, in total 8 appeals remain, of which 4 are Revaluation appeals and 4 are Running Roll appeals, all are in respect of Telecoms subjects and all are referred to the LTS. Again, discussions on these appeals are being led by the office of the Assessor for Renfrewshire.

5. 2017 Outstanding Revaluation Appeals

5.1. LVJB received 9,281 appeals in respect of the 2017 Revaluation, an increase of almost 23% compared to the 7,563 appeals that were received for the 2010 Revaluation. As noted at section 3.3, the bulk of all outstanding appeals that required to be dealt with by the Appeal Panel as of 31 December 2020 were cited for hearing at Valuation Appeal Committees in the run up to June 2020. These were postponed and re-cited for hearing between September and December 2020. Details of these can be seen in Appendix 2.

5.2. As stated above, the Secretary to the Appeal Panel has taken the decision, due to the pandemic, not to hold face-to-face hearings, rather he has arranged for procedural matters only to be dealt with virtually.

5.3. As at 16 November 2020, LVJB has 592 appeals for the 2017 Revaluation outstanding, of which 364 are to be disposed of prior to 31 December 2021, with the remaining 228 referred to the LTS. The majority of these will be cited for hearing in the first part of 2021. It is expected that a number of these will be referred to the Lands Tribunal for Scotland.

6. 2017 Outstanding Running Roll Appeals

- 6.1. Again, many of these appeals were cited for hearing up to June 2020 and were subsequently postponed, to be re-cited in the latter part of 2020.
- 6.2. These have been added to by, as stated at 3.2, a total of 4,234 appeals lodged relating to the pandemic.
- 6.3. As of 16 November 2020, LVJB has 4,726 Running Roll appeals outstanding, of which 4,234 relate to the alleged MCC caused by the pandemic. Again, it is expected that a number of these will be referred to the Lands Tribunal for Scotland.
- 6.4. Non-pandemic Running Roll appeals have been cited for hearing in the latter part of 2020, with those relating to the pandemic to be cited for hearing thereafter. Details of these can be seen in Appendix 3.

7. Valuation Appeal Committee Hearings

- 7.1. To mitigate against the risk of not meeting statutory appeal disposal dates, it has been agreed with the Secretary to the Appeal Panel that there will be, in addition to the 4 remaining Non-Domestic Appeal Hearings in 2020, 18 such Hearings held in 2021. This is an increase from the 14 scheduled in 2020.

8. Employee Implications

- 8.1. Appeals are resource intensive and work is underway to scope dealing with this.

9. Financial Implications

- 9.1. None

10. Climate Change, Sustainability and Environmental Implications

- 10.1. There are no climate change, sustainability or environmental implications in terms of the information contained in this report.

11. Other Implications

- 11.1. There are no implications for risk in terms of the information contained in this report.

12. Equality Impact Assessment and Consultation Arrangements

- 12.1. This report does not introduce a new policy, function or strategy or recommend a change to existing policy, function or strategy and, therefore, no impact assessment is required.
- 12.2. There is no requirement for consultation in respect of this report.

13. Privacy Impact Assessment

- 13.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore no impact assessment is required.

Jim Neason

Assistant Assessor and Electoral Registration Officer

19 November 2020

Previous References

- ◆ Report on 2017 Revaluation Appeal Disposal – LVJB meeting of 2 December 2019

List of Background Papers

- ◆ None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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Analysis of Covid Running Roll Appeals

Scottish Government Category	General Description	No of Appeals Received	No of Appeals disposed of as of 16/16/2020	No of Appeals Remaining as at 16/11/2020
1	Shop	1546	0	1546
2	Public House	171	0	171
3	Office (Including Banks)	1284	0	1284
4	Hotel etc	28	0	28
5	Industrial	736	0	736
6	Leisure, Entertainment, Caravans & Holiday Sites	66	0	66
7	Garage & Petrol Stations	68	0	68
8	Cultural	3	0	3
9	Sporting Subjects	6	0	6
10	Education & Training	20	0	20
11	Public Service Subjects	37	0	37
12	Communications (Non Formula)	6	0	6
13	Quarries, Mines etc	11	0	11
14	Petrochemical	1	0	1
15	Religious	1	0	1
16	Health Medical	25	0	25
17	Other	44	0	44
18	Care Facilities	16	0	16
19	Advertising	145	0	145
20	Undertakings	20	0	20
	Totals	4234	0	4234

Analysis of 2017 Revaluation Appeal Disposal (Excluding LTS Referrals)

Scottish Government Category	General Description	No of Appeals Received	No of Appeals disposed of as of 16/11/2020	No of Appeals Remaining as at 16/11/2020
1	Shop	2137	2072	65
2	Public House	225	170	55
3	Office (Including Banks)	2224	2182	42
4	Hotel etc	39	32	7
5	Industrial	2307	2244	63
6	Leisure, Entertainment, Caravans & Holiday Sites	136	108	28
7	Garage & Petrol Stations	120	102	18
8	Cultural	11	9	2
9	Sporting Subjects	11	6	5
10	Education & Training	316	305	11
11	Public Service Subjects	477	453	24
12	Communications (Non Formula)	10	6	4
13	Quarries, Mines etc	17	10	7
14	Petrochemical	2	2	0
15	Religious	75	74	1
16	Health Medical	247	246	1
17	Other	405	400	5
18	Care Facilities	151	150	1
19	Advertising	286	274	12
20	Undertakings	85	72	13
	Totals	9281	8917	364

Analysis of Non-Covid Running Roll Appeal Disposal (Excluding LTS Referrals)

Scottish Government Category	General Description	No of Appeals Received	No of Appeals disposed of as of 16/11/2020	No of Appeals Remaining as at 16/11/2020
1	Shop	264	199	65
2	Public House	34	22	12
3	Office (Including Banks)	332	183	149
4	Hotel etc	9	2	7
5	Industrial	261	178	83
6	Leisure, Entertainment, Caravans & Holiday Sites	32	18	14
7	Garage & Petrol Stations	8	4	4
8	Cultural	0	0	0
9	Sporting Subjects	116	80	36
10	Education & Training	14	11	3
11	Public Service Subjects	8	6	2
12	Communications (Non Formula)	3	0	3
13	Quarries, Mines etc	5	2	3
14	Petrochemical	3	0	3
15	Religious	1	1	0
16	Health Medical	2	2	0
17	Other	37	32	5
18	Care Facilities	8	7	1
19	Advertising	13	7	6
20	Undertakings	95	45	50
	Totals	1245	799	446