



Business Rates Newsletter

June 2022

Welcome to our latest Newsletter! With the forthcoming 2023 Revaluation, in preparation we are expecting numerous changes to the appeal process and current rates relief packages. In light of this, we will be issuing more regular newsletters to keep our clients and businesses informed.

Rating Revaluation 1 April 2023

- The current valuation rolls in Scotland came into force on 1 April 2017, based on property values two years prior to that date, at 1 April 2015

- Originally those values were to remain in force for five years to 2022
 - In March 2020 the Non-Domestic Rates (Scotland) Act 2020 received Royal Assent, changing rating revaluations to every three years after 2023
 - The tone date for the 2023 Revaluation will be April 2022
 - Current Rates Relief packages may also be subject to review
 - New values may move above current value relief thresholds
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Assessors Information Notices (AINs)

- Assessors preparing for the Revaluation by collating property evidence
 - Assessors issuing AIN's which require completion within 28 days
 - Penalties can be £1,000 or (as a last resort), 50% of rateable value
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- Non return within 28 days from issued AIN could result in a fine of the greater of £200 or 1% of the rateable value of the property at the time (or £1,000 where the Lands and Heritages are not currently entered in the Valuation Roll);
 - Non return within a further 42 days from original penalty notice could result in fine of the greater of £1,000 or 20% of the rateable value of the property at the time (or £1,000 where the Lands and Heritages are not currently entered in the Valuation Roll);
 - No return after period of a further 56 days from original penalty notice could result in a fine of the greater of £1,000 or 50% of the rateable value (or £50,000 where the Lands and Heritages are not currently entered in the Valuation Roll)

The information notices are complex and we would therefore recommend that you contact a professional to assist in completion of same. Details to speak with a member of our Team can be found at the bottom of this newsletter.

Issue Date: 13/01/2022

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DAYS

The information must be provided within 28 days from the issue date or you may be liable for a civil penalty

Appeal Process

Assessors will release draft valuations at the end of November 2022. These values will supposedly enable initial 'informal' discussion before they become final as from 1 April 2023.

We have a number of concerns:

- Four months, over Christmas and New Year, is a very short period for agents/ratepayers to liaise on property evidence and challenge draft valuations throughout Scotland
- Any agreement with a ratepayer or agent during this period will be used as supportive evidence to substantiate the Assessors valuation scheme for Scotland, or the levels of value for that property type or location.
- Instead of being entitled to lodge an immediate appeal, rate payers will be permitted, from April to July, to submit a "proposal"
- The proposal will need to include a) detailed grounds of appeal- the reasons you think that value is wrong, and b) detailed comparable evidence as to how you have arrived at the alternative rateable value

If you wish to appoint an agent to act on your behalf the process will require:

1. Rating survey of the land and buildings
2. Analysis of local, or national property rental evidence
3. Preparation of a Rating Valuation
4. Initial report to client with Valuation, comments and recommendations

5. Submission of full proposal to the Assessor within the statutory timescale

The intention is once the proposal is lodged with the detailed grounds, these cannot be amended or expanded upon at a later date.

The Scottish Government said the changes aim to improve information sharing between rate payers and assessors. The new [proposal] stage is aimed at encouraging a settlement between the Assessor and the proposer prior to the need for involvement by the first-tier tribunal in future.

Sports Clubs

The Scottish Government is consulting on a recommendation by the independent Barclay Review on business rates that sports clubs with significant assets should lose their current rates relief.

The large values on some of these clubs, which due to historic relief will have gone unchallenged, could result in a potential huge liability next year.

We have strong concerns that such increases will lead to this cost being passed on to members with resultant fall in membership - at odds with Government health policy! It is our view that any revised valuation should therefore be reviewed and challenged.

Financial

Management

Our new Financial Management service will help us to assist our clients and provide a review of rates bills to ensure this significant outgoing is correct but also provide input into future value changes that might occur with alterations, improvements or demolition.

If you are interested in this service, you can find out more via our website [here](#).

Any Questions?

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