



Business Rates Newsletter

August 2022 Update

Welcome to our latest Newsletter! The Scottish government is currently reviewing all the procedures with regard to the next Revaluation. The timescale is extremely tight with many of the regulations and procedures yet to be announced.

However a number of issues are ongoing of which ratepayers should be aware in particular the prospect of **Civil Penalties** being issued to ratepayers as outlined below.

Scottish Rating Revaluation 2023

- The next commercial Rating Revaluation will take effect from 1 April 2023 and the draft Valuations will be available at the end of November 2022. This is to update all rateable values last revised in April 2017

- The Assessors in Scotland are currently preparing for the Revaluation and are issuing Returns of Information seeking details on owners, tenants and occupiers. The forms also require information on any property changes and rents
- If the property is a hotel, public house or restaurant they request confirmation of turnover broken down between rooms, food and beverage
- Build costs will be sought on specialist subjects such as schools, colleges, universities, museums and local authority buildings

Rateable Value

- Rateable Value is the assumed rent on the basis similar to a full repairing and insuring lease. The rateable value reflects the current state of the property therefore includes improvements or additions made by the occupier or landlord

Returns of Information

- In order to obtain the rental and cost evidence the Assessor is empowered to issue a 'Return of Information'
- This is a statutory form seeking all the information as outlined above to enable property analysis to arrive at the rateable value
- The statute requires this to be returned within **28 days** of the date of issues
- If the Notice is not returned timeously or includes false information a Civil Penalty can be issued

Civil Penalty Notices

- It has been confirmed that Assessors are moving (if not already) to issue civil penalty notices for non-return of Return of Information forms
- If no returns is received after 28 days a reminder will be issued, providing a further 28 days for the return to be made and a statement reiterating the potential for a civil penalty to be applied
- The correspondence will include, or offer, a replacement form or provide the relevant on-line form link, as appropriate

- If no return is received after 56 days, a Civil Penalty Notice will be issued

The Civil Fine will be based on the following:

- £200 or 1% of the rateable value (whichever is greater)
- If after 42 days from the date of the notice the ratepayer has still not complied, then a further penalty of £1,000 or 20% of the rateable value will be imposed
- After 56 days from the date of the notice a further penalty of £1,000 or 50% of the rateable value is imposed
- Penalties are cumulative so after 56 days the fine will total £2,200 or 71% of the rateable value!!

In summary the combined effect can be extremely punitive and can be issued to landlords, tenants or occupiers and includes agents, surveyors or accountants of these party's.

If you have any query concerning Returns we would be delighted to assist and make the Return on your behalf. However this is only on the basis sufficient time is available for the analysis and provision of all the information required.

Any Questions?

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