

Hospitality Valuations Working Group Meeting

18 April 2017, St Andrews House, Edinburgh

Attendees:

Marianne Barker, Scottish Government (co- Chair)
Garry Clark, Scottish Chambers of Commerce (co-Chair)

Tim Bunker, Scottish Chambers of Commerce
Fiona Campbell, Association of Scotland's Self-Caterers
Marc Crothall, Scottish Tourism Alliance
Alastair Kirkwood, Scottish Assessors Association
Willie Macleod, British Hospitality Association
Ken McCormack, Royal Institution of Chartered Surveyors
Ian Milton, Scottish Assessors Association
Paul Waterson, Scottish Licensed Trade Association

This meeting took place to agree a collective late submission to the Barclay review.

The following points were agreed to be submitted to the Barclay review

- There needs to be a fuller and more transparent understanding on the part of the assessors of the hospitality sector and the ability of businesses to pay business rates, including the relative burden of business rates on hospitality businesses compared to other sectors, and on the part of the hospitality sector of the methods used by assessors to calculate notional rental costs and valuations, including the mapping of actual rental values, turnover and notional rental values. This study should involve the private sector, the Scottish Assessors Association and RICS.
- There was an agreement that local services need to be paid for, but better information needs to be given on what the money is used for and why businesses (and non-domestic premises) need to contribute
- The current system dis-incentivises investment in the property (as rateable value increases immediately upon improvement) so a lag period should be considered before rateable value increases
- More ratepayers need to provide information on their business to help the assessor achieve a clearer understanding of individual ratepayers performance and the current criminal penalty for not doing providing such information should change to a civil penalty
- Assessors need better information gathering powers, with the consent of ratepayers, e.g. from accountants and developers, and consideration should be given to allow SAA to access Registers of Scotland data
- Revaluations should take place more frequently (3 years) with less of a lag between Tone date and effective date. This will help reduce shocks within the system
- Valuations should be able to "lie" for a year before coming into force. This will allow ratepayers time to plan financially and negotiate with Assessors
- The hospitality sector will consider provision of anonymised trading accounts to the SAA to assist in understanding of how these businesses operate
- Improved education of ratepayers is needed on the rating system and for solicitors/estate agents

- Often businesses don't appreciate when negotiating rents that this may increase their rates bill too - awareness needs to be raised about this point
- Further consideration should be given to the notion that everyone should pay something, including current recipients of SBBS and agricultural land (no-one should get 100% relief), but noting this may carry a resource cost for the SAA