



**PUBLIC PETITION NO.**

**PE01464**

### **Name of petitioner**

Mr P Muir on behalf of Colliers International

### **Petition title**

Postponement of the 2015 Non-domestic Rates Revaluation

### **Petition summary**

Calling on the Scottish Parliament to urge the Scottish Government to review its decision to postpone the 2015 non-domestic rates revaluation to 2017

### **Action taken to resolve issues of concern before submitting the petition**

This petition follows the announcement by the UK Government to postpone the 2015 Revaluation in England and subsequent calls by interested parties in Scotland for urgent clarification of the Scottish Government's position on this matter.

The Scottish Government were encouraged by various press and property media articles to confirm their position in respect the 2015 Revaluation. No definitive answers were given and the announcement that they intended to postpone the Revaluation was announced as part of a general review of non domestic rating. This consultation is due to conclude on 22nd February which is too late in our opinion to fully voice opposition to the postponement of the Revaluation. It is for this reason that the petition has been lodged.

In addition, as Colliers act for a large number of organisations located across Scotland, it has not been possible to raise this matter direct with any specific local or list MSP. However opposition to such a measure has been raised with both Anabelle Goldie and Margaret Mitchel (The latter being a member of the Finance and Regeneration Committee) in the past few weeks to raise our concerns to this measure. They are fully aware of the intention to lodge this petition. In addition, it is known that other business organisations have voiced their opposition to such a measure as having a negative impact on business development and regeneration of run down parts of Scotland. These organisations include Scottish Chambers of Commerce, the Royal Institution of Chartered Surveyors and the Institute of Revenues, Rating and Valuation.

### **Petition background information**

On Tuesday 27th November 2012, the Scottish Government confirmed, as part of the Business Rates Consultation, that Non-Domestic Revaluation would now take place on 1st April 2017. This represents a postponement of some two years. Despite being called to confirm their position, the decision was announced as part of a consultation on

non domestic rating.

This decision must be overturned, as hard-pressed businesses in all sectors have been awaiting the 2015 Revaluation. This is because the date values are based on is rents passing on or about 1st April 2013. The economic crisis fully hit after the last date 2010 Revaluation figures were based on 1st April 2008 and, therefore, current Rateable Values are based on what are now considered artificially high rents, given the current market conditions. Businesses, especially retail have been looking forward to the 2015 Revaluation as it would in effect mean Rateable Values based on market conditions currently being experienced. This is calculated at an average reduction accross Scotland to be in the region of 23%.

Should the Revaluation not occur, it will also mean that any potential ratepayer looking to occupy a vacant property will be put off at the initial planning stage. Asking rents will be lower but a high Rateable Value will effect any business model. Proceeding with the Revaluation will lower Rateable Values making properties more marketable and should therefore stimulate demand. Coupled with recent changes to empty property relief revised Rateable Values need to occur on schedule. Such a delay will instead lead to further business failures thus resulting in even more empty properties accross the country.

For businesses to survive, the Revaluation must not be postponed, rather proceed as normal, to allow current rental levels to be utilised. Although the consultation document invites feedback on this and another raft of measures effecting non domestic rating, it is felt that given the opposition to the proposed postponement of the Revaluation that a petition be raised in order that all interested parties from individual (unrepresented) ratepayers to national companies be allowed to voice their concerns. Such a petition is already "live" in respect of the Westminster government's decision to postpone the Revaluation in England and Wales and in the interests of fairness a similar petition should be in place in respect of Scotland.

#### Unique web address

<http://www.scottish.parliament.uk/GettingInvolved/Petitions/NoDelayTo2015Revaluation>

#### Related information for petition

**Do you wish your petition to be hosted on the Parliament's website to collect signatures online?**

YES

**How many signatures have you collected so far?**

0

**Closing date for collecting signatures online**

01 / 03 / 2013

#### Comments to stimulate online discussion

Businesses require the Revaluation to take place in 2015 and not 2017. Recent case law has forbidden the use of current rental levels to secure reductions in Rateable

Value between Revaluations.

The delay will mean that ratepayers will have to pay their annual rates liability based on pre-recessionary rental levels. This measure can only lead to the closure of yet more businesses, who have been relying on the 2015 Revaluation to reflect true rental levels.

High Rateable Values on current vacant units will more than ever deter any potential occupier from taking a vacant unit.

This measure, coupled with the recent changes to empty property relief (now enacted legislation), can only increase the suffering for both landlords and their tenants.