



15<sup>th</sup> October 2020

## **OPEN LETTER TO ALL MEMBERS OF THE SCOTTISH PARLIAMENT**

### **REJECT THE REVALUATION DELAY ORDER FROM SCOTTISH GOVERNMENT**

We are writing to you to voice our alarm and shared concern over recently announced Scottish Government plans to delay the 2022 Non-Domestic Rates Revaluation as detailed in the recent Programme for Government.

The whole rationale of the recent Barclay Review was to design a rates system that responds to changing market conditions and therefore the announcement of a delay to the Revaluation in 2022 runs counter to its flagship recommendation for **more not less** frequent Revaluations.

We are profoundly concerned, given the limiting of Material Change of Circumstance (MCC) appeal rights introduced by Section 13 of the Non-Domestic Rates Act 2020, that a delay of Revaluation from 1<sup>st</sup> April 2022 to 1<sup>st</sup> April 2023 will be terminally damaging for many businesses and will detract from efforts to reboot our economy in the coming years.

We believe the impact of the recent Scottish Government legislation imposing restrictions to MCC appeal rights for Ratepayers, which was predicated on having more regular revaluations, combined with this plan to delay the next Revaluation could cause untold devastation to many businesses. This is because **Rateable Values could for a further 2 and half years fail to reflect the full impact of Covid 19** and recent restrictions if the Revaluation Delay Order is approved by Parliament.

We believe this is unacceptable and we therefore call on you to reject the Revaluation Delay Order that will be coming before Parliament in the next few weeks. **We instead ask you to call for the Scottish Government to go ahead as planned with the 2022 Revaluation.**

The Government rationale to delay was a concern the Valuation tone Date of 1<sup>st</sup> April 2020 wouldn't reflect the onset of Covid-19. We disagree as at that date the country was indeed in lockdown and valuations would have had to reflect that. Our simple, fair and sensible solution, considering the most recent Covid-19 restrictions, would be to **carry on with the 2022 Revaluation, and introduce a Valuation tone date of 1<sup>st</sup> April 2021, which will ensure Rateable Values from April 2022 reflect the full impact of Covid-19** and these most recent restrictions.

This will ensure that businesses worst impacted by Covid-19 and these most recent restrictions will receive further assistance when they need it most. Whilst the Government have introduced welcome reliefs to certain sectors, these cannot be used to justify delay of the widely accepted rationale of Regular revaluations. The system needs to be self-sustainable, not reliant on constant Government tinkering with reliefs often capped by state aid rules and not always appropriately targeted or evaluated.

Revaluing properties as early as possible to align Rateable Values with current rental market conditions in light of Covid-19 and the most recent restrictions is essential for economic recovery, as well as regaining confidence of the business community.


Therefore, the **2022 Revaluation should not be delayed**, and **we ask you to vote against the Revaluation Delay Order and support our solution.**

We enclose a summary briefing which may be helpful to you. This shows clearly the long journey business has been through which has now culminated in reversing agreements to fix a broken system which will seriously impact on jobs and investment.

Yours Sincerely,



Dr Liz Cameron OBE  
Director & Chief Executive  
Scottish Chambers of Commerce



Brian Rogan BSc MRICS  
Head of Rating in Scotland for CBRE Ltd  
Chair of SCC Business Rates Advisory Group