LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

CALL FOR VIEWS ON THE NON-DOMESTIC RATES (SCOTLAND) BILL

SUBMISSION FROM HISTORIC HOUSES

Historic Houses represents the UK’s largest collection of independently owned historic houses, castles and gardens. Our family includes over 1,650 important listed buildings across the country. In Scotland, our Historic Houses places include such diverse houses as Inveraray Castle, Traquair House, and Floors Castle.

The historic houses and gardens which Historic Houses represents are not only local heritage landmarks but have also found many ways to keep their houses economically viable. They are embedded in rural communities as major tourist attractions; as small businesses, as well as hubs for other local businesses; as employers and clients; as providers of community space and leisure activities; and of course, as land managers and stewards of rural heritage and landscapes.

1. The Scottish Government’s overall programme of Non-Domestic Rates reform, and how the Bill fits in to this.

Historic Houses broadly welcomes the changes to Non-Domestic Rates regulations as set out in the Bill.

2. How the Government has responded to the Barclay review, in particular on those recommendations it has rejected in full or part.

In Historic Houses view, this Bill is a good response to the Barclay review. We are pleased that the Bill explicitly makes the aim to introduce ‘measures to support economic growth and long-term investment, measures to improve ratepayer experience and administration of the system, and proposals to increase fairness and ensure a level playing field’.

Historic Houses also supports Scottish Government’s amendment of the proposal to restrict empty property relief for listed buildings from 2 years to 5 years. Such buildings can present major challenges and can require a longer period of potential vacancy due to the need for increased planning responsibilities, higher investment costs than unlisted buildings, and additional complexities that can occur when conserving and adapting heritage assets. We would like to have assurance that in the event that local authorities are made responsible for empty property rates policy, this position would be maintained across Scotland.

3. Revaluation of properties subject to non-domestic rates would be carries out every 3 years rather than every 5 years.
Historic Houses welcomes the proposed change to a three-yearly valuation cycle, and the recognition from Scottish Government that Assessors will require additional personnel and funding to deliver this.

5. **Address a perceived “loophole” that enables owners of holiday homes to avoid both council tax and non-domestic rates**

Many Historic Houses places in Scotland operate self-catering premises, any profits from which a fed back into the repair and maintenance of the whole property. We have some concern about the requirement for a property to be actually let for 70 days, and how this requirement will be enforced; for example, if a booking that would take a property over the 70 days a year mark is cancelled at short notice at the end of the year, would that automatically trigger the removal of non-domestic status? We accept that the detail of any proposal would have to be the subject of secondary legislation, which would be detailed at a later date, but we feel that as the income from holiday lets is so important to securing the continued repair and maintenance of Scotland’s heritage, this point should be made now.

6. **Reduce the current high rate of valuation appeals**

Historic Houses would support changes to make the appeals process more efficient and more transparent. However, we do not support the suggestion that an appeal fee should be considered to cover any structural changes.

12. **Do you have any further comments about the Bill? Is there anything not in the Bill concerning non-domestic rates what should be in the Bill?**

As noted above, Historic Houses is supportive of many of the suggested changes in the Bill, and for the focus to ensure that business rates are transparent, equitable and predictable. We support the SLE in the consultation response, and their key comment that the success of the Bill will be done to how the changes to ratepayer are to be communicated. Once this body is confirmed, we look forward to working with them to endure that Historic Houses places in Scotland as fully aware of the changes to legislation.