LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

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

SUBMISSION FROM WEST DUNBARTONSHIRE COUNCIL

3. Section 2 of the Bill which provides that revaluation of properties subject to non-domestic rates would be carried out every 3 years rather than every 5 years.

WDC Response: Revaluations will impact Assessor in the main – however the impact on the Council will be where revaluation lead to more calls/enquiries and potential additional workload linked to more frequent reviews of the Small Business Bonus Relief – this may result in the need for additional resource to manage for WDC.

4. Section 3 of the Bill, which (together with section 9) makes provision in relation to new or improved properties. These delay the point at which non-domestic rates are increased because a property has been expanded or improved, or at which a new build property begins to incur liability to non-domestic rates. The underlying aim is to incentivise development and investment in business properties.

WDC Response: WDC do not envisage a major impact – applications for this relief would likely increase however as WDC operate online and software would be updated, we believe there should be little impact.

5. Section 4, which aims to increase the degree to which parks are subject to non-domestic rates, in recognition of the commercial activities that take place in some parks (eg the running of a café).

WDC Response: Number of parks and the commercial interests are relatively low – where rateable, we believe this would be for assessors and WDC would bill and collect as normal.

6. Section 5, intended as a measure to address a perceived “loophole” that enables owners of holiday homes to avoid both council tax and non-domestic rates by making it more difficult to enter a home on the roll (and, through this, to then claim relief under the small business bonus scheme).

WDC Response: WDC believe there should be little impact to our Council – consideration for entry onto roll is with Assessors; WDC would review all SBBS applications as necessary.

7. Sections 6-9, which aim to reduce the current high rate of valuation appeals, which the Scottish Government perceives as speculative. (Increasing the frequency of ratings revaluations in section 2 is also seen as a component of this reform.)
WDC Response: WDC feels this would impact Assessors – noting previous comment on Small Business Bonus Relief (point 3 above).

8. Section 10, which removes eligibility to claim charitable relief from non-domestic rates from mainstream independent schools, and section 11 which gives the Scottish Ministers the power to issue guidance to local authorities on the appropriate way to use their powers to grant sports club relief.

WDC Response: No WDC impact

9. Section 12, which aims to address what the Scottish Government describes as a known tax avoidance tactic concerning unoccupied or under-used properties.

WDC Response: Aids cases where empty relief is expired and where payment due – organisations then suggest property is in use (e.g. for storage). WDC welcome this approach and impact will be minimal on WDC.

10. Section 13, which will enable councils to initiate debt recovery proceedings for unpaid rates sooner.

WDC Response: WDC welcomes this revised approach, though may increase costs of recovery.

11. Sections 14, 18, 19 and 22, which together aim to strengthen the power of assessors to obtain the information they need to carry out their role, and sections 15, 16, 17, 20, 21 and 22 which give local authorities increased powers to obtain information from ratepayers, in order to ensure that the information they have is accurate, and to reduce the risk of fraud.

WDC Response: WDC welcomes this approach and will expect there to be additional resource requirements to implement these penalties.

12. Part 4 of the Bill, which give the Scottish Ministers the power to make anti-avoidance regulations to prevent ratepayers gaining an advantage from avoidance arrangements that are considered artificial, and sets out definitions of “advantage” and “artificial”.

WDC Response: WDC feels that this is a significant issue and would welcome the implementation of such anti avoidance regulations.

Other 13. Do you have any other comments about the Bill? In particular, is there anything not in the Bill concerning non-domestic rates that should be in the Bill?
WDC Response: WDC would reflect COSLA’s position on new legislation and any financial consequences for Councils should be funded by Scottish Government. It would be more effective if the developments with software providers are managed centrally to secure consistency of practice across Scotland. Discussions via the NDR practitioners group should be undertaken to obtain consistent treatment and approaches.