POLICY NOTE

THE VALUATION (PROPOSALS PROCEDURE) (SCOTLAND) AMENDMENT REGULATIONS 2024

SSI 2024/186

The above instrument is made in exercise of the powers conferred by section 3ZA(7) of the Local Government (Scotland) Act 1975. It is subject to the negative procedure.

Summary box

The purpose of these Regulations is to bring together in one instrument the procedures and timescales for the making and disposal of proposals and the timescales for the making of appeals.

The instrument also ensures the wording of the regulations delivers the policy intention set out in 2022 and discussed below that the earliest deadline for the assessor to issue notice of a decision on a proposal under the two-stage appeals system introduced on 1 April 2023, is 30 September six months before the start of the next revaluation year, that is to say 30 September 2025 in the 2023 revaluation cycle.

Policy Objectives

The objective of these Regulations is to bring together in one instrument, the Valuation (Proposals Procedure) (Scotland) Regulations 2022 ("the 2022 Regulations"), the procedures and timescales for the making and disposal of proposals and the timescales for the making of appeals. These were originally set out in the 2022 Regulations (in respect of the last dates for the making of appeals) and the Valuation Timetable (Scotland) Order 2022 ("the 2022 Order") (in respect of the last date for the making of proposals and the last date for the assessor to issue notice of the proposal determination date, and to issue notice of a decision on a proposal). These Regulations also clarify the wording to ensure that the policy intention in relation to the earliest deadline for the assessor to issue notice of a decision on a proposal can be delivered.

These regulations insert new regulations in the 2022 Regulations, setting out the timescales within which certain things require to be done in connection with proposals to alter an entry in the valuation roll, which is a record of rated non-domestic property.

New Regulation 17ZA sets out the last dates for making a proposal – this date depends on the section of the Local Government (Scotland) Act 1975 in reliance on which a proposal is made. The last date for making a proposal in relation to the making of an entry, or alteration to an entry in the valuation roll is whichever is the later of:

- 31 July in the year of revaluation which follows the year in which the valuation is made;
- the last day of the period of 4 months starting with the date on which the relevant notice in relation to an entry in the valuation roll was sent to the proprietor, tenant or occupier.

New Regulation 17ZA also sets out the following deadlines to make a proposal:

- When a person becomes a new proprietor, tenant or occupier of the property, this is 4 months after they became the proprietor, tenant or occupier.
- On the grounds there has been a material change of circumstances, the deadline to make a proposal is 4 months after the valuation roll containing the relevant entry ceases to be in force.
- On the ground that there is an error in the entry, the deadline to make a proposal is 31 March in the year preceding the immediately following year of revaluation.

New Regulation 17ZB sets out the last date or the assessor to issue notice of the proposal determination date (70 days before the proposal determination date).

New Regulation 17ZC sets out the last date for the assessor to issue notice of a decision on a proposal, namely whichever is the latest of:

- 30 September in the year before the revaluation year which follows the coming into force of the valuation roll containing the entry to which the proposal relates. This wording is to ensure that the policy intention as set out in 2022 is delivered, namely that the earliest deadline for the assessor to issue notice of a decision on a proposal is 30 September six months before the start of the next revaluation year, that is to say 30 September 2025 in the 2023 revaluation cycle as the next revaluation is scheduled for 1 April 2026;
- 30 September in the year after the year in which the proposal is made to the assessor; or
- the last day of the period of 12 months beginning with the date on which the proposal is made to the assessor.

EU Alignment Consideration

This instrument is not relevant to the Scottish Government's policy to maintain alignment with the EU.

Consultation

The procedures and the timescales for the making and disposal of proposals were consulted on in 2021. The Scottish Government published an analysis of the consultation responses on in 2022 which can be accessed at Reforming the non-domestic rates system: consultation analysis - gov.scot (www.gov.scot)[1] as well as a response to the consultation: Consultation on reforming the non-domestic rates system: proposals, the draft valuation roll, content of valuation notices, etc. - Scottish Government consultations - Citizen Space[2]. This specified that following consideration of the consultation responses, the deadline for the disposal of proposals would be set at whichever is the latest of 30 September in the year before the revaluation year (that is to say 30 September 2025 in the 2023 revlauation cycle), 30 September in the year after the year in which the proposal is made, or the last day of the period of 12 months beginning with the date on which the proposal is made.

[1] https://www.gov.scot/publications/reforming-non-domestic-rates-system-consultation-analysis/
[2] https://consult.gov.scot/local-government-and-communities/non-domestic-rates-processes/

In the 'New Deal for Business Group Report on progress and recommendations'[3], Recommendation 4 of the Non-Domestic Rates sub-group states that "some business members of the group requested that the Scottish Government give urgent consideration to extending the timetable for submitting a proposal challenging a valuation from 31 July to 30 September 2023". Following consideration, the Scottish Government announced on 17 July 2023 that it would extend the proposal-lodging deadline to 31 August 2023. This was provided for in the Valuation (Proposals Procedure) (Scotland) Regulations 2022, as amended by The Valuation (Proposals Procedure) (Scotland) Amendment Regulations 2023.

New regulation 17ZA of the 2022 Regulations, inserted by these regulations, sets out the *original* deadlines for making a proposal, set out at the point of introduction of a new two-stage appeals system on 1 April 2023 in the 2022 Order (as originally laid). In relation to the making of an entry, or alteration to an entry in the valuation roll, the deadline for making a proposal is whichever is the later of 31 July in the year in which the valuation roll containing the entry in relation to which the proposal is made comes into force; or four months after the relevant notice was sent to the owner of occupier of a property. This is done without prejudice to the Scottish Government survey which is still open at the time of the laying of these Regulations, being run between 28 May and 23 July 2024, and which seeks views on the one-month extension of this deadline for the 2023 revaluation to 31 August 2023, as well as the two-stage appeals system more broadly. The responses to this consultation will inform consideration over the procedures and timescales for the making and disposal of proposals for the 2026 revaluation onwards.

Impact Assessments

A Business Regulatory Impact Assessment was published for the package of instruments of which the 2022 Regulations formed part and can be accessed at: The Valuation (Proposals Procedure) (Scotland) Regulations 2022 (legislation.gov.uk)[4]. These amendment Regulations do not affect the outcome of that assessment.

Financial Effects

This instrument has no direct financial implications.

Scottish Government
Local Government and Communities Directorate
June 2024

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[3] https://url6.mailanyone.net/scanner?m=1sByH8-0007Z8-3s&d=4%7Cmail%2F90%2F1716907800%2F1sByH8-0007Z8-3s%7Cin6a%7C57e1b682%7C13589492%7C12687008%7C6655F0FEAA967AADBCAF84C50DC2C817&o=%2Fphtw%3A%2Fwtscow.t.sogven%2Fb%2Frisia%2Ftcoontdne%2Fecuotsgmnuovsl%2Fpbctsticpon%2Fai-rroessrge2tpo%2F203r%2Fdn06aw-e%2Feeul-sinsbspo-gop-rruesgro-rpesmrrtecom-estnddon%2Faismocnnt%2Fue-dewualb-egesios-rnsrrup-pot-esgprres-ordmectenaomwsiodne-n%2Fi-eaeusnlbpgssrou--rrrepg-pootcsremreos-odmestinnatv%2Fg3co%25osncAd%2Fmetoul-nebea-wd-nusrssgieo-outeprprso-p-resrgnoreamedcmfdp.snoit&s=nIA9Ax7yldjoSaI4hzL52ahOlRc

[4] https://www.legislation.gov.uk/ssi/2022/369/pdfs/ssifia_20220369_en.pdf