

The Highland and Western Isles Valuation Joint Board

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Date: 29 May 2025

By email-
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Dear Sir

Section 27(8) Non-Domestic Rates (Scotland) Act 2020
Report by The Highland and Western Isles Valuation Joint Board

I refer to Section 27(8) of the above Act and am pleased to enclose the Annual Report from The Highland and Western Isles Valuation Joint Board for laying.

I trust this is sufficient for the purposes of the Section.

Yours faithfully

Stewart Fraser
Clerk to the Board

The Highland and Western Isles Valuation Joint Board

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Duty to Report to the Scottish Parliament on the number of Assessors and availability of resources

Background

Under Section 24 of the Non-Domestic Rates (Scotland) Act 2020, valuation joint boards established by an order under section 27(7) of the Local Government etc. (Scotland) Act 1994, and valuation authorities, from whom functions have not been delegated to such a board by virtue of section 27(8) of that Act, must in each reporting year, prepare a report to the Scottish Parliament on:

1. The number of assessors and depute assessors appointed by the board or authority holding office on 1st April in that year.
2. Whether that number is sufficient for the proper exercise of the functions of those assessors and depute assessors in relation to non-domestic rates
3. Whether the board or authority has sufficient resources for the proper exercise of its functions in relation to non-domestic rates
4. Such other matters relating to non-domestic rates as the board or authority considers appropriate

The report must be submitted to Parliament by the 31st May in the reporting year. The first reporting year is 2025 and reports are to be three yearly thereafter.

This report is submitted by the Highland and Western Isles Valuation Joint Board, for the valuation areas of The Highland Council and Comhairle Nan Eilean Siar and will respond to each of the above points in order below.

1. **The number of assessors and depute assessors appointed by the board or authority holding office on 1st April in that year.**

At 1st April 2025, the Highland and Western Isles Valuation Joint Board retained one assessor and two statutory depute assessors, each appointed under section 27 (2) of the Local Government etc. (Scotland) Act 1994.

2. **Whether that number is sufficient for the proper exercise of the functions of those assessors and depute assessors in relation to non-domestic rates**

The number of assessors and depute assessors appointed within the Assessor Service for the Highland and Western Isles Valuation Joint Board is sufficient for the size of the Service.

However, recruitment challenges exist below the level of statutory depute. In particular, there has been, since the introduction of the Barclay Review recommendations, difficulty in recruiting qualified chartered surveyors with experience in non-domestic rating. This has led to an increase in the number of trainees which the Board has committed to train. The training journey can

be lengthy depending on the level of qualification and experience that the trainee has when they enter the service. The supervision and mentoring of the recruits as they seek professional accreditation places an additional burden on already stretched chartered surveyor resource. At present 30% of valuation staff are not fully qualified chartered surveyors.

The above, has a knock-on effect in dealing with the two-stage appeal process in non-domestic rating which came into force on 1 April 2023. This has been a significant change for valuation staff as the chartered surveyors who are involved in proposal/appeal work also find themselves supporting graduates and trainees as they gain experience in the process. This along with the level of change experienced has been challenging. The administrative process involved in proposal/appeal work, and the interaction with the Local Taxation Chamber is more onerous than that under the previous regime.

3. Whether the board or authority has sufficient resources for the proper exercise of its functions in relation to non-domestic rates

Funding requests, to implement the Barclay Review recommendations¹ accepted by Scottish Government², for financial years 2019-20 up to 2025-26 were submitted to the Scottish Government by assessors. This funding allocation is usually specifically referred to in Local Government Finance circulars to Chief Executives and Directors of Finance of Local Authorities and the Chief Executive of the Convention of Scottish Local Authorities (COSLA). It is also referred to in Scottish Government updates to the Settlement and Distribution Group. It is recognised that the resource requirements for assessors, due to the legislative changes resulting from the Barclay Review, are recurring in nature. The process for identifying Barclay implementation funding was agreed by COSLA leaders in 2019 and has been reaffirmed each year since then. Decisions on funding for future years is dependent on the Fiscal Framework. Financial certainty is required for assessors beyond 2025-26. Assessors have amended staffing levels and other resource requirements to meet legislative change resulting from the Barclay Review. Certainty of the long-term funding position for assessors is required as it is not clear how assessors funding beyond 2025-26 will be identified within the grant settlement. There is a risk to the continued successful delivery of "Barclay" without the necessary funding of assessors. Barclay funding while welcome, only represents a small proportion of overall assessor budgets and core budgets have continued to be funded via the Local Government Settlement and are therefore subject to the same constraints.

It is noted that the duty to Report to the Parliament is three yearly however budgets are currently only available on an annual basis and therefore any statement on the sufficiency of resource can only be for the 2025/26 Financial year.

For the financial year 2025/26, as well as an increase in budget of 9.2% (excluding Barclay funding), a draw on reserves of £47,000 has been proposed to cover the additional workload involved in the annual audit of self-catering units. This will allow the process to be completed but will not improve falling KPIs. The true figure to complete the additional workload and improve KPIs will be more than the proposed figure to be drawn from reserves.

The additional workload involved in the annual audit of self-catering units, which was introduced from financial year 2022-23, has proven to be more significant than anticipated. Without additional resource to support the

¹ Non-domestic tax rates review: Barclay report - gov.scot

² Barclay+review+of+non-domestic+rates+-+implementation+plan.pdf

administration of this annual process, or a change in the legislation to enable a less burdensome process, there is a risk to the successful delivery of accurate 3-yearly revaluations. The number of self-catering unit entries are unevenly distributed among the 14 assessors' areas with the risk most acutely experienced in the HWIVJB area where over 5,000, 32% of the Scottish total, sit on the valuation roll.

4. Such other matters relating to non-domestic rates as the board or authority considers appropriate

Consultations regarding further change to the current NDR system, places further uncertainty and risk on the non-domestic rating process and consequently on Assessors' staff. Future certainty would be welcomed.

The Scottish Assessors Portal website: [Scottish Assessors – Scottish Assessors Association website](#) has been in existence since 2004 and provides a single point where the customer can access information on, for example, Council Tax Bands and Rateable Values for the whole of Scotland. It is also relied upon by Scottish Government statisticians. In the 20 years since the Portal's inception, the site has been developed and improved by assessors to include online forms, valuations, improved resilience and data security. After 20 years the Portal is nearing end of life. The costs of this replacement project are significant and cannot be met from assessors' current budgets.

Reform of the Council Tax valuation system is a constant uncertainty for assessors and their staff. During February 2025 representatives from the Scottish Assessors' Association attended a Local Government, Housing and Planning Committee evidence session on possible Council Tax Reform and they have also met with Scottish Government officials on the topic. The uncertainty over the future direction of Council Tax makes future planning difficult for assessors particularly as they now deliver three yearly non-domestic revaluations and a one-year tone (valuation) date. Early notice of any policy intent will be vital in ensuring assessors are suitably funded and can make the necessary workforce changes to deliver on their statutory functions.

It is noted that it is only recently that the Local Taxation Chamber has begun listing appeal hearings for cases arising out of the 2023 Revaluation. It is important that the Taxation Chamber is adequately resourced to allow Revaluation appeals to be scheduled and heard within a suitable time after receipt and where possible well before the next Revaluation comes into force.