

WEST DUNBARTONSHIRE COUNCIL**Report by Chief Officer - Resources****West Dunbartonshire Council – 20 December 2023**

Subject: Non Domestic Rates Empty Property Relief Policy**1. Purpose**

1.1 The purpose of this report is to seek approval of the amended West Dunbartonshire Council (the Council) Non-Domestic Rates (NDR) Empty Property Relief (EPR) Policy.

2. Recommendations

2.1 Members are asked to:

- a) Approve the amended West Dunbartonshire Council Empty Property Relief Policy.
- b) Agree that a review of the new Empty Property Relief Policy is carried out by 31 March 2025 and presented to the Council.

3. Background

3.1 NDR is a national rate of non-domestic properties taxation and is determined each year by the Scottish Parliament. All local authorities collect the rates and the monies collected are pooled into a national central fund which is redistributed to councils.

3.2 The Scottish Government, in line with the Barclay Review, devolved EPR to local authorities from 1 April 2023 to award discretionary local reliefs. The view was that devolved EPR allows councils to set out their own local arrangements to better align the use of the relief in meeting local aims and strategic priorities.

3.3 On 29th March 2023, Council agreed a West Dunbartonshire NDR EPR Policy from 1st April 2023, which mirrored the legislation it replaced. It was recommended that a review of the new EPR Policy be carried out prior to 31 March 2024. The current EPRs provided are:

- All unoccupied properties (non-industrial) receive 50% relief from non-domestic rates for the first 3 months they are unoccupied, reducing to a 10% relief thereafter.

- Unoccupied industrial properties are eligible to receive 100% relief from non-domestic rates for the first 6 months they are unoccupied, reducing to a 10% discount thereafter.
- 100% relief may be awarded where a property is unoccupied, with no limit of time, where the following criteria are met:
 - a listed building
 - a rateable value under £1,700
 - owned by a trustee for sequestration, liquidation or executors
 - the owner is a company or partnership being wound up
 - the owner is in administration (or subject to administration order)
 - by law, the property cannot be occupied
 - under a compulsory purchase order
 - the property has no buildings.

4. Main Issues

- 4.1** The proposed amendment to the policy is to remove the 100% EPR awarded to listed buildings.
- 4.2** Removal of the 100% EPR awarded indefinitely to unoccupied listed buildings, provides an opportunity to make changes that will encourage owners to bring empty premises back into use, therefore supporting the aims of the economic strategy to strengthen the local economy and support existing businesses.
- 4.3** The current position for 2023/2024 is 6 empty listed buildings receive EPR to the value of £34,414.92. The number and type of empty properties varies year on year and is influenced by many factors out with the control of the Council.
- 4.4** There is further scope to review the EPR applied to unoccupied non-domestic properties which currently receive 50% relief for 3 months followed by 10% relief however these reliefs are awarded to provide support and allow time for the properties to come back into use.
- 4.5** In 2024/25 we will consult with internal and external stakeholders in relation to further proposed changes to the EPR awarded for unoccupied non-domestic properties to fully understand risks to any change. As rate payers receiving the 10% EPR are currently charged 90% NDR, it would be reasonable to assume rate payers would be attempting to have these occupied as soon as possible and removal of 10% EPR would be against the aim of the Act and potentially cause hardship.
- 4.6** Consideration was given to carrying out the consultation now intended for 2024/25 in 2023/24 to inform this review of the policy however due to the current financial climate and the challenges faced by rate payers with empty properties trying to find occupants it was decided to delay this until 2024/25.

4.7 Following consultation with other local authorities, the majority are proposing the same or similar changes to their EPR policies. Discussions will continue in 2024/25 with local authorities and Scottish Government officers at Institute of Revenues, Ratings and Valuation forums on future changes to EPR.

5. People Implications

5.1 There are no personnel issues.

6. Financial and Procurement Implications

Financial

6.1 The Council has been allocated annual funding of £861,550 based on the average share of total EPR over 2018/19 and 2019/20 prior to COVID times. This is our share of the £105M baseline allocation set and is only fixed for 3 years until the 2026 Revaluation.

6.2 It is not known what the funding level will be in 2026/27 as the impact of devolved EPR will be subject to review during 2025/26. The Scottish Government will review approaches that councils have taken, and whether policy objectives have been achieved. It is very likely the funding provided will be reduced based on the changes made to EPR.

6.3 Approving the removal of the 100% EPR awarded to unoccupied listed building will generate an estimated £34,415 in income. If it is approved this will be presented as a management adjustment to Council when agreeing the 2024/24 budget in March 2024.

Procurement

6.3 There are no procurement issues

7. Risk Analysis

7.1 The provision for West Dunbartonshire Council Empty Property Relief is provided within the current forecast planning based on the current legislative position. As stated at 6.2 EPR funding from Scottish Government will be reviewed for 2026/27.

7.2 There is a risk removal of EPR for listed buildings will cause hardship to rate-payers, therefore should the proposed amendment be approved rate-payers impacted will be contacted to advise with support and assistance being offered.

8. Equalities Impact Assessment (EIA)

8.1 No potential negative equality impacts were identified.

9. Strategic Environmental Assessment (SEA)

9.1 There is no requirement to carry out a SEA

10. Consultation

10.1 Consultation has taken place with Business Support and Economic Development and there are no concerns with the proposed amendment.

10.2 External consultation also took place between local authorities and Scottish Government officers at Institute of Revenues, Ratings and Valuation forum meetings held during 2022/23.

11. Strategic Assessment

11.1 NDR collection and the value of relief to be applied forms part of the financial governance of the Council. Sound financial practice and budgetary control are imperative to assist with the governance of the Council and support officers of the Council in achieving the five strategic priorities.

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Appendices: West Dunbartonshire Council Non Domestic Rates Empty Property Relief Policy NDR

Background Papers: EIA screening

Wards Affected: All council Wards.