

WEST DUNBARTONSHIRE COUNCIL

Report by Chief Officer - Resources

Audit Committee: 10 March 2021

Subject: Update of Non-Domestic Rates Member/Officer Working Group

1. Purpose

- 1.1** The purpose of this report is to provide Members' with an update on the Member/Officer working group to consider issues affecting the Council in relation to Non-Domestic Rates (NDR).

2. Recommendations

- 2.1** It is recommended that Members:

- Note the report;
- Agree the revised membership of the Working Group as detailed within this report; and
- Agree the updated remit of the Group as detailed within this report.

3. Background

- 3.1** Audit Committee on 20 March 2019 agreed the creation of a Member/Officer NDR Working Group with the following remit:

- Issues which prevent payment of NDR and the approach to pursuit of non-payers including monitoring of the effect of implementation of the publicising of non-payers;
- New powers to the Council on application of reliefs and to vary rates arising from the Scottish Government legislation arising from the Barclay Review, e.g. pressures on shopping centres consider rents/rates/incentives for new businesses;
- Potential approaches to make further representation to the Scottish Government around issues identified, e.g. "phoenix companies"; and
- Any other NDR specific issues that are identified.

- 3.2** In addition to the above remit the membership of the group was agreed as:

- 4 Elected Members and 1 Lay Member of the Audit Committee;
- Strategic Lead – Resources;
- Legal representation;

- Estates representation; and
- Senior NDR Practitioner.

3.3 It was anticipated that the Group would identify issues and solutions and report progress back to the Audit Committee at future meetings. Any suggested policy changes would require to be referred onto Corporate Services Committee for consideration. The Working Group has met 4 times since it was created, however meetings and progress has been stalled due to COVID-19 issues being prioritised. The attached appendix provides some further information on the activities of the Group in the 4 meetings that have taken place.

3.4 In discussion with the Chair of the Audit Committee there is a view that now might be a good point to consider the future role and membership of the group.

4. Main Issues

4.1 Following discussion with the Chair of the Audit Committee (who is also the Chair of the Group) it is suggested that the group is refreshed as follows:

- The remit of the Group remains valid however should also consider the linkages between NDR and local economic regeneration;
- In accordance with Standing Order 2.2, the Working Group needs to take guidance from local employers and workers, as stakeholders. Standing Order 2.2 relates to the role of the Audit Committee and includes the following:
 - Monitoring and ensuring that the views of local people, employees and other stakeholders are sought on relevant issues; and
 - Promoting partnership working.
- A refresh of the Working Group membership at this stage with the following membership:
 - Chair of the Audit Committee - John Mooney;
 - Chair of the IRED Committee - Ian McLaren;
 - Lay Member of the Audit Committee - Chris Johnstone;
 - Representative of West Dunbartonshire Chamber of Commerce – Nick Allan or substitute;
 - Representative of the STUC - Andy MacAllion or substitute;
 - Senior Finance Officer - Stephen West or substitute;
 - Senior Regeneration Officer - Angela Wilson or substitute; and
 - Senior Regulatory Officer - Peter Hessett or substitute.
- The Working Group should conclude its business by the end of 2021 and report to the Audit Committee and Corporate Services Committee.

- 4.4** It is anticipated that the Group would identify issues and solutions and report progress back to the Audit Committee at future meetings. Any suggested policy changes would require to be referred onto the appropriate Service Committee or Council for consideration.

5. People Implications

- 5.1** There are no personnel issues with this report, other than officers involved would require to attend this Group in addition to current duties.

6. Financial and Procurement Implications

- 6.1** There are neither financial nor procurement implications arising directly from this report.

7. Risk Analysis

- 7.1** There is a risk that if the Group spends time considering NDR collection issues and does not generate any new approaches, etc. The effectiveness of the Group can be assessed by Audit Committee.
- 7.2** There is a risk if the Working Group does not conclude its work that opportunities to support the local economy may be lost. To mitigate this risk it will be important for the Group to meet at an appropriate frequency and on appropriate topics to enable the relevant issues to be considered and reported upon within the desired timeline.

8. Equalities Impact Assessment (EIA)

- 8.1** There are no equalities issues.

9. Consultation

- 9.1** This report has been subject to consultation with the Chair of the Audit Committee. In addition, Legal Services and Regeneration Services have been consulted and have raised no concerns in the creation and role of the Group as proposed in this report.

10. Strategic Assessment

- 10.1** This report relates to strong corporate governance and financial sustainability.

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Date: 10 March 2021

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Appendix: Summary of Group meetings and activities to date

Background Papers: Creation of Non-Domestic Rates Member/Officer Working
Group – 20 March 2019

Wards Affected: All Wards

NNDR Working Group

The Working Group has had 4 meetings since inception:

- 12 June 2019;
- 25 September 2019;
- 27 November 2019; and
- 18 March 2020.

The Working Group has considered the undernoted topics, and has reviewed reports in respect of the following:

- (1) Collection of NNDR, Licensing legislation and the possibility of publicising non-payers;
- (2) New powers to the Council arising from the Scottish Government legislation on account of the Barclay Review;
- (3) Discussion on the Fresh Start Scheme, and how this could be promoted more widely to local businesses;
- (4) Scottish Government Reliefs and Council powers to vary Rates;
- (5) Details of properties currently rented out by WDC and rates payable; and
- (6) Write-off of NNDR.

In respect of decisions, *amongst other things* the following was agreed:-

- (1) **(a) Collection of NNDR, Licensing legislation and the possibility of publicising non-payers** – Noted (a) the terms of the report that there was currently no legal mechanism to restrict someone's ability to obtain a licence where non domestic rates have not been paid and a clear example of 'phoenixing' was known; and (b) when reporting to the Council's Audit Committee, to recommend that the Committee consider asking the Scottish Government to propose amendments to the licensing legislation so that failure to pay non-domestic rates may become a relevant matter in a licensing context;

(b) Collection of Non Domestic Rates and Licensing – When reporting to the Council's Audit Committee, to recommend that the Committee consider asking the Scottish Government to propose amendments to the licensing legislation so that failure to pay non-domestic rates may become a relevant matter in a licensing context and also to recommend that any business operator who is trading in the area would require some sort of a licence for trading so that before granting the licence the local authority can check the history of the applicant in order to consider issues around 'phoenix' businesses; and

- (2) **New powers to the Council arising from the Scottish Government legislation on account of the Barclay Review** – Noted, with regard to the Fresh Start scheme, that an area for review and to be reported back would be to identify Landlords, who have empty premises and were currently in receipt of empty property relief for a period of 6 months or more. The intention would be to contact Landlords direct, to make them aware of the scheme and they in turn promote the availability of 100% relief for the first 12 months of new occupation, to all categories of property with a Rateable Value under £65,000 to prospective new tenants; and

- (3) **Scottish Government Reliefs and Council powers to vary Rates** – to note the terms of the discussion that had taken place in respect of Clydebank Town Centre and to note the updated position in relation to Clydebank Town Centre as discussed at the Infrastructure, Regeneration and Economic Development Committee on 20 November 2019, and as detailed in the report and relevant Minute to that Committee.