

REPORT TO: East Lothian Council

MEETING DATE: 28 February 2023

BY: Executive Director for Council Resources

SUBJECT: Business Rates Empty Property Relief Policy

1 PURPOSE

- 1.1 To seek Council's agreement for the Business Rates Empty Property Relief Policy.

2 RECOMMENDATIONS

Council is recommended to:

- 2.1 Agree to adopt the Scottish Government's current Empty Property Relief legislation for Business Rates as the devolved East Lothian Council Policy from 1 April 2023.
- 2.2 Note the intention to review this policy during 23/24 as part of the wider budget strategy.

3 BACKGROUND

- 3.1 The existing provisions for the award of Empty Property relief (Section 24 of the Local Government (Scotland) Act 1966) will be repealed by Section 19 of the Non-Domestic Rates Act (Scotland) 2020 with effect from 1 April 2023. An East Lothian Business Rates Empty Property Relief Policy needs to be introduced from 1 April 2023. Scottish councils are able to introduce their own Empty Property Relief Policy by using Section 3A of the Local Government (Financial Provisions etc.) (Scotland) Act, as amended by Section 140 of the Community Empowerment (Scotland) Act 2015.

4 POLICY IMPLICATIONS

4.1 East Lothian Council's Business Rates Empty Property Relief Policy will initially mirror the Scottish Government's current legislation and definitions. Empty properties are defined as rateable entries which are not currently occupied.

4.2 Time-limited Empty Property Relief

4.2.1 Industrial Properties (with the same definition contained previously in the Local Government (Scotland) Act 1966) will receive 100% relief for six months from the last date of occupation and 10% relief thereafter.

4.2.2 All other non-industrial properties will receive 50% rates relief for the first three months from the last occupation date and 10% relief thereafter.

4.2.3 Short periods of occupation of three months or less will be ignored when assessing last occupation date.

4.3 100% Empty Property Relief – No Limit of Time

4.3.1 Listed Buildings or properties subject to preservation order. The property is subject to a building preservation notice(s) as defined by Section 56 of the town and Country Planning (Scotland) act 1972 (a) or included in a list compiled under Section a of that Act; or included in the Schedule of Monuments compiled under Section 11 of the Ancient Monuments and Archaeological Areas Act; or Industrial lands and heritages.

4.3.2 Properties that do not comprise of any building or part-building.

4.3.3 Properties with a rateable value of less than £1700.

4.3.4 Properties where the rateable occupier is a trustee for sequestration, liquidation, or an executor. The person entitled to possession of the lands and heritages is so entitled by virtue of being the trustee under a trust deed for creditors, or the trustee under an award of sequestration, or the executor of the estate of a deceased person.

4.3.5 Properties where the rateable occupier is a company that has been wound up under the Insolvency Act. The person entitled to possession of the lands and heritages is so entitled in his capacity as liquidator by virtue of an order made under Section 112 or Section 145 of the Insolvency Act 1986 (d), or the owner of the lands and heritages is a company which is subject to a winding-up order made under the Insolvency Act 1986, or which is being wound up voluntarily under that Act.

4.3.6 Properties where occupation is prohibited by law. The owner of the lands and heritages are prohibited by law from occupying them or allowing them to be occupied.

4.3.7 Properties which are subject to a compulsory purchase order. The lands and heritages are kept vacant by reason of action taken by or on behalf of the Crown or any local or public authority with a view to prohibiting the occupation of the lands and heritages or to acquiring them.

4.4 Continuation of existing Empty Property Relief

4.4.1 Existing empty property reliefs will transfer over to East Lothian's Empty Property Relief Policy on 1 April 2023. Where time-limited reliefs are in place at 31 March 2023, each property will receive the balance of relief due based on the overall maximum period of six months for Industrial Property 100% relief (4.2.1) and maximum period of three months for non-Industrial Property 50% relief (4.2.2).

5 INTEGRATED IMPACT ASSESSMENT

5.1 The report is not applicable to the wellbeing of equalities groups and an Impact Assessment is not required.

6 RESOURCE IMPLICATIONS

6.1 Financial – No additional resource implications. A full review of Empty Property Relief recipients was carried out by the Revenues Service in October 2022. Another annual review of Empty Property Relief recipients is scheduled for autumn 2023.

6.2 Personnel - none

6.3 Other – none

7 BACKGROUND PAPERS

7.1 Current Empty Property Relief information can be found here

<https://www.mygov.scot/non-domestic-rates-relief/reliefs-for-empty-or-newly-re-occupied-properties>

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