

Non Domestic Rates

Empty Property Relief Policy

Version 1.0

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**Inverclyde Council - Finance
Revenues and Benefits**

Document Control

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Change Control Table

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1.0 Introduction

1.1 This document details Inverclyde Council's policy on non-domestic rates reliefs on empty property.

2.0 Background

2.1 With effect from 1 April 2023 local authorities will be required to set their own policy for the rating and reliefs of unoccupied properties. Empty property rating and relief will no longer be a mandatory relief of rates as existing regulations do not apply from that date.

2.2 Section 19 of the Non-Domestic Rates (Scotland) Act 2020 repeals Section 24 of the Local Government (Scotland) Act 1966 . The effect being all relief from Non-Domestic Rates in respect of empty land and heritages cease with effect from 1st April 2023.

2.3 Section 140 of the Community Empowerment Act 2015 added Section 3A of the Local Government (Financial Provisions etc) (Scotland) Act 1962, permitting local authorities to introduce a scheme to reduce or remit any rate leviable by it.

2.4 The Council policy replicates the previous legislative arrangements but will be subject to review should funding arrangements change or to take account of any other local arrangements.

3.0 Empty Property Relief Eligibility and Rates of Relief

3.1 Councils can provide relief of up to 100% of the rates due.

3.2 Under this policy the Empty Property Reliefs applied by Inverclyde Council are:

3.2.1 Unoccupied industrial property is eligible for 100% relief while so unoccupied for up to the first six months of such unoccupation, and 10% relief thereafter, until occupied. Where such a six month period of unoccupancy commenced prior to the coming into force of this policy (the policy date) then relief under this paragraph 3.2.1 will only apply for the balance of that six month period that is on or after the policy date, unless earlier brought to an end by the property ceasing to be unoccupied.

3.2.2 Property other than industrial property which is unoccupied is eligible for 50% relief while so unoccupied for up to the first three months of such unoccupation and 10% relief thereafter, until occupied. Where such a three month period of unoccupancy commenced prior to the coming into force of this policy (the policy date) then relief under this paragraph 3.2.2 will only apply for the balance of that three month period that is on

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or after the policy date, unless earlier brought to an end by the property ceasing to be unoccupied.

3.2.3 100% relief is awarded indefinitely for unoccupied properties where the property is empty and:

- is a listed building;
- subject of a building preservation order;
- the rateable value is under £1,700;
- where the person entitled to possession of the property is so entitled by virtue only of being:
 - the Trustee under a Trust Deed for creditors or under an award of Sequestration;
 - the Executor of a Deceased person;
 - a liquidator by virtue of an order made under section 112 or section 145 of the 1986 Act;
- 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;
- the owner of the property is prohibited by law from occupying them or allowing them to be occupied;
- has no buildings (i.e. ground or land that contain no buildings);
- the owner is a company or limited liability partnership, which on or after 1st April 2008— (i)remains subject to an administration order made under Part II of the 1986 Act, or (ii)is in administration within the meaning of paragraph 1 of schedule B1 of that Act;
- the owner is a company or limited liability partnership which is subject to a winding-up order made under the 1986 Act or which is being wound up voluntarily under that Act.

3.2.4 In this policy, and with particular reference to paragraphs 3.2.1 to 3.2.3:

- “1986 Act” means the Insolvency Act 1986;
- “building preservation order” means a building preservation notice within the meaning of section 3(1) of the Planning (Listed Buildings and Conservation Areas) (Scotland) Act 1997;
- “industrial property” means lands and heritages (other than retail property) comprising one or more buildings which is, or all of which are—
 - (a) constructed or adapted for use in the course of a trade or business; and
 - (b) constructed or adapted for use for one or more of the following purposes, or one or more such purposes and one or more purposes ancillary thereto:—
 - (i) the manufacture, repair or adaptation of goods or materials;
 - (ii) the subjection of goods or materials to any process;
 - (iii) storage (including the storage or handling of goods in the course of their distribution);

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- (iv) the working or processing of minerals;
- (v) the generation of electricity;
- “listed building” means lands and heritages included in a list compiled under section 1 of the Planning (Listed Buildings and Conservation Areas) (Scotland) Act 1997;
- “retail property” means any lands and heritages where any building or part of a building comprised in them is constructed or adapted for the purpose of the retail provision of—
 - (a) goods; or
 - (b) services (other than storage for distribution services) on or from the lands and heritages.

4.0 Subsidy Control

4.1 Where a recipient or as the case may be prospective recipient (referred to in either case here as “Recipient”) of empty property rates relief is involved in commercial activity, the Council will have to consider whether an award of relief would result in the level of financial assistance received by that Recipient in the applicable period as set out in Section 36 of the Subsidy Control Act 2022 (“the 2022 Act”) exceeding the permitted level of minimal financial assistance (“MFA”), again as set out in the 2022 Act, and may reduce the amount of relief awarded in terms of this policy if the MFA limit would be exceeded.

5.0 Application Process

5.1 Applications for Empty Property Relief are made by completing a designated application form submitted with relevant supporting evidence. Application forms are available on the Council’s website: [Reductions on your Rates bill - Inverclyde Council](#).

5.2 Eligibility for Empty Property Relief will be determined in accordance with this policy.

5.3 A decision will be made on whether the property is eligible.

5.4 Any additional information or evidence required will be requested from the owner.

5.5 Visiting officers may also be utilised to follow up on individual properties.

5.6 Officers will carry out checks to verify applications and any decision made is final subject to review.

5.7 Once the application form has been processed the owner will be notified in writing of the decision and their right to request a review of any decision and also of their responsibility to advise of any change in circumstances or of any erroneous assumptions by the Council.

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6.0 Backdating

6.1 An application for relief can be backdated to the start of the financial year in which the application is made provided the organisation satisfied the requirements at that time. Any applications for the previous financial year can be considered provided sufficient evidence is submitted in support of the application. Consideration may also be given where an organisation has been rated retrospectively either through the actions of the Council or the Assessor

7.0 Review Process

7.1 The ratepayer will be notified of the decision in writing. As this is a discretionary power there is no formal appeal process against the Council's decision. However the decision can be reconsidered in light of any additional points the ratepayer wishes to make.

7.2 Applicants who disagree with a decision in relation to the Empty Property Relief policy have a right to request a review. The review will be carried out by the Director of Environment and Regeneration whose decision will be final.

8.0 Amendments to Policy

8.1 The policy will be reviewed at intervals of no more than 3 years.

8.2 Ratepayers will be given at least 3 months notice of any change to the policy affecting their entitlement to rates relief or rates liability.