

# Report

Report to: **Executive Committee**  
Date of Meeting: **1 March 2023**  
Report by: **Chief Executive**

Subject: **Recommendation Referred by Finance and Corporate Resources Committee – Non-Domestic Rates – Empty Property Relief Policy**

## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ request approval of the undernoted recommendation referred to this Committee by the Finance and Corporate Resources Committee of 15 February 2023

## 2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the Empty Property Relief (EPR) Policy be approved and adopted by the Council from 1 April 2023.

## 3. Background

3.1. **Recommendation Referred by Finance and Corporate Resources Committee of 15 February 2023 – Non-Domestic Rates – Empty Property Relief Policy – Extract of Minute**

A report dated 25 January 2023 by the Executive Director (Finance and Corporate Resources) was submitted on the devolution of Non-Domestic Rates Empty Property Relief (EPR) from the Scottish Government to local authorities.

The existing EPR scheme operated at a national level, was mandatory and fully funded by the Scottish Government through the Local Government Finance Settlement. EPR provided certain rates relief on unoccupied non-domestic properties.

The Programme for Government 2021/2022 confirmed that the devolution of EPR would be delivered in April 2023 for the purpose of enabling councils to tailor support to meet local needs. This meant that EPR reliefs and exemptions would no longer be covered by legislation. All Scottish councils required to have an EPR Policy in place from 1 April 2023 as the current legislation governing this would lapse on 31 March 2023.

£105 million was to be devolved across councils by the Scottish Government, reflecting the Scottish Fiscal Commission (SFC) Medium Term Finance Strategy (MTFS) forecasts published on 31 May 2022. The annual allocation of £105 million was fixed until the next revaluation in 2026. This considered the impact of the rates

revaluation effective from 1 April 2023 and any inflationary pressures. The Council's allocation for 2023/2024 was £2.183 million.

It would be for local authorities to decide how they used this funding and the reliefs and exemptions that might apply under a local scheme. The funding provided was based on the operation of the current EPR scheme. Any changes to the reliefs and exemptions provided which cost more than the funding would have to be met by the Council.

The current legislative criteria for awarding EPR and the relief categories awarded in 2021/2022 were detailed in the report.

Devolution of EPR would come into effect at a time of significant change, with a major revaluation of non-domestic rateable values effective from 1 April 2023 and at a time of major volatility in the economy and financial uncertainty facing businesses.

Maintaining the current provisions would provide some stability and certainty for businesses as well as the Council during these challenging times. It also provided a period to assess the benefits of any future amendments to the policy. Indications from other councils were that this was also the approach they were adopting. Clarification was also awaited from the Scottish Government on some specific aspects of the new arrangements. A revised funding allocation had been confirmed to the Council on 24 January 2023.

It was recommended that the EDR Policy, to be adopted from 1 April 2023, reflect the change in legislation covering EPR and that the current policy be amended to reflect this. The proposed policy was attached as Appendix 1 to the report.

A review of the Council's EPR Policy would be undertaken and the outcome reported to this Committee by March 2024.

**The Committee decided:**

- (1) that the devolution of EPR to councils and the funding arrangements be noted; and
- (2) that the EPR Policy be reviewed and presented to this Committee by March 2024 to allow for a period of stability for rate payers and the Council.

**The Committee  
recommended to the  
Executive Committee:**

that the EPR Policy to be adopted by the Council from 1 April 2023, as detailed in Appendix 1 to the report, be approved.

- 3.2. A link to the [report](#) submitted to the Finance and Corporate Resources Committee of 15 February 2023 is provided here for information.

**4. Employee Implications**

- 4.1. All employee implications were highlighted as part of the original report to the Resource Committee.

**5. Financial Implications**

- 5.1. All financial implications were highlighted as part of the original report to the Resource Committee.

## **6. Climate Change, Sustainability and Environmental Implications**

- 6.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.

## **7. Other Implications**

- 7.1. Any risks or other implications were highlighted as part of the original report to the Resource Committee.

## **8. Equality Impact Assessment and Consultation Arrangements**

- 8.1. Equality impact assessment arrangements were highlighted as part of the original report to the Resource Committee.

**Cleland Sneddon**  
**Chief Executive**

15 February 2023

### **Link(s) to Council Values/Priorities/Outcomes**

- ◆ Accountable, effective, efficient and transparent

### **Previous References**

- ◆ Report to Finance and Corporate Resources Committee of 15 February 2023

### **List of Background Papers**

- ◆ None

### **Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-

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