

REPORT TO: CITY GOVERNANCE COMMITTEE – 17 FEBRUARY 2025

REPORT ON: AMENDMENT TO NON-DOMESTIC RATES EMPTY PROPERTY RELIEF OPERATIONAL POLICY

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 54-2025

1.0 PURPOSE OF REPORT

- 1.1 This report details a proposal to amend the Council's Non-Domestic Rates Empty Property Policy.

2.0 RECOMMENDATIONS

It is recommended the Committee:

- notes the contents of the report; and
- approve the proposed amendments to the Council's Non-Domestic Rates Empty Property Policy to come into operation from 1 April 2025 as detailed in appendix 1.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The Council's revenue grant funding settlement for 2024/25 included funding of £2.798m to meet the existing relief and exemption liabilities created by the current policy which came into effect from 1 April 2024. The existing level of grant funding received from Scottish Government will be maintained until March 2026.
- 3.2 Future changes to the Empty Property Policy will be the responsibility of the Council (i.e. any loss/increase in income comes directly to the Council).
- 3.3 The proposed amendments will safeguard any future loss in income. Currently there is no timeline restriction to apply for an empty property relief. 437 applications were received out with a six-month period in 2023/24 at a loss of revenue of £319,473. Collection levels will influence potential income raised.

4.0 BACKGROUND

- 4.1 Non-Domestic rates are a tax on non-domestic properties to help fund essential services. They are charged on properties held by private, public and third sectors and are payable by individuals, sole traders, businesses, charities and public sector organisations (including the Council itself).
- 4.2 From 1 April 2023 the responsibility for Non-Domestic Rates Empty Property Relief was devolved from Scottish Government to Local Authorities. City Governance Committee on 21 August 2023 (Report 224-2024, Article IX refers).
- 4.3 From 1 April 2023 all Councils have the power to amend Non-Domestic Rates Empty Property Relief and exemptions – there is no requirement to follow a national framework.
- 4.4 As of December 2024, there are currently 1,380 non-domestic empty properties in Dundee, 71 of which the Council is the owner.
- 4.5 The following operating principles would apply if amendments were agreed:
- the relief/exemption timescale will apply from the date the property was last occupied.
 - all applications for non-domestic empty property relief must be made during the initial 6-month period the property became unoccupied. Applications made after this period will not be backdated.
 - to avoid unintended consequences a minimum occupancy requirement of 6 months will apply.

- the proposal impacts the Council, as an owner of empty properties within the city. The portfolio of empty Council owned properties is proactively managed by the Council's Property Services team, with ongoing work to bring Council owned empty properties back into use.
- any unpaid charges will be subject to the Council's normal financial recovery activities.
- properties subject to legal action will continue to be exempt, for example, occupation prohibited by law; and
- a relief period up to a maximum of a further 6 months (12 months in total) may be considered where appropriate evidence exists. For example, where the building is being actively marketed for sale or let, or a current planning permission/building warrant exists.

4.6 This Policy is designed to encourage building owners to return properties to active use. Occupied premises are a vital component of a healthy growing economy. Benefits include increased economic activity throughout the city by attracting customers and business to the area. Any increased footfall can support other local businesses creating a cycle of economic activity.

4.7 Occupied premises facilitate improved spaces and amenities for residents and visitors by improving the quality of the visual environment. This can assist the city's high streets and town centre being attractive places to visit. Occupied premises can increase the value of nearby properties.

5.0 POLICY IMPLICATIONS

5.1 This report has been subject to an Integrated Impact Assessment to identify impacts on Equality these issues, positive or negative, were identified. An appropriate senior manager has checked and agreed with this assessment. A copy of the Integrated Impact Assessment is included as an Appendix to this report.

6.0 CONSULTATIONS

The Council Leadership Team were consulted in the preparation of this report.

7.0 BACKGROUND PAPERS

None.

ROBERT EMMOTT
EXECUTIVE DIRECTOR OF CORPORATE SERVICES

DATE: 17 FEBRUARY 2025

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Appendix 1

Current Policy	Proposal from 1 April 2025
100% empty property relief can be awarded for a 6-month period. In order for a further empty property relief to be applied the property is required to be occupied for a minimum of 3 months.	100% empty property relief can be awarded for a 6-month period. In order for a further empty property relief to be applied the property is required to be occupied for a minimum of 6 months.
There is no timeline restrictions to apply for an empty property relief.	Applications for an empty property relief must be made during the initial 6-month period the property first becomes unoccupied, and no backdating application will be considered if received out with this timescale.