

Aberdeenshire Council 2024/25 Budget – Appendix 10

Business Rates Empty Property Policy – effective from 1 April 2024

1. Introduction

- 1.1. Empty property reliefs or reductions available to Business Rates ratepayers for empty non-domestic properties were previously determined by the following legislation - Sections 24 to 25 of the Local Government (Scotland) Act 1966, the Non-Domestic Rating (Unoccupied Property) (Scotland) Regulations 1994, and the Non-Domestic Rating (Unoccupied Property) (Scotland) Regulations 2018. These regulations no longer apply.
- 1.2. From 1 April 2023, any discount available for empty non-domestic properties is now determined by the Community Empowerment (Scotland) Act 2015 Part 11. A rating authority may, in accordance with Part 11 of this Act reduce any rate levied by it in respect of lands and heritage but any scheme must have regard to the authority's expenditure and income and the interests of persons liable to pay council tax set by the authority. Part 11 does not allow any additional premiums to be added to the full charge for Non-Domestic Rates.
- 1.3. Empty properties are defined as those rateable properties which are not currently occupied. As a result of the 2017 Barclay Review the Scottish Government devolved responsibility for the determination of empty property relief (now referred to as discount) to Scottish Local Authorities from 1 April 2023. For Tax year 2023/24 Aberdeenshire Council took the decision to retain the same levels of discounts applied in 2022/23 with a new policy being developed during 2023/24, effective from 1 April 2024.

2. Policy from 1 April 2024

- 1.4. All new cases of empty properties from 1 April 2024 will be awarded 50% discount for up to 3 months from the date the property became empty irrelevant of type of property. At the end of the 3-month period, if the property remains empty, the discount will reduce to 10%.
- 1.5. Current cases in receipt of a 10% discount will continue to receive this discount from 1 April 2024.
- 1.6. From 1 April 2025, if a property has remained empty for 2 or more years, the 10% discount will be removed and the full charge levied.
- 1.7. Current cases in receipt of 100% discount and were previously exempt from Business Rates prior to 1 April 2023, will be awarded 10% discount from 1 April 2024 and if applicable discount removed from 1 April 2025.
- 1.8. Where a property becomes re-occupied, for the purposes of applications for unoccupied discount, the premises for which discount is being applied for must have been occupied for a period of at least 6 months.
- 1.9. A review of the policy is scheduled for 2026/27, after gaining insight into the implications of the 2026 revaluation, where revised rateable values will be implemented from 1 April 2026.