
Report To:	Policy & Resources Committee	Date:	31 January 2023
Report By:	Interim Director, Finance & Corporate Governance	Report No:	FIN/07/23/AP/TB
Contact Officer:	Tracy Bunton	Contact No:	01475 712090
Subject:	Revenues Policies: Corporate Debt Recovery and Non-Domestic Rates Empty Property Relief		

1.0 PURPOSE AND SUMMARY

- 1.1 For Decision For Information/Noting
- 1.2 The purpose of the report is to seek approval for the updated Corporate Debt Recovery Policy and the Council's inaugural Non Domestic Rates Empty Property Relief Policy.
- 1.3 The Corporate Debt Recovery Policy is updated to reflect best practice in terms of efficient collection performance while being sensitive to challenges faced by debtors as detailed at paragraphs 3.1 – 3.8 and set out at Appendix 1.
- 1.4 The Non Domestic Rating (Scotland) Act 2020 devolves charging and rates relief on unoccupied or empty properties to Councils with effect from 1 April 2023. Legislation providing mandatory rates relief is repealed and replaced permitting a local rates relief scheme in accordance with the Community Empowerment (Scotland) Act 2015.
- 1.5 The Scottish Government has committed to funding local schemes based on historical Empty Property Relief (EPR) expenditure levels. The amount allocated across Scotland of £105million is fixed for the next three years. The draft Policy in Appendix 2, which mirrors the existing Scottish Government EPR approach, is proposed to be implemented for the duration of 2023/24 during which a more detailed review will be carried out by officers and considered by the Committee for implementation in 2024/25.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Committee approves the updated Corporate Debt Recovery Policy as detailed in Appendix 1.
- 2.2 It is recommended that the Committee approves the Non-Domestic Rates Empty Property Policy as set out at Appendix 2 to be implemented from 1 April 2023.
- 2.3 It is recommended that the Committee otherwise notes that officers will develop proposals for an amended Inverclyde Empty Property Relief Policy as part of the development of the 2024/25 Budget.

Alan Puckrin
Interim Director, Finance & Corporate Governance

3.0 BACKGROUND AND CONTEXT

3.1 Corporate Debt Recovery Policy

- 3.2 The Council has both a legal duty and a responsibility to its citizens to collect income due promptly. The Policy, originally agreed in 2003 has been reviewed and updated to reflect operational best practice which ensures effective recovery of debt while being sensitive to the economic conditions faced by debtors.
- 3.3 The policy presents the general principles to be applied in relation to income collection and debt management across all services provided by the Council. The revised policy is set out at Appendix 1.
- 3.4 Sums due to the Council can be a mixture of statutory and non-statutory charges. The methods for billing, collection and recovery of the statutory debts can be tightly prescribed by law. The recovery methods for each debt stream are detailed in the policy document.
- 3.5 Advice Services provide income maximisation and debt management support, helping people recognise which debts are a priority and those for which non-payment will have the most profound consequences. The Debt Recovery team recognises the importance of this support and works closely with the HSCP Advice Service and third parties, advocating a realistic approach to managing finances to ensure debtors sustain payments. Advice Services are promoted at each stage of debt being recovered, from reminder Notices, direct customer contact, and a range of communications issued by the Council's Sheriff Officer.
- 3.6 Amendments have been made to the Corporate Debt Recovery Policy:
- (i) Debt advice services will be actively promoted including the offer of direct referrals.
 - (ii) In order to reduce administrative costs the Council will not issue accounts for less than £10.00 in all cases. The Chief Financial Officer will have discretion to approve the non-issuing of accounts for amounts over £10.00 where it is viewed that the administrative costs are uneconomical.
 - (iii) Services will be notified of non-payment. Withdrawal of services may be considered if permitted and appropriate to do so.
- 3.7 New items included in the policy:
- (i) The Council will adopt a corporate approach to refunding credits or making payments, in that wherever possible checks will be made for other outstanding debts due to the Council, prior to a refund or payment being made. Where these checks identify outstanding debts and where legally possible, the debt will be offset and the customer advised. Where this is not the case, legal advice will be sought before any offset is applied.
 - (ii) A refund will be arranged when an account is overpaid and no other debt is identified. Refunds will be paid by BACS.
- 3.8 Elements of Scottish Government policy introduced to protect debtors during the pandemic have been extended in recognition of the current economic climate. From 1 November 2022, the amount protected in a bank arrestment increased from £566.51 to £1,000. This means that anyone subject to a bank arrestment from 1 November will be left with a minimum of £1,000 in their bank account.

3.9 Non Domestic Rates Empty Property Relief Policy

- 3.10 With effect from 1 April 2023 the determination and administration of Non-Domestic Rates Empty Property Relief (EPR) has been devolved to local authorities in Scotland. As a result Councils will be required to set their own policy for the rating and reliefs available for unoccupied or empty properties. Empty property rating and relief will no longer be a mandatory relief of rates as the current regulations will not apply from that date.
- 3.11 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 property cease with effect from 1st April 2023.
- 3.12 Section 140 of the Community Empowerment Act 2015 adds 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.
- 3.13 This provision allows Inverclyde Council to replace the current rates relief awarded to owners of empty non-domestic properties with an agreed scheme as determined by members at the appropriate committee.
- 3.14 A scheme may comprise particular categories of lands and heritages; specified areas, activities and other matters as decided. Before exercising the power or amending a scheme, there must be consideration of the expenditure and income and the interests of council tax payers.
- 3.15 Total empty property relief awarded during 2022-23 was £226,630 (£338,391 2021/22) and in each category relief was as follows:

Relief Category	Value of Relief awarded 2022-23
100% relief for empty Industrial (6 months)	£ 12,749
50% relief for other (3 month)	£ 33,459
10% long term empty (industrial)	£ 1,234
10% long term empty (other)	£ 21,878
Listed Exempt Relief (100%)	£124,973
RV less than £1700 empty (100%)	£ 10,098
Land/Ground empty/exempt (100%)	nil
Insolvency empty (100%)	£ 17,181
Other exempt (100%)	£ 5,058
Total Empty Relief	£226,630

Officers believe this figure will be significantly understated as it excludes certain known empty properties where the owner has not, at the time of writing the report, applied for the relief. In addition, the Council is undertaking an exercise to identify empty properties currently receiving Small Business Bonus Scheme (SBBS) support. These will require to be met from the new EPR Budget going forward.

- 3.16 Local Government will receive £105 million per annum (fixed for three years) which will be distributed to each Council based on historic spend plus an element of headroom. The sum allocated to Inverclyde Council in 2023/24 is £788,000.

- 3.17 The value of funding will exceed relief awarded in recent years however there are a number of factors which will affect the value of relief potentially awarded under any new scheme introduced by the Council:
- a) The rate poundage and multiplier set each year by Scottish Government. For 2023/24 the Scottish Government propose no increase.
 - b) The revaluation of non-domestic rated properties effective from April 2023. The draft Valuation roll indicates some substantial increases for many properties. Until the full roll is made public the impact upon the cost of the EPR Policy will not be known.
 - c) There is the inherent risk that there may be some economic events which could affect the number of empty non-domestic dwellings in a specific area or nationally that cannot easily be predicted
- 3.18 However, a saving of £288,000 is proposed later in a report elsewhere on the agenda on the basis of the level of Scottish Government funding and current costs. The Scottish Government have agreed that where such an economic shock occurs, which is significant, substantial, and unmanageable to the area (or areas) that local authorities and COSLA would revert to the Scottish Government for discussion.
- 3.19 Categories of relief and the extent to which relief applies are in scope to be determined by members. Options are set out below for consideration:
- (a) Do not allow rates relief for empty properties. Inverclyde Council can choose not to award rates relief to empty property and thus retain the full grant to be used for other purposes.
 - (b) Retain the current reliefs for one year and review thereafter. Inverclyde Council can choose to replicate the current reliefs in the short term and take time to review the full empty relief scheme in future years.
 - (c) Amend the current relief scheme. Inverclyde Council can choose to reduce or enhance reliefs currently awarded. Reducing the relief on empty property could raise additional revenue for other budget priorities. Enhancing reliefs require to be funded by Inverclyde Council.
- 3.20 Through professional forums and discussions with other local authorities, the majority conclude that reliefs should remain the same in 2023-24 but reviewed in future years. This takes into account a combination of factors including the fact that businesses and the commercial property market are still adjusting to the consequences of Covid; inflationary pressures and the increasing cost of living affecting trade in addition to the operational practicalities of changing a scheme at short notice. This latter point would result in there being little time for owners to adjust and hence the potential for legal challenge.

4.0 PROPOSALS

- 4.1 It is proposed to introduce the Corporate Debt Recovery Policy found at Appendix 1 which has been reviewed and updated to reflect current best practice to achieve efficient recovery of debt while being sensitive to the economic conditions faced by debtors.
- 4.2 It is proposed to maintain the current Scottish Government EPR Policies for 2023/24 on the basis that:
- (a) the timeframe to amend the current relief scheme is too short to properly communicate to owners of empty properties; and
 - (b) any changes in empty relief would be effective from April 2023 which coincides with the revaluation of every non-domestic property being assigned a new rateable value on which they pay rates. The new valuations are subject to appeal and may change through the course of the year, affecting the cost of the scheme; and

- (c) there will be the requirement to administer a new transitional protection scheme (due to the revaluation changes); and
- (d) It is in line with most other council's approach to replacing the mandatory empty property rates relief.

The Draft Non Domestic Rates Empty Property Policy is set out at Appendix 2.

4.3 Officers would propose to develop an Inverclyde NDR Empty Property Relief Scheme during 2023/24 for Committee's consideration. Thereafter appropriate consultation would take place and any financial implications considered as part of the 2024/25 Budget.

5.0 IMPLICATIONS

5.1 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed:

SUBJECT	YES	NO	N/A
Financial	X		
Legal/Risk	X		
Human Resources		X	
Strategic (LOIP/Corporate Plan)	X		
Equalities & Fairer Scotland Duty	X		
Children & Young People's Rights & Wellbeing		X	
Environmental & Sustainability		X	
Data Protection		X	

5.2 Finance

Taking into account the level of new funding for the EPR and the current cost of implementing the Scottish Government EPR criteria, officers recommend that a budget of £500,000 is created within the Finance Service Budget. If approved this would generate a saving/adjustment of £288,000 to help close the existing 2023/24 funding shortfall.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
Finance	NDR EPR Relief	2023/24	£500,000		The allocation from Scottish Government from 23-24 until 25-26 is £788,000

5.3 Legal/Risk

A policy must be in place to award Non Domestic Rates Empty Property Relief. The proposals within this report progress the development of such a policy should Inverclyde Council choose this option. The draft policy has been reviewed by Legal & Democratic Services

5.4 Human Resources

There are no HR implications.

5.5 Strategic

An agreed Non Domestic Rates Empty Property Relief policy is an important element of the Councils economic strategy. A Corporate Debt Recovery policy ensures clear parameters for efficient debt collection.

5.6 Equalities and Fairer Scotland Duty

Equality Impact Assessments have been completed and are available on the website:

<https://www.inverclyde.gov.uk/council-and-government/equality-impact-assessments>

6.0 CONSULTATION

6.1 The draft Non Domestic Rates Empty Property Relief policy has been produced in consultation with peers from other Councils.

7.0 BACKGROUND PAPERS

7.1 There are no background papers.

**Inverclyde Council - Finance
Revenues and Benefits**

Corporate Debt Policy

DRAFT

Version 1.0

January 2023

Inverclyde Council - Finance Revenues and Benefits

Document Control

Prepared by:
Approved by:

Tracy Bunton
Policy & Resources Committee

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Change Control Table

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1. Corporate Policy Statement

The Council recognises its dual responsibility to collect debts in a sensitive, clear and efficient manner whilst assisting those in need to reduce overall indebtedness and break the cycle of debt.

2. Charging Policy

- (a) Whilst the basis for many charges are determined externally the Council recognises that, where it has discretion in determining charges, the level of charges will reflect its Social and Financial Inclusion agenda and the Council's wider responsibilities to its citizens.
- (b) In line with the Financial Regulations all scales of charges/tariffs (not fixed by statute) shall be reviewed corporately by Chief Officers at least annually. The review will be carried out in consultation with the Chief Financial Officer.

3. Advice and Assistance

- (a) The Council will provide streamlined, high quality and consistent advice to individuals seeking assistance. The Council recognises its key role in maximising individuals' income and reducing overall indebtedness.
- (b) All employees involved in the debt recovery/debt advice process will be appropriately trained, in particular to recognise the symptoms of indebtedness and the need for referral to the appropriate internal/external advisors. Debt advice services will be actively promoted including the offer of direct referrals.
- (c) The Council will require its appointed Sheriff Officer to issue Debt Advice packs at the appropriate juncture but in all cases prior to seeking an Attachment or Exceptional Attachment Order.
- (d) The Council also recognises the role played by external organisations in providing advice and support and will endeavour to optimise the benefits of joint working.

4. Issuing Invoices

- (a) In order to reduce administrative costs the Council will seek payment at the point of Service booking/provision whenever practical. The specific areas where this will not occur will be determined by the Chief Financial Officer in consultation with the relevant Chief Officer.

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- (b) The Council recognises that a key factor in debt reduction is to issue invoices promptly and accurately. In line with the Financial Regulations accounts for services rendered must be raised within one month of the point of sale.
- (c) In order to reduce administrative costs the Council will not issue accounts for less than £10.00 in nearly all cases. The Chief Financial Officer will have discretion to approve the non-issuing of accounts for amounts over £10.00 where it is viewed that the administrative costs are uneconomical.

5. Debt Payment

- (a) The Council recognises that a key factor in maximising its income is to provide as many methods of payment as practical and economical whilst balancing this against the costs involved. The Council will continue to develop its Income Management System with this policy in mind.
- (b) The Council will allocate payments received accurately and promptly and, where specified, in line with the instructions of the debtor.

6. Managing Sensitive Debt

- (a) The Council recognises that it charges for a number of services where recovery of unpaid debt must be dealt sensitively. In these cases recovery of the debt will in the first instance be remitted to the Chief Officer of the Service concerned and thereafter managed in line with 2.3.1 of the Recovery of Sundry Debt Policy.
- (b) Services will be notified of non-payment. Withdrawal of services may be considered if permitted and appropriate to do so.

7. Debt Recovery

- (a) Inevitably certain debts will need to be passed to the Debt Recovery Team and Sheriff Officers for collection. Where this is done recovery will be carried out within predefined parameters and all officers involved will deal with debtors in a courteous/discrete and non-confrontational manner.
- (b) When recovering debts the Council recognises the debtors' ability to pay by negotiating payment by instalments and encouraging debt counselling where appropriate.
- (c) The collection performance will regularly be reviewed and monitored and an annual report detailing the Council's overall performance in respect of debt recovery will be

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presented to the Policy and Resources Committee prior to 30th September each year.

8. Provision for Bad Debt/Write-Offs

At least annually, the Chief Financial Officer shall review provisions for Bad Debts and write-off debts. These actions will form part of the annual report, point 7(c) above.

9. Interest on Late Payment

The Chief Financial Officer will determine those circumstances when it is appropriate to charge interest in line with Late Payments legislation.

10. Offset Credits against Council Debt

The Council will adopt a corporate approach to refunding credits or making payments, in that wherever possible checks will be made for other outstanding debts due to the Council, prior to a refund or payment being made. Where these checks identify outstanding debts and where legally possible e.g. Council Tax arrears, the debt will be offset and the customer advised. Where this is not the case, legal advice will be sought before any offset is applied.

11. Refunds

A refund will be arranged when an account is overpaid and no other debt is identified. Refunds will be paid by BACS.

12. Amendments to Policy/Procedures

- (a) The Corporate Debt Policy can be amended only by the Policy & Resources Committee.
- (b) The Corporate Debt Policy provides the framework within which procedures for recovery of individual debts are developed. All debt recovery procedures will require the prior approval of the Chief Financial Officer.
- (c) The policy will be reviewed at intervals of no less than 4 years.

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RECOVERY OF COUNCIL TAX

1. INTRODUCTION

- 1.1 Council Tax is a tax levied on all eligible domestic dwellings. The amount of Council Tax levied is dependent on the Council Tax band that the property falls into and the amount of tax to be raised.
- 1.2 The full rate of Council Tax is liable to be paid unless the property, owner or occupier is eligible for a reduction or exemption.
- 1.3 Council Tax is payable in line with a statutory instalment scheme or by agreement. There is a legal duty placed on the Council and its Officers to collect outstanding debts in accordance with The Council Tax (Administration and Enforcement) (Scotland) Regulations 1992.

2. COLLECTION & RECOVERY

- 2.1 Inverclyde Council will bill, collect and recover all debts for Council Tax purposes in accordance with legislation.
- 2.2 Demand Notices and revised Notices will be issued in accordance with the applicable legislation.
- 2.3 Each financial year a recovery timetable will be created detailing the relevant dates combined Reminder/ Final notices will be produced.
- 2.4 Combined Reminder/ Final Notices shall be issued any day after the instalment due date in accordance with legislation.
- 2.5 If the amount specified in the Reminder/Final Notice is not paid within 21 days, or an arrangement made and maintained, the Council will apply for a Summary Warrant at Greenock Sheriff Court. Once granted a 10% statutory penalty is added to the outstanding balance.
- 2.6 The amount due in terms of the Summary Warrant is then passed to an appointed Sheriff Officer for collection. If payment remains outstanding, recovery can be enforced by one of the relevant diligences e.g. earnings/bank arrestment, attachment of goods, bankruptcy.

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- 2.7 On receipt of any of the above follow up Notices from Inverclyde Council or the Sheriff Officer, a debtor can contact the Debt Recovery team to make an arrangement to pay any balance or to query any aspect of the charge.
- 2.9 Direct deductions from DWP benefits will be used for debtors on relevant welfare benefits.

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RECOVERY OF NON DOMESTIC RATES

1.0 INTRODUCTION

- 1.1 Non Domestic Rates is a tax levied on business properties which Inverclyde Council statutorily administers on behalf of the Scottish Government.
- 1.2 Billing is carried out annually in April and weekly thereafter. Bills contain all information required by statute together with details of common reliefs available and promotional information.
- 1.3 Non-Domestic Rates will be administered and collected in accordance with the applicable legislation.

2.0 COLLECTION & RECOVERY

- 2.1 Demand Notices and revised Notices will be issued in accordance with the relevant legislation.
- 2.2 Each financial year a recovery timetable will be created detailing the relevant dates Reminder/ Final Notices will be produced.
- 2.3 Combined Reminder/ Final Notices shall be issued in accordance with the relevant legislation.
- 2.4 If a Reminder / Final Notice is not paid as requested, the Council will apply for a Summary Warrant at Greenock Sheriff Court. Once granted a 10% statutory penalty is added to the outstanding balance. Summary Warrant Notices will then be issued to the customer detailing the total amount due including the penalty.
- 2.5 If the debt due in terms of the Summary Warrant is not paid in full it will be passed to an appointed Sheriff Officer for collection.
- 2.6 The Sheriff Officer may enforce payment of the arrears by various forms of diligence available to them e.g. bank arrestment, money attachment, attachment and auction of goods, liquidation.

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- 2.7 The ratepayer or their nominated representative can contact the Council and/or Sheriff Officers at any stage of recovery to enter into a payment plan for repayment of the sum due or to discuss issues in relation to the amount charged.
- 2.8 Insolvency proceedings will be considered, where appropriate.

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RECOVERY OF SUNDRY DEBT

1. INTRODUCTION

- 1.1 Inverclyde Council is responsible for billing and collection of all charges levied by the Council for services provided which plays a significant part in funding the Council's overall budget.

2. CHARGING

- 2.1 The responsibility for charging lies with the Service imposing the charge which will:-
- 2.1.1 Ensure whenever possible that payment of the fee or charge is made in advance.
 - 2.1.2 Ensure the charge is properly due and payable, having necessary evidence available to support the issue of the invoice being raised.
 - 2.1.3 Invoices will be raised as soon as it is identified the charge is due and payable and no later than 28 days following the goods or service being supplied.
- 2.2 Invoices will not be raised:-
- 2.2.1 For less than £10. This will be reviewed on a regular basis.
 - 2.2.2 Where there is no written agreement or the debt cannot be substantiated.
 - 2.2.3 Where the current address is not known, debtor unknown and/or the amount due is unknown
 - 2.2.4 If an invoice has been raised in any of these circumstances they will be cancelled by the Debt Recovery team.
- 2.3 Disputes
- 2.3.1 Where a debt is in dispute, the responsibility for dealing with this will remain with the issuing service who should aim to resolve the dispute within 30 working days. Where a dispute cannot be resolved within 30 working days, the issuing service must notify the Debt Recovery team of the reason; indicating when the dispute is likely to be resolved. If the team are not notified after 30 working days have expired, invoices may be cancelled in full.

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3 COLLECTION & RECOVERY

- 3.1 Reminders will be issued when an invoice is overdue and the issuing Service will be supplied with a list of these customers to allow them to contact the customer by telephone where possible to request payment of the debt.
- 3.2 The council will use Sheriff Officers and Legal Services to recover debts as appropriate.
- 3.3 The Debt Recovery team will monitor accounts and will liaise with the Sheriff Officer to maximise recovery.
- 3.4 Customers who receive on-going services from the council may have these services suspended or withdrawn if they have unpaid invoices relating to these services. This decision will be made by the individual Services.

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HOUSING BENEFIT OVERPAYMENT RECOVERY

1 INTRODUCTION

- 1.1 Inverclyde Council is responsible for the administration of Housing Benefit. The Council is committed to protecting public funds and will take all possible steps to prevent and recover overpayments of these benefits.
- 1.2 Customers are both required and encouraged to prevent overpayments occurring by notifying the council as soon as possible of any changes that may affect the amount of benefit that they are entitled to.

2 RECOVERY

- 2.1 Where it has been identified that a claimant of Housing Benefit has been overpaid, and the overpayment is recoverable in accordance with the relevant statutory provisions, Inverclyde Council will consider on a case by case basis whether it is reasonable to recover the overpayment, from whom it can be recovered and the appropriate means of recovery.
- 2.2 All available methods of recovery will be employed to recover outstanding overpaid benefit. These methods include:-
- (a) Direct deductions from on-going housing benefit or arrears of Housing Benefit.
 - (b) Direct deductions from landlords' payments of housing benefit.
 - (c) Recovery from on-going housing benefit in another local authority area.
 - (d) Recovery from Department for Work and Pensions (DWP) benefit.
 - (e) Issue of an invoice
 - (f) Referral to Sheriff Officers for recovery
 - (g) Diligence
- 2.3 Overpayments will be recovered from on-going entitlement to Housing Benefit at a rate set by the DWP, dependent on the reason for the overpayment, with fraudulent overpayments being recovered at a higher rate. Consideration will be given to individual financial circumstances and deductions will be reduced where appropriate.
- 2.4 If there is no on-going entitlement to Housing Benefit, direct deductions can be taken from certain other DWP benefits received by the claimant. These rates are set by the

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DWP and based on the type of benefit being received. Any reductions to these set amounts require the customer to negotiate direct with the DWP.

3 APPEALS

- 3.1 A person can appeal an overpayment decision in accordance with the Housing Benefit (Decisions and Appeals) Regulations 2001. Recovery of the overpayment is suspended pending the outcome of an appeal.

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RECOVERY OF SCHOOL MEAL AND EDUCATION CHARGES

1. INTRODUCTION

1.1. Inverclyde Council is responsible for collecting school meal charges and the billing and collection of certain education related services levied by the Council such as wraparound childcare provision and school transport.

2. CHARGING - SCHOOL MEALS

2.1 School meal charges are applied to pupils' Parent Pay accounts. Primary School pupils are provided with a meal irrespective of the balance of their account. Education, Communities and Organisational Development Services imposing school meal charges will:

2.1.2 Encourage parents of those pupils not entitled to free school meals or universal provision to keep Parent Pay accounts in credit at all times.

2.1.3 Follow the Education, Communities and Organisational Development Primary School Meal Debt Recovery Procedure. The procedure stipulates:

2.1.3.1 How and when parents are informed and reminded of school meal debt.

2.1.3.2 That those with school meal debt at a specified level are referred to Home Link Workers who will provide advice or signpost parents to other agencies where it recognises that support is required. Home Link Workers liaise with Head Teachers when appropriate to do so.

2.1.3.3 That a sundry debtor account is raised and an invoice is issued when school meal debt reaches a specified amount.

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3 CHARGING – ALL OTHER EDUCATION CHARGES

3.1 The responsibility for charging lies with Education, Communities and Organisational Development Services which will:

3.1.2 Ensure the charge is properly due and payable, having necessary evidence available to support the issue of the invoice being raised.

3.1.3 Invoices will be raised as soon as it is identified the charge is due and payable and no later than 28 days following the service being supplied.

3.2 Invoices will not be raised:-

3.2.1 For less than £10. This will be reviewed on a regular basis.

3.2.2 Where there is no written agreement or the debt cannot be substantiated.

3.2.3 Where the current address is not known, debtor unknown and/or the amount due is unknown.

3.2.4 If an invoice has been raised in any of these circumstances they will be cancelled by the Sundry Debtors team.

3.3 Disputes

3.3.1 Where a debt is in dispute, the responsibility for dealing with this will remain with Education, Communities and Organisational Development Services who should aim to resolve the dispute within 30 working days.

3.3.2 Where a dispute cannot be resolved within 30 working days, the issuing service must notify the Sundry Debtor team of the reason; indicating when the dispute is likely to be resolved.

3.3.3 If the team are not notified after 30 working days have expired, invoices may be cancelled in full.

4 COLLECTION & RECOVERY

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4.1 Collection and Recovery of Sundry Debt is explained at Appendix 3 of the Corporate Debt Recovery Procedure.

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Non Domestic Rates

Empty Property Relief Policy

Version 1.0

January 2023

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Document Control

Prepared by:
Approved by:

Tracy Bunton
Policy & Resources Committee

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Inverclyde Council - Finance Revenues and Benefits

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.