

Glasgow City Council Internal Audit Section

Committee Summary

Item 4(f)

21st May 2025

Financial Services – Non Domestic Rates Legislation Changes 2024/25

1 Introduction

1.1 As part of the agreed Internal Audit plan we have carried out a review of the changes made to the Non-Domestic Rates (NDR) system in 2024/25.

1.2 The Scottish Government announced several changes to the NDR rates and reliefs in its 2024/25 budget. Changes included:

- Phased withdrawal of Enterprise Area Relief commenced which 2024/25 and will conclude in 2025/26
- Small Business Bonus Scheme (SBBS) Transitional Relief cap which increased to £1,200 for 2024/25,
- Revaluation Transitional Relief continued to limit increases in rates bills due to revaluation, with 2024/25 caps set at 25% for small properties, 50% for medium properties and 75% for large properties,
- Parks Transitional Relief scheme persists, capping bills at 66% of gross in 2024-25 for properties in parks added to the valuation roll after April 1 2023.
- Intermediate and Higher Rate Poundage amounts increased by 3.4p and 3.5p respectively.

1.3 In addition, changes to the Council's NDR Empty Property Relief (EPR) policy, effective from 1 April 2024, limiting all EPR awards to 100% for 3 months and 10% for a further 12

months, was approved at the Full Council meeting on Thursday 15th February 2024.

1.4 The purpose of the audit was to gain assurance that the changes to NDR for 2024/25 have been appropriately implemented and reflected within systems, processes and procedures. The scope of the audit included the key controls in the following areas:

- Documented procedures and training arrangements.
- Processes for calculating and applying the updated and extended reliefs.
- Quality checking and monitoring processes.
- Changes to the NDR systems to ensure that they were configured to accurately calculate and apply the new charges and reliefs, and issue accurate bills.
- System user acceptance testing and sign off / approval processes.

2 Audit Opinion

2.1 Based on the work carried out, assurance can be taken that the control environment is satisfactory.

3 Main Findings

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| <p>3.1 We are pleased to report that the key controls are in place and operating effectively. Appropriate documented procedures have been developed, and staff have received training outlining their roles and responsibilities in relation to the introduction and implementation of the new Empty Property Relief policy. Suitable processes are in place for the processing and application of all reliefs.</p> <p>3.2 We reviewed a sample of NDR accounts and found that the correct poundage rates had been applied to each account, resulting in accurate bills being produced. We also reviewed a sample of successful relief applications affected by changes introduced in 2024/25 and found that each was processed correctly in accordance with Scottish Government guidance.</p> <p>3.3 Changes to the NDR system parameters were formally tested and approved by management prior to implementation on the live system.</p> | <p>3.4 We confirmed that management regularly undertake quality checking of NDR system inputs to identify errors and provide feedback to officers where required.</p> <p>3.5 The audit has been undertaken in accordance with the Public Sector Internal Audit Standards.</p> <p>3.6 We would like to thank officers involved in this audit for their cooperation and assistance.</p> <p>3.7 It is recommended that Committee note the content of this report.</p> |
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