



**COUNCIL TAX ON PROPERTIES UNDER REPAIR – POLICY REVISION**

Report by Chief Financial Officer

**PURPOSE**

- 1.1 The purpose of the report is to seek Members approval for a change to the Council Tax Empty Homes Policy, regarding discounts on long term empty properties undergoing significant structural repair. The discounts that can be applied are dictated by the regulations and this is not intended as a complete review of the policy. The proposed change addresses a specific issue which Members wished to be reviewed.

**EXECUTIVE SUMMARY**

- 2.1 Councils in Scotland were given powers in April 2013 to levy additional Council Tax on empty homes in certain circumstances.
- 2.2 The Comhairle implemented a 100% additional levy on empty homes from 1 April 2013. The policy has been amended, within the limited flexibilities allowed under the regulations, mainly to provide assistance where properties are under significant structural repair.
- 2.3 The Government's aim in introducing these new powers was to encourage owners to bring empty properties back into use, both to increase the supply of housing and to reduce the blight on communities through empty houses falling into disrepair.
- 2.5 Representations have been made to Members regarding the application of the policy for homes under significant structural repair. The current policy allows the maximum reduction of 50% for two years where the property has not already benefitted from a reduction for the same reason since the property was last occupied. Some local taxpayers have stated that given the increase in construction costs and problems with contractor availability, that the 2-year period is not long enough for them to complete their project, and that the additional empty home levy applied at the end of the 2 years is significantly impacting on their ability to complete projects.

**RECOMMENDATIONS**

- 3.1 **It is recommended that the Comhairle:**
  - (a) **agree that the discount continue to be available for a period of up to 2 years in all cases, and that this be extended to 3 years for properties, where the Council Tax Payer encounters delays due to increased construction costs and contractor availability, and where they also intend to use the property as their home on completion.**
  - (b) **agree to amend the policy with effect from 1 April 2024.**

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## IMPLICATIONS

4.1 The following implications are applicable in terms of the Report.

<b>Resource Implications</b>	<b>Implications/None</b>
Financial	The income generated from the adoption of current policies is significant in terms of the overall Comhairle budget and the impact of any changes needs to be considered in this context.
Legal	The application of an additional Council Tax levy on empty and second homes is authorised under The Local Government Finance (Unoccupied Properties etc.) (Scotland) Act 2012 and The Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013. Application of the legislation is underpinned by guidelines issued by the Scottish Government.
Staffing	None anticipated, but dependent on the policy changes agreed.
Assets and Property	None.
<b>Strategic Implications</b>	<b>Implications/None</b>
Risk	None.
Equalities	None.
Corporate Strategy	None.
Environmental Impact	None.
Consultation	None.