



**ADDITIONAL COUNCIL TAX INCOME FROM SECOND HOMES (ACTISH)**

Report by Chief Planning Officer

**PURPOSE**

- 1.1 The purpose of the Report is to agree the proposed allocation of Additional Council Tax Income from Second Homes (ACTISH) to support the delivery of the Comhairle's Housing service.

**EXECUTIVE SUMMARY**

- 2.1 In addition to use of the operational Housing revenue budget, the Comhairle can support the delivery of its Housing service through income received from Council Tax charges on second homes. This income is known as ACTISH and all Local Authorities have the ability to support a range of housing initiatives from this source.
- 2.2 Income raised through ACTISH has been in excess of £469k per annum over the last few years. The report proposes that ACTISH receipts for the three-year period 2024-27 be allocated to a range of identified Housing initiatives, ensuring that the main objectives of the Comhairle's Local Housing Strategy continue to be delivered.
- 2.3 The proposed allocation is similar to the ACTISH allocation agreed by the Comhairle for the previous three-year period.

**RECOMMENDATION**

- 3.1 **It is recommended that the Comhairle approves the proposed allocation of Additional Council Tax Income from Second Homes for the period 2024/25, 2025/26 and 2026/27 as detailed in 6.1.**

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Appendix: None  
Background Papers: None

## IMPLICATIONS

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

<b>Resource Implications</b>	<b>Implications/None</b>
Financial	The report considers the allocation of additional and complementary Additional Council Tax Income from Second Homes (ACTISH)
Legal	None
Staffing	None
Assets and Property	None
<b>Strategic Implications</b>	<b>Implications/None</b>
Risk	Without ACTISH contribution to Housing budgets, the Comhairle would be unable to deliver its statutory Housing duties
Equalities	None
Corporate Strategy	The proposal supports the delivery of the Local Housing Strategy
Environmental Impact	None
Consultation	None

## BACKGROUND

- 5.1 ACTISH was first introduced by the Scottish Executive in 2005 / 2006, enabling Local Authorities to reduce the discount on second homes and long-term empty properties so that owners of these properties paid 90% of the standard Council Tax rate instead of the discounted 50%. From April 2024, the Scottish Government introduced legislation to allow Local Authorities to charge up to 200% (double Council Tax) on second homes, bringing them into line with long-term empty homes. The Comhairle now charges this additional 100% Council Tax on second homes.
- 5.2 Initially, ACTISH funds were to be used in conjunction with the Registered Social Landlord (Hebridean Housing Partnership in the Outer Hebrides) to progress Housing developments through site servicing, purchase of land for Housing, feasibility studies on new sites etc. Over time, the rules on allocation of ACTISH broadened giving Local Authorities more scope in the use of the funding, providing proposals supported delivery of the Local Housing Strategy.
- 5.3 Since the inception of ACTISH, the Comhairle has allocated ACTISH receipts to a wide range of essential Housing purposes including affordable homes new build match, research, feasibility studies into new Housing sites and support for partner agencies.
- 5.4 Over time, the annual income from ACTISH has increased but it can vary from year to year, in 2023/24 the income was £580k. In 2024/25 the Comhairle agreed to charge 200% Council Tax for second homes; this may have an impact on the amount of ACTISH available for housing purposes. Therefore, for planning purposes, this figure of £469,329 is being used to inform the proposed allocation of ACTISH over next three-year period, 2024-27.

## PROPOSED ALLOCATION OF ACTISH FOR 2024/25, 2025/26 and 2026/27

- 6.1 It is proposed that ACTISH receipts over the next three-year period be applied to support a number of essential Housing initiatives as follows:

Proposed Initiative	2024/25 (£)	2025/26 (£)	2026/27 (£)
Feasibility Studies for New Housing Sites	10,000	10,000	10,000
Contribution towards Homelessness Service	40,000	40,000	40,000
Contribution to Housing Services Budget	344,800	344,800	344,800
Support for Supported Accommodation	16,000	16,000	16,000
Empty Homes Officer: Post Extension	44,270	44,270	44,270
Homelessness Support Officer	14,259	14,259	14,259
<b>TOTAL</b>	<b>469,329</b>	<b>469,329</b>	<b>469,329</b>

6.2 This is a similar allocation and use of ACTISH as the last consideration of ACTISH by Communities and Housing Committee in April 2018. A short summary of the proposal is shown below;

- **Feasibility Studies into New Housing Sites** - The Comhairle and HHP jointly fund Feasibility Studies to investigate the suitability of potential housing sites. Since the Feasibility Fund was set up in 2012, over 60 sites have had detailed surveys carried out. The Feasibility Studies are mainly carried out on rural sites.
- **Contribution towards Homelessness Service** - This amount is for a contribution towards the cost of temporary accommodation for homeless clients, should it be required. Since the opening of The Acres Homelessness Accommodation, the requirement for this type of accommodation has reduced substantially, but there is still a call for it in periods of peak demand.
- **Contribution to Housing Services Budget** - Through the budget setting exercise, this amount has been approved by the Comhairle to mitigate efficiency savings and to maintain delivery of the Comhairle's statutory Housing duties.
- **Empty Homes Officer: Post Extension** - The Corporate Workforce Panel and Human Resources Sub-Committee have already agreed the extension of the Empty Homes Officer's post for one year to October 2025, subject to approval of ACTISH provision by this Committee. Since its inception in 2018, this post has brought 280 empty homes back into productive use, returning £313K of Council Tax to the Comhairle and £400K of reclaimed VAT to the local economy.
- **Homelessness Support Officer** - The Comhairle now has an obligation to provide Rapid Rehousing and this element of the ACTISH funding will support continued employment of the associated Support Officer.

6.3 In the previous period, it was possible to allocate the sum of £100K as match funding towards the Affordable Housing programme delivered by Hebridean Housing Partnership. However, the growing requirement for efficiency savings means that the ACTISH contribution to the Housing Services budget now has to increase by £100K, leaving no funding for Affordable Housing programme in the new period. It is proposed to review the actual ACTISH income received at the end of the financial year 2024/25 and consider allocating funding to the Affordable Housing programme if required.

## **CONCLUSIONS**

- 7.1 The report sets out a proposed allocation for ACTISH receipts over the period 2024/25, 2025/26 and 2026/27. These funds must be used for Housing initiatives relating to the Local Housing Strategy and their allocation in the way proposed will help ensure that the Comhairle continues to comply with its statutory Housing duties.
- 7.2 The proposed allocations are broadly similar to those agreed by the Comhairle for the preceding three-year period and will see investment in new Housing site investigation, homelessness provision, the extension of Empty Homes and Rapid Rehousing posts and will enable the Comhairle to continue delivering its statutory Housing duties in the face of diminishing operational budgets.