



POLICY AND RESOURCES COMMITTEE – 17 SEPTEMBER 2015

AMENDMENT TO THE UNOCCUPIED PROPERTIES COUNCIL TAX POLICY

1 Recommendations

The Committee is recommended to:

- 1.1 Approve the amendment to the Unoccupied Properties Council Tax Policy, as referred to in paragraph 2.6; and**
- 1.2 Approve the implementation of the above amendment with immediate effect.**

2 Background

- 2.1 The Unoccupied Properties Council Tax Policy was approved by Policy and Resources Committee on 17 November, 2013, with an implementation date of 1 April, 2014. From 1 April, 2015, unoccupied properties which met the criteria contained in the policy received an additional 100% Council Tax charge.
- 2.2 The purpose of the policy and associated legislation is to provide an additional tool to help local authorities encourage owners to bring empty properties back into use, both to increase the supply of housing for those who need homes and to reduce the impact on communities, caused by houses being left empty and allowed to fall into disrepair.
- 2.3 During the first quarter of 2015, the decision by Committee to levy the additional charge was challenged by some customers and seen as unfair whilst they were trying hard to bring their property back into use.
- 2.4 Other Councils had experienced similar challenges, which resulted in the Scottish Government issuing supplementary guidance on 31 March, 2015, to local authorities regarding discretion in applying an increase in Council Tax liability to long-term unoccupied homes.
- 2.5 The guidance stated that the legislation provides adequate flexibility to ensure that individual owners are not unfairly penalised. The circumstances of individual owners should be taken into account when applying the increase. This flexibility was included so that local authorities can modify provision by not charging a Council Tax increase, where the Council considers there are reasons why the owner is justified in leaving the dwelling unoccupied and/or reasons why the dwelling could not be lived in, sold or let.
- 2.6 This level of flexibility could be used in a wide range of scenarios and it was not possible for the Scottish Government to provide an exhaustive list. However, based on feedback to date, the following circumstances would merit flexibility in terms of not charging the Council Tax increase where the property has been empty for over a year:

- The owner is finishing renovations prior to moving in/selling/letting and can demonstrate that these works are progressing.
 - A long-term second home where the owner was unable to meet the 25 day occupancy criteria in the previous 12 months due to personal circumstances, but where a history of 25 day occupancy can be shown in previous years.
 - A property that is taking a long time to sell/let in a stagnant market despite being priced appropriately.
 - Any other circumstances where the owner has agreed with an Empty Homes Officer to take positive steps to re-occupy their property and it is in the view of the Empty Homes Officer that a time-limited Council Tax increase “holiday” would encourage the property to be brought back into use sooner.
- 2.7 Within Aberdeenshire, 46 cases have been identified to date as falling into one of the above categories. All cases will already have received 10% discount for 6 months, followed by 12 months at the full charge. Therefore, it is proposed for cases falling into one or more of the above categories and an application has been received from a customer which demonstrates compliance as per set procedures, a Council Tax increase “holiday” period for up to a further 12 months may be granted. At the end of the 12 month period, the Council Tax increase will apply and no further holiday periods will be approved.
- 2.8 The Monitoring Officer within Business Services has been consulted in the preparation of this report and her comments incorporated therein.

3 Equalities, Staffing and Financial Implications

- 3.1 An equality impact assessment is not required. As part of the Scottish Government’s consultation exercise, an Equality Impact Assessment was completed. This concluded that the legislation would not be expected to lead to negative impacts on any particular groups with protected characteristics.
- 3.2 Based on the current number of cases identified, deferring the additional charge for up to 12 months will reduce Council Tax income in 2015/16 by £48,000. This reduction in income will be managed and offset against expected additional income being received, due to an increase in the number of properties. It is expected that volumes in future years will be minimal.

Alan Wood

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