

Report

Report to:	Executive Committee
Date of Meeting:	21 November 2018
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Council Tax – Long Term Empty Dwellings
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ outline the powers available to vary council tax on long term empty dwellings and seek approval to implement changes from 1 April 2019

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that South Lanarkshire Council implements a 100% council tax levy on long term empty properties from 1 April 2019;
- (2) that discretion to not apply the levy is restricted to cases of new ownership and should be considered on a case by case basis with a 90% charge applying for a maximum period of 12 months; and
- (3) that existing staff with Benefits and Revenues and Housing Services work with owners to help bring properties back into use.

3. Background

- 3.1. The Scottish Government passed regulations in 2005 which granted discretionary powers to councils to vary discounts on long term empty and unfurnished dwellings from 50% to 10%.
- 3.2. Further regulations were introduced in 2013 to enhance the discretionary powers afforded to councils to enable an additional charge of up to a maximum 100% to be levied on long term empty dwellings. This relates to unoccupied dwellings not being marketed for sale or let that have been continuously unoccupied for more than 12 months.
- 3.3. The purpose of this legislation is 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 blight on communities caused by houses being left empty and allowed to fall into disrepair.
- 3.4. The enhanced powers do not apply to owners of second homes, who will continue to receive a discount of 10%. A second home is defined as a dwelling which is furnished and lived in for at least 25 days during any 12 month period but is no one's sole or main residence.

- 3.5. Properties which are actively being marketed for sale or let are exempt from the enhanced discretionary powers until they have been unoccupied for two years or more and therefore they will continue to receive a 10% discount.

4. Current position

- 4.1. There are currently 495 domestic properties, out of a total property base of 151,352 in South Lanarkshire Council, categorised as long term empty in the council tax system. These properties are mainly privately owned but do include council and housing association properties. These properties currently receive a 10% empty and unfurnished discount to an annual value of £50,000 in total.
- 4.2. The potential increase in charges is likely to significantly reduce the number of properties categorised as long term empty thus fulfilling the aims of the policy to encourage owners to bring empty properties back into use. It is anticipated that, based on the experience of other councils, the number of affected properties could reduce by as much as 50%.

5. Proposal

- 5.1. It is proposed that South Lanarkshire Council utilises the discretionary powers contained within the Council Tax Variation for Unoccupied Dwellings (Scotland) Regulations 2013 and implements a 100% surcharge on long term empty properties effective from 1 April 2019. The increased charge does not apply to water and wastewater charges with long term is defined as being greater than 12 months.
- 5.2. In cases of new ownership and to give the new owner the opportunity to bring the property back into use a 90% charge could apply for a maximum period of 12 months. Consideration of the entitlement and duration will be made on a case by case basis with responsibility delegated to the Benefits and Revenues Manager.
- 5.3. Existing staff within Benefits and Revenues and Housing Services will work with owners to help bring properties back into use by providing advice and assistance on all options available to them.
- 5.4. Operational procedures will be developed to ensure that the additional levy is accurately administered and deliberate evasion is minimised.

6. Customer information

- 6.1. Publicity and communication are key to ensuring that dwellings are correctly classified in the council tax system prior to the additional levy being introduced. This will include conducting a data gathering exercise with owners that could be affected which will also inform them of the new levy.
- 6.2. Publicity including press releases will be agreed with the council's Corporate Communications team to ensure awareness of the changes prior to implementation.

7. Employee Implications

- 7.1. Existing staff from Benefits and Revenues and Housing Services will maximise the effectiveness of the policy.

8. Financial Implications

- 8.1. It is estimated that an additional £267,000 will be raised annually through implementing the surcharge. This additional revenue can be used for any purpose.

8.2. One off set up costs relating to upgrading the council tax system are estimated at £17,000 and will be met from existing budgets.

9. Other Implications

9.1. None.

10. Equalities Impact Assessment and Consultation Arrangements

10.1. An Equality Impact Assessment has been carried out and no negative impact on any specific equality group has been identified.

Paul Manning

Executive Director (Finance and Corporate Resources)

2 November 2018

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, effective, efficient and transparent
- ◆ Ambitious, self aware and improving
- ◆ Focused on people and their needs

Previous References

- ◆ None

List of Background Papers

- ◆ The Council Tax Variation for Unoccupied Dwellings (Scotland) Regulations 2013

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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