

RESPONDENT INFORMATION

To help us make the most of your response, please tell us about yourself and how you want us to use the information you provide. There are some questions marked * and these must be answered by all respondents, unless you are directed past this question.

* I am responding as:	<input type="checkbox"/> An individual
	<input checked="" type="checkbox"/> An organisation/group
Name of Organisation (if appropriate)	<i>Army Families Federation</i>
Forename	<i>Cat</i>
Surname	<i>Calder</i>
Address	<i>IDL 414, Floor 2, Zone 3 Ramillies Building Marlborough Lines Monxton Road Andover</i>
Postcode	<i>SP11 8HJ</i>
Telephone	
Email	
Do you consider yourself or your organisation as from or representing?	
<input type="checkbox"/> a rural area	<input type="checkbox"/> an urban area
<input checked="" type="checkbox"/> an area with both urban and rural parts	<input type="checkbox"/> don't know / not applicable
Would you be happy to be approached by the Commission for further discussion about your submission?	
	<input checked="" type="checkbox"/> Yes
	<input type="checkbox"/> No
If you are responding as an individual:	
* Do you agree to your response being made available to the public on the Commission's web site?	
	<input type="checkbox"/> Yes
	<input type="checkbox"/> No
* If you have agreed to your response being made available to the public, please tell us if we may also make your name and address available. (Please select one option only)	
<input type="checkbox"/>	Yes, make my response, name and address all available
<input type="checkbox"/>	Yes, make my response available, but not my name and address
<input type="checkbox"/>	Yes, make my response and name available, but not my address
<i>If you are responding as an individual we would be grateful if you could provide some additional information at the end of this form. This is absolutely optional but will help us get an overall picture of the information we receive.</i>	
If you are responding as a group or organisation:	
* The name and address of your organisation will be made public on the Commission's web site. Are you content for your response to also be made available?	
	<input checked="" type="checkbox"/> Yes
	<input type="checkbox"/> No
Which of the following best describes your organisation? (Please select one option only)	
<input type="checkbox"/>	Community Group
<input type="checkbox"/>	Local Authority
<input type="checkbox"/>	Other public sector organisation
<input checked="" type="checkbox"/>	Third Sector organisation
<input type="checkbox"/>	Professional body
<input type="checkbox"/>	A business
<input type="checkbox"/>	A government department or agency
<input type="checkbox"/>	A social enterprise
<input type="checkbox"/>	Other (please specify)
Short description of the main purpose of your organisation:	
<i>The Army Families Federation (AFF) is the independent voice of Army families and works hard to improve the quality of life for Army families around the world – on any aspect that is affected by the Army lifestyle.</i>	

AFF would like to take this opportunity to comment on the consultation document on the Future of Local Taxation in Scotland, in particular those areas which affect Armed Forces Personnel and their families.

Tell us what you think

We have not provided a long list of questions, but we do want to hear what you have to say about some themes. Please respond to as few or as many as you wish. If you would prefer to send us other information, please feel free to do so. However, it would be helpful to keep your response to no more than eight pages.

If you are able to, please provide evidence or examples in support of what you say. This will help us explore your ideas further.

1. SCOTLAND'S CURRENT SYSTEM OF COUNCIL TAX

To what extent does the current system of council tax deliver a fair and effective system of local taxation in Scotland? Are there any features of the current system that you wish to see retained or changed?

You may wish to illustrate your answer with examples from your own experience.

A. Scottish council tax discount for Armed Forces families

Current legislation in England and Wales which covers the reduction of council tax for job related dwellings and second homes specifically mentions Members of the Armed Forces along side Ministers of Religion and Publicans; the Scottish Statutory Instrument does not. AFF believe that this is causing some confusion in various local councils resulting in some Members of the Armed Forces to be refused the ring fenced 50% reduction in council tax. AFF would like to see the Scottish Statutory Instrument amended to include Members of the Armed Forces.

Background information

Service families in the UK are entitled to a 50% council tax discount on their second home when they are living in job related dwelling within the UK. In practice this discounts applies to their own home because they are living in Service Families Accommodation (SFA)

The English and Welsh Statutory Instruments which govern this subject specifically mention Members of the Armed Forces along with Ministers of Religion and Publicans however the Scottish Statutory Instrument does not.

Quote from the Explanatory Note, Statutory Instrument 2005 no 416 Council Tax, England;

"The effect of the amendments is also to preserve the second home council tax discount of 50% where a member of service personnel or a minister of religion has a second home in England but lives in a job-related dwelling in England, Wales or Scotland."

Quote from the Explanatory Note, Statutory Instrument 2010 no 612 (W.58) Council Tax, Wales;

"These Regulations amend certain provisions of the Council Tax (Prescribed Classes of Dwellings) (Wales) Regulations 1998 to provide that armed forces personnel who are required to live in accommodation provided by the Ministry of Defence to perform the duties of their office come within the definition of those with job-related dwellings. This means that where those persons also have a second home in Wales for which they are liable to pay council tax, the billing authority for the area within which the second home is situated is prevented from reducing the discount on that dwelling from 50%.

The issue

Several families have approached AFF stating that they are having difficulties obtaining a 50% discount for a second home in Scotland despite the fact that they live in a job related dwelling.

AFF is delighted and encouraged that all Scottish Local Authorities have signed up to the Armed Forces Community Covenant but feel that within this there needs to be more guidance to Councils on the 50% discount on second homes with relation to Job Related Dwellings for Armed Forces Personnel.

The reality for families

One family, living in SFA in England and owning a property in Scotland which met the necessary criteria approached South Ayrshire Council asking for a 50% discount on their own property due to the fact that they live in a job related dwelling. South Ayrshire refused the 50% discount and would only offer a 10% discount until Mr Donohoe MP got involved and the

50% discount was subsequently awarded.

5 Brigade in Scotland wrote to all councils last year to see what their stance was on this and it varied from no discount at all to an automatic 50% discount but despite this AFF is still seeing issues of families not being given the 50% discount even in those councils which have said they apply it.

AFF view

Forces families who are required to live in Service Families Accommodation (SFA) or Single Living Accommodation (SLA) which are job related dwellings and have their own home and fit the criteria are being disadvantaged by Scottish Councils not understanding the definition of a job related dwelling and a second home with reference to Members of the Armed Forces. This has financial implications for those families with their own property in Scotland who have started the process of putting down roots for a future family home.

AFF would like to see the Scottish Statutory Instrument altered to specifically include members of the Armed Forces alongside Minister of Religion in order to clarify this matter for local councils.

B. Second home council tax discount on overseas assignments

Service personnel living in Service Families Accommodation (SFA) or Single Living Accommodation (SLA) with a furnished second home are currently entitled to a 50% discount on their council tax. However, this entitlement ceases when they are posted off the UK mainland. Service personnel assigned overseas or in Northern Ireland continue to pay UK tax and National Insurance, as well as Contribution in Lieu of Council Tax (CILOCT) and often have no choice in being assigned overseas. AFF believes that due to their lack of choice in working overseas and their continued contribution to the UK tax and council tax system, Service personnel are being disadvantaged by this policy. AFF believes that Service personnel assigned overseas (including Northern Ireland) should be entitled to claim the 50% reduction in council tax.

Background

Service personnel living in SFA/SLA (job related dwellings) with a second home in the UK which is furnished and vacant are entitled to a 50% council tax discount when on assignment in Scotland, England or Wales. However, if they are assigned overseas or in Northern Ireland, they lose this entitlement.

Service personnel living in SFA/SLA do not pay council tax to their local authority but contribute to local services by paying Contribution in Lieu of Council Tax (CILOCT) to the MOD. The rate of CILOCT remains the same, regardless of assignment location.

Service personnel are assigned on a regular basis with often little or no choice on the location (this may be for a potentially short or often indeterminate amount of time). When they are assigned overseas, they continue to pay UK tax, National Insurance and CILOCT as they would do if working on the mainland. However, they lose their entitlement to the council tax discount, resulting in disadvantage.

Many Service personnel own their own homes to enable them to have a foothold on the property ladder, a base when they come back to the UK on leave and somewhere to settle when they leave the Armed Forces. The New Employment Model (NEM) will be actively encouraging and establishing methods to assist Service personnel to buy their own homes.

AFF has received evidence of Service personnel having to sell or rent out their properties in the UK when they are assigned overseas, due to the lack of reduction in council tax having a negative impact on their finances. Service personnel then have no base to go to when on leave in the UK, which can result in hotel or B&B costs. If the Service person sells their home, they lose their foothold on the property ladder.

This issue was last considered in 2005. It is unclear whether those consulted were fully informed of CILOCT or the lack of choice for being posted abroad; there was some appetite for those posted to Northern Ireland to be allowed to retain the discount but not enough at that time to warrant a change. Those based overseas are less likely to have the opportunity to visit or use their property making this particularly unfair.

The reason behind the lack of appetite for change appears to be a concern about administrative issues: any further extension of the concession which would break the link of council tax being payable of both properties - could lead to considerable administrative difficulties.

AFF believes that as Service personnel pay CILOCT wherever they are assigned in the world and continue to pay some council tax on their own home, it is appropriate and fair that access to a reduction in council tax is extended to those serving overseas.

Human Impact A Serving Person posted to Germany by the Army has a house in the UK but currently lives in MOD provided

accommodation e doesnt want to sell the property in the as it is his oothold on the property ladder and doesnt want to rent it out as it is the place he goes to when he is back in the UK on leave. As he is not entitled to the 50% council tax discount, which was available to him while he was serving in GB, he is now finding that his finances are stretched. This is another disincentive to serving abroad, among many making it difficult to find personnel willing to serve overseas.

Covenant Situation

The Armed Forces Covenant states that Service personnel should not face disadvantage compared to the civilian population. Currently, Service personnel assigned overseas are disadvantaged over those posted in GB/the UK. AFF believes that disadvantage within the Forces community itself due to assignment locations should be removed under the Armed Forces Covenant.

If civilians move overseas due to their employment, it is their choice and they have the option to weigh up the financial costs of owning a second home in the UK when they make their decision.

AFF VIEW: AFF believes that Service personnel with second homes who are assigned overseas are disadvantaged due to their loss of the 50% reduction in council tax.

AFF believes that disadvantage within the Armed Forces community itself, as a result of location of assignment, should be removed under the Armed Forces Covenant. AFF believes that the devolved administrations should address this situation and alter the Statutory Instruments so that Service personnel assigned overseas are permitted to retain the 50% council tax discount they are entitled to when posted within GB.

C. AFF would like to see Armed Forces personnel exempt from a long term empty homes premium from Council Tax both for empty properties and 2nd homes.

2. REFORM OF LOCAL TAXATION

Are there alternatives to the current system of council tax that you think would help to reform local taxation in Scotland? What are the main features of these, and why do you think they would deliver improvement?

Do you have any examples of why this is the case?

Please provide your response here

3. LOCAL PRIORITIES

How well do you think that communities' local priorities are accounted for in the way that local taxation operates at the moment? If there is room for improvement, how should things change?

Do you have any ideas or examples about how this could improve people's lives?

Please provide your response here

4. FURTHER INFORMATION

We would like to keep the conversation going. Please tell us about any events, networks or other ways in which we could help achieve this.

Please provide your response here

Thank you for your submission. If you have any queries about the Call for Evidence please contact us at:

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