

Scottish Empty Homes Partnership

22nd June 2015

Dear Consultation Team,

The Scottish Empty Homes Partnership has one key concern with regards to the future of local taxation in Scotland. That is that incentives for long term empty home owners to bring their properties back into use currently in place under the council tax system are retained. These incentives, by way of powers for councils, were only fairly recently put in place and are currently providing a valuable tool for councils actively pursuing empty homes work.

There are currently over 27,000 long term private sector empty homes in Scotland (empty 6 months or more). These homes are wasted assets that cause real detriment to communities including anti-social behaviour, health and safety concerns and amenity issues. Bringing these properties back into use decreases pressure on the housing supply chain, helps regenerate communities and can contribute to a range of other outcomes from promoting town centre living, to sustaining rural communities and reducing greenhouse gas emissions from embedded carbon.

Previously, councils had the power to vary the vacant dwellings council tax discount between 50% and 10%. This power was added to as a result of the Local Government Finance (Unoccupied Properties etc.) (Scotland) Act 2012.

The Local Government Finance (Unoccupied Properties etc.) (Scotland) Act 2012 was commenced in April 2013. The Act and the associated regulations give councils the power to remove this discount altogether after a property has been empty for 1 year and

in addition, to charge up to 100% extra council tax on long term vacant properties that are not subject to any of the stated exemption categories¹.

For properties not subject to set exemptions councils choosing to use these new powers have discretion under the legislation to exempt owners/properties from the charge. New guidance was issued by the Scottish Government in March 2015 giving further clarity to this discretion and highlighting a number of areas where councils might considering using this flexibility including:

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.

The Scottish Empty Homes Partnership believes this is a positive piece of guidance and has encouraged councils to involve their Empty Homes Officers in these discretionary decisions. We know that several councils have implemented such council tax ‘holidays’ to good effect, enabling them to engage with owners and bring more empty homes back into use quicker.

The Scottish Empty Homes Partnership has consistently argued that councils taking advantage of these new powers should recycle at least a proportion of the revenues collected to develop their empty homes offering to owners, in order to provide the needed balance of carrot and stick that will bring more empty homes back into use. It is of course for individual councils to have internal discussions about where any revenue raised is allocated but these new powers do at least provide an opportunity for new money to be raised that could be allocated towards empty homes work.

In the Scottish Government’s March 2015 response to the Finance Committee’s review of these powers² it was reported that 14 councils were applying the vacant dwelling council tax dwelling powers with 9 applying the full 100% increase. Scottish Government estimates predict revenue of £8.5m across Scotland from use of these powers in 2014-15. We would stress that it is still early days for this power and we would expect further take

¹ Exempt properties include those being actively marketed for sale or let for up to 2 years. See [The Council Tax \(Variation for Unoccupied Dwellings\) \(Scotland\) Regulations 2013](#).

² Post-legislative scrutiny of the Financial Memorandum accompanying the Local Government Finance (Unoccupied Properties etc.) (Scotland) Bill
http://www.scottish.parliament.uk/S4_FinanceCommittee/General%20Documents/Cabinet_Secretary_to_the_Finance_Committee.pdf

up from councils as they develop their empty homes offerings including positive support for owners.

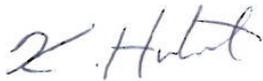
Apart from the potential funding stream for empty homes work it is the role of this incentive in engaging empty home owners in looking at reuse that would be the biggest loss if local taxation reform resulted in a loss of this charging distinction. The power is currently effective in instigating conversations with council Empty Homes staff (with huge spikes in engagement seen following council tax communications) who can help owners bring their properties back into use through advice, information, problem solving and financial incentives like empty homes loans or grants.

In any reform of local taxation the Scottish Empty Homes Partnership would urge that both the incentive in the current vacant dwelling council tax powers and the message they convey, that long term empty homes are a societal drain and not acceptable, should be retained.

The Scottish Empty Homes Partnership would be happy to engage in further discussions on this issue at the appropriate time.

Please feel free to get in touch should you have any questions.

Kind Regards,

A handwritten signature in cursive script, appearing to read 'K. Hubert'.

Kristen Hubert
Scottish Empty Homes Partnership National Manager