



To: Finance and Resources Policy Board

On: 18 May 2016

Report by: Director of Finance and Resources

Heading: Council Tax – Empty Properties Operational Policy

1. Summary

- 1.1 The Council on 3 March 2016 agreed a change to the Council Tax discount regime for empty and unfurnished properties. This change utilised discretionary powers made available to the Council by the Scottish Government which previously implemented the Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013.
- 1.2 The purpose of this report is to present for approval the proposed policy to support the implementation of the revised arrangement and provide Board members with information in relation to the operation of the Council Tax – Empty Properties Policy, which will support day to day decision making by Council officers in relation to the new Empty Properties discount regime.

2. Recommendations

- 2.1 It is recommended that members of the Board
- Note the contents of the report
 - Approve the Council Tax–Empty Properties Operational Policy attached at Appendix 1
 - Note the Operational Guidance (attached as Appendix 2) and that the Director of Finance and Resources will review and adapt the guidance as appropriate following experience of managing the process.
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3. Background

- 3.1 From 1 April 2013, the Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013 allowed local authorities the discretionary power to remove the empty property discount or set a council tax increase of a maximum 100% on certain properties which have been empty for 1 year or more. Previously, local authorities were only able to vary the level of discounts, ranging between 10% and 50%.
- 3.2 The legislative changes apply only to long-term unoccupied properties. Properties which are 'second homes', defined in section 5 of the Policy, continue to be entitled to a discount which authorities may set between 10% and 50%. From April 2014 this was set at 10% for Renfrewshire.
- 3.3 The greater flexibility provided by the legislation is intended to act as an additional tool to help local authorities encourage owners to bring empty properties back into use. The intention is 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. The council tax increase can be used a part of a wider approach to tackle long-term empty homes including support and guidance to owners and provision of loans and grants if available.
- 3.4 On 3 March 2016 the Council approved that, The council tax discount regime for empty and unfurnished properties be changed under discretionary powers available to the Council, providing the mandatory 100% exemption period of 6 months, a 10% discount for the next 6 months, moving to a 100% levy applying after 1 year unless the property is being actively marketed for sale or rent, in which circumstances the 10% discount will apply for a further period of up to 12 months after which the 100% levy would apply. The change to the existing discount arrangements will take effect from July 2016."

4 Council Tax – Empty Properties Operational Policy

- 4.1 The purpose of the Empty Properties Operational Policy is to specify that Officers will operate the legislation detailed in section 3.1 above, aligned with the Council approvals detailed in section 3.4
- 4.2 The Policy highlights that, in line with legislation, discretion can be applied in appropriate circumstances. The policy does not set rigid, pre-defined rules, stating that discretion must always be considered if requested and that decisions should be taken on a case by case basis
- 4.3 One of the main objectives of the Policy is to encourage owners to return long term empty properties back into use and maintain the supply of housing in Renfrewshire.

- 4.4 An Equality Impact Assessment has been carried out (attached as Appendix 3,) in line with the Council's approach and no issues have been identified that require mitigating actions. The Equality Impact Assessment will be reviewed as data becomes available following introduction of the changes.
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Implications of the Report

1. **Financial** – increased revenue to the Council
 2. **HR & Organisational Development** - None
 3. **Community Planning** –
Community Care, Health & Well-being –
 4. **Legal** – None
 5. **Property/Assets** – None
 6. **Information Technology** - None
 7. **Equality & Human Rights**- The recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required, following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
 8. **Health & Safety** - None
 9. **Procurement** - None
 10. **Risk** - None
 11. **Privacy Impact** - None.
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RENFREWSHIRE COUNCIL

FINANCE & RESOURCES

COUNCIL TAX – EMPTY PROPERTIES OPERATIONAL POLICY

1.0 Background

From 1 April 2013, the Scottish Government implemented the Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013 which allowed local authorities the discretionary power to remove the empty property discount or set a council tax increase of a maximum 100% on certain properties which have been empty for 1 year or more. Previously, local authorities were only able to vary the level of discounts, ranging between 10% and 50%.

The legislative changes apply only to long-term unoccupied properties. Properties which are 'second homes', defined in section 5, continue to be entitled to a discount which authorities may set between 10% and 50%. *From April 2014 this was set at 10% for Renfrewshire.*

The greater flexibility provided by the legislation is intended as an additional tool to help local authorities encourage owners to bring empty properties back into use. The intention is 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. The council tax increase can be used as a part of a wider approach to tackle long-term empty homes including support and guidance to owners and provision of loans and grants if available.

On 3 March 2016 the Council approved that the council tax discount regime for empty and unfurnished properties be changed under discretionary powers available to the Council, providing the mandatory 100% exemption period of 6 months, a 10% discount for the next 6 months, moving to a 100% levy applying after 1 year unless the property is being actively marketed for sale or rent, in which circumstances the 10% discount will apply for a further period of up to 12 months after which the 100% levy would apply. The change to the existing discount arrangements is to take effect from July 2016."

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2.0 Policy Purpose & Objectives

2.1 Purpose

The purpose of this policy is to

- specify how the Council's Revenues Team and Finance Recovery Team will operate the legislation, detailed in section 1.
- detail the appropriate exemption/discount and/or increased Council Tax charge for empty properties.
- highlight that discretion can be considered and awarded in appropriate cases,

(the policy does not set rigid, pre-defined criteria as this would prevent the council from exercising discretion properly)

Detailed Operational Guidance has been prepared for Officers to support the operation of this Policy. This guidance also describes the discretion and flexibility which can be used in appropriate, individual circumstances.

2.2 Policy commitments

- All decisions will be made in a manner that is consistent with the ordinary principles of good decision making as described by Administrative Law (refer to section 11)
- The council will endeavour to act fairly, reasonably and consistently.
- Discretion will be used reasonably and lawfully and will not extend to giving more weight to certain groups and/or claimant because they are seen as more deserving than others.

2.3 Policy Objectives

The objectives of this policy are to:

- Encourage owners to return long term empty properties back into use and maintain the supply of affordable housing in Renfrewshire

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- Ensure the correct levels of reductions are awarded and the 100% increase is applied appropriately and for the correct period
- Raise awareness that discretion can be applied in appropriate, individual cases.
- In partnership with the Empty Homes Officer (refer to section 7) support customers by ensuring that, where appropriate, help to sell or let a home is given. In addition information is provided on initiatives which provide loans to help empty homeowners bring their properties back into use is provided

3 Council Tax Charges: Empty Property Properties

- All properties (refer to note section 11.3) deemed to be unoccupied and unfurnished, in line with the Operational Guidance, will attract a maximum 6 month 100% exemption, followed by a maximum 6 month 10% discount. Thereafter, a 100% increase will be applied to the council tax charge.
- If a property is classed as unoccupied but furnished, a maximum 12 month 10% discount will be awarded. Thereafter a 100% increase will be applied to the council tax charge.

4 Council Tax Charges: Second Homes

- The legislation, referred to in section 1, aims to ensure that only homes that are well maintained and which the owner is likely to visit regularly, therefore making some contribution to the local economy, can qualify as a second home. It defines a second home as being, *furnished and lived in for at least **25 days** in any **12 month** period.*
- Properties deemed to be a second home, in line with the Operational Guidance, will attract a 10% discount until such times the property becomes a sole/main address or the appropriate is no longer met.

5 Empty properties excluded from the increased charge

5.1 Other appropriate exemption

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The legislation will not affect a council tax payer's eligibility to claim council tax exemptions/discounts under the Council Tax (Exempt Dwellings) (Scotland) Order 1997.

These exemptions include:

- Occupant in long-term residential care
- Occupant in hospital long term
- Occupant in prison
- Where a property has been repossessed by a lender
- Where a property is being structurally repaired (for up to one year after it becomes unoccupied)
- Where the council tax payer has died (in which case the exemption is up to 6 months after the estate has settled).

Where a property is no longer eligible for an exemption detailed above, but it remains unoccupied, it will become eligible for the council tax increase after 1 year, if no other appropriate exemption applies

5.2 Properties being marketed for sale or rent

Properties being marketed for sale or rent will be excluded from the increased council tax charge, detailed in section 3, for a further 12 months following the initial 6 month exemption and 6 month 10% discount periods .

These properties will remain liable for council tax and will continue to attract a discount of 10% for 12 months. Thereafter a 100% increase will be applied to the council tax charge, as detailed in section 3.

This exclusion is conditional on the property being genuinely marketed for sale or let at a realistic market price. In considering whether a home is genuinely being marketed for sale or let, the Council will have regard to any unduly restrictive conditions being attached to the sale or let as well as the sales price/rent level.

In coming to a decision on whether or not the dwelling is being genuinely marketed for sale or let, the Council can request and take into account additional evidence. The Operational Guidance, prepared for Officers, details examples of the type of evidence which can be requested.

6.0 Use of Discretion

The legislation, allows the Council to *"make different modifications for different cases or different classes of case, including different areas"*.

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This policy does not impose any variance to the application of the increased charge, other than by discretion on a case by case basis.

- The Council will consider requests for discretion to be applied in relation to the charge or discount being applied.
- The Council will proactively consider the use of discretion in circumstances described in section 11.3.
- Requests should be made in writing or email detailing the reasons for the request.
- Each request will be considered on a case by case basis
- The Council will aim to respond to these requests within 10 working days
- Should further evidence or property visit be required the 10 working day deadline may be extended
- All requests for the application discretion will be logged and the decision recorded.
- The discretion request log will be monitored and reviewed by Senior Officer(s) to ensure consistency is applied.

7.0 Homes Again Renfrewshire Initiative

'Homes Again Renfrewshire' is a joint initiative which has been established in partnership between Renfrewshire Council, West Dunbartonshire Council (WDC) and the Scottish Government.

The key aim of the initiative is to bring private sector empty homes which have been lying empty for more than 6 months back into use.

An appointed Empty Homes Officer (shared with WDC) can provide additional support to customers. Advice on letting, selling, renovations can be provided along with one to one support through the selling/letting processes.

Loans are accessible to help empty homeowners bring their properties back into use. To be eligible for a loan, owners must ensure properties are used for affordable housing for a 5 year period after refurbishment.

Homes owners requiring support will be sign posted, where appropriate to the Empty Homes Officer by the Revenues/Finance Recovery Teams.

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8.0 Dispute Process

There is no formal right of appeal in relation to the level of discount awarded or the 100% increase added to the council tax charge. It is proposed however that customers are provided with the opportunity to seek a review of decisions, and the appropriateness of discretion being applied in the specific circumstances of individual cases.

Any disputes received regarding the level of discount or the 100% council tax increase will be dealt with as a request for discretion. If a customer does not agree with the initial decision they can ask for it to be reviewed by another officer, seeking the application of discretion based on the specific circumstance of the individual case.

9.0 Property Review Programme

The Council operates an empty property review programme, the aim of this work is to ensure that discounts are applied appropriately. The aim of the review is to ensure that the empty status of a property is correct. Review checks may include visits to properties and credit activity checks

10.0 Debt Recovery Action

The Council's normal recovery action will be taken, where appropriate.

The Finance Recovery Team will work in partnership with the Empty Homes Officer, as detailed in section 8, with the aim of bringing the property back into use and avoiding arrears.

11.0 Notes

11.1 Scots administrative law

This law governs the rules of administrative law in Scotland, the body of case law, statutes, secondary legislation and articles which provide the framework of procedures for judicial control over government agencies and private bodies.^[1]

Administrative law is the body of law that governs the activities of administrative agencies of government. Government agency action can include rulemaking, adjudication, or the enforcement of a specific regulatory agenda. Administrative law is considered a branch of public law.

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As a body of law, administrative law deals with the decision-making of administrative units of government (for example, tribunals, boards or commissions) that are part of a national regulatory scheme in such areas as police law, international trade, manufacturing, the environment, taxation, broadcasting, immigration and transport.

11.2 Scottish Water

The changes detailed in this policy are relating only to Council Tax and have no effect on the charges for Water and Sewerage, imposed by Scottish Water, billed and collected by the Council

11.3 Initial Six Month Exemption/six month 10% discount

Section 3 describes that all properties deemed to be unoccupied and unfurnished will attract a maximum 6 month 100% exemption, followed by a maximum 6 month 10% discount. Liable parties e.g. a new owner will not be entitled to the initial 6 month exemption if a previous award of six months has been granted and the property has not subsequently been occupied for 3 months.

A new owner's award of 10% discount may also be reduced by the number of weeks previously awarded, if the property has not been occupied for 3 months since the end of the last unoccupied period.

In the circumstances described above the Council will proactively make contact with customers to discuss their individual circumstances and consider the appropriateness of applying discretion.

RENFREWSHIRE COUNCIL
CUSTOMER & BUSINESS SERVICES
EMPTY PROPERTIES OPERATIONAL GUIDANCE

1. Introduction

The note provides guidance on Renfrewshire Council's operational policy in respect to new powers enabled by the Local Government Finance (Unoccupied Properties etc.) (Scotland) Act, and related regulations:

- The Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013
- The Council Tax (Administration and Enforcement) (Scotland) Amendment Regulations 2012
- The council Tax (Exempt Dwellings) (Scotland) Amendment Order 2012

The above regulations can be applied from 1 April 2013 and replace The Council Tax (Discount for Unoccupied Dwellings) (Scotland) Regulations 2005.

2. Background

From 1 April 2013 new legislative changes were brought in to allow local authorities the discretionary power to remove the empty property discount or set a council tax increase of 100% on certain properties which have been empty for 1 year or more. Previously, local authorities were only able to vary the level of discounts, ranging between 10% and 50%.

It is important to note that the regulations only apply to long-term unoccupied properties. Properties which are second homes will continue to be entitled to a discount which authorities may set between 10% and 50%.

This greater flexibility is intended as 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 blight on communities caused by houses being left empty and allowed to fall into disrepair. The council tax increase could be used as a part of a wider approach to tackle long-term empty homes including support and guidance to owners and provision of loans and grants if available.

For eligible unoccupied properties, local authorities can set a discount of between 50% and 0% or an increase of up to 100%. The provision also gives local authorities discretion to vary the council tax charged for different circumstances, and to apply discounts or increases in all or part of their areas. This could include charging different rates for a variety of different reasons as a local authority considers appropriate, and is intended to recognise that different pressures and factors will affect different areas.

On 3 March 2016 the Council approved that the council tax discount regime for empty and unfurnished properties be changed under discretionary powers available to the Council, providing the mandatory 100% exemption period of 6 months, a 10% discount for the next 6 months, moving to a 100% levy applying after 1 year unless the property is being actively marketed for sale or rent, in which circumstances the 10% discount will apply for a further period of up to 12 months after which the 100% levy would apply. The change to the existing discount arrangements will take effect from July 2016."

3. Council Tax Increase

3.1 Unoccupied Properties

The council tax increase can be applied to homes which have been unoccupied for 1 year or more. An unoccupied Property is any Property which is not someone's sole or main residence, but does not fall within the definition of a second home (defined below.) An unoccupied Property may be either furnished or unfurnished.

3.2 Second Homes

The council tax increase will not apply to second homes. In general, second homes are maintained well and are occupied for periods of the year when their owners contribute to the local economy.

Under the new legislation, a second home is defined as being furnished and lived in for at least 25 days in any 12 month period, but not as someone's sole or main residence. This aims to ensure that only homes which are likely to be reasonably well maintained and which the owner is likely to visit regularly (and therefore make some contribution to the local economy) can qualify as a second home. Local authorities will not be able to charge a council tax increase for second homes but will, as was previously the case, have flexibility to set a discount level of between 10% and 50%.

4. Exclusions from the Increase

4.1 Existing Mandatory Discounts and Exemptions

The new flexibility will not affect a council tax payer's eligibility to claim other council tax exemptions/discounts under the Council Tax (Exempt Properties) (Scotland) Order 1997. There are a number of exemptions in place for unoccupied Properties, such as where an occupant/council tax payer is:

- In long-term residential care,
- In hospital long term
- In prison,
- Where a Property has been repossessed by a lender
- Where a Property is being structurally repaired (for up to one year after it becomes unoccupied)
- Where the council tax payer has died (in which case the exemption is up to 6 months after the estate has settled).

As long as a council tax payer is eligible for an exemption, they would not be charged any council tax, however, where a Property becomes no longer eligible for the exemption, but remains unoccupied, it will become eligible for the council tax after the property has been empty for 1 year.

4.2 Homes actively being marketed for sale or rent

Homes being marketed for sale or let will be exempt from the council tax increase until they have been unoccupied for 2 years or more, these homes will remain liable for council tax and will attract a discount of between 10% and 50%. New build properties can also qualify for this exemption from the increase. This exemption is conditional on the home being genuinely marketed for sale or let at a realistic market price. In considering whether a home is genuinely being marketed for sale or let, the Council can have regard to any unduly restrictive conditions being attached to the sale or let as well as the sales price/rent level.

In coming to the decision on whether or not the property is being genuinely marketed for sale or let, the Council can request and take into account evidence including:

Home Report

If the property is being marketed for sale, does it have a valid home report? Most houses for sale in Scotland require a home report which also includes a valuation of the property. If the home report valuation is significantly below the advertised price, it may be that the owner is not making a genuine attempt to sell their property.

Marketing

Is the owner's marketing efforts providing adequate exposure to the market? Is the property being actively marketed by an agent and/or property sale/letting website?

4.3 Additional Flexibility to vary discount/increase

The new legislation also gives local authorities discretion to vary the council tax charged for different cases. This could include charging different rates according to, for example, the area the Property is in; the length of time that the Property has been unoccupied and other circumstances as a local authority considers appropriate.

This additional flexibility is included so that local authorities can modify provision by

- Not charging a council tax increase,
- Charging a reduced level of increase,
- Offering a higher level of discount.

This allows a local authority to avoid charging a council tax increase, or to charge a lower level of council tax than for other unoccupied Properties, where it considers there are reasons why the owner is justified in leaving the Property unoccupied and/or reasons why the Property could not be lived in sold or let.

For all cases, the maximum discount of 50% and a maximum increase of 100% as set in the legislation must not be exceeded. Under the legislation, local authorities are prevented from using their discretion to vary council tax charges in a way that gives more favourable treatment to unoccupied social rented Properties just because they are owned by a social landlord. It is important that all owners take steps to bring unoccupied homes back into use as soon as possible, rather than leaving them empty.

The Operational Policy developed by the Council following the motion described in section 1 (above) does not detail any variance to the application of the increased charge, other than by discretion on a case by case basis

5. Renfrewshire Council Empty Property Procedures (pre 1/7/16)

Generally, there are 3 scenarios involving empty property discounts:

- Properties unoccupied and furnished
- Properties unoccupied and unfurnished
- Properties unoccupied due to structural repair

The table below shows the reductions available for each of these scenarios.

Scenario	1 – 6 Months	7 – 12 Months	13 – 18 Months	19 – 24 Months
Furnished	10% Discount			

Unfurnished	100% Exemption	50% Discount	10% Discount	
Structural Repair	100% Exemption		50% Discount	10% Discount

After the 24 months, in each of the scenarios, the 10% discount would continue until the property is occupied again.

6. New Renfrewshire Council Empty Property Procedures (from 1/7/16)

The Council Tax Increase, of 100%, is to be applied to appropriate council tax accounts from 1/7/16.

In addition to this, any property where 6 months unoccupied and unfurnished or 12 months Structural Repair exemption has lapsed, the discount will reduce to 10%.

No period of 6 months 50% discount will be made available after the exemption period ends.

This means any customer with a property, that has been vacant for 12 months, will no longer be entitled to any discount and the property will also attract a 100% increase which will be added to their bill, unless they meet any of the other qualifying conditions detailed in section 4.

7. New Rules For Each Vacant Property Scenario

The table below shows the reductions available for each scenario for the new procedures and are covered in more detail further on in the section.

As per previous rules, liable parties e.g. a new owner will not be entitled to the initial 6 month exemption if a previous award of six months has been granted and the property has not subsequently been occupied for 3 months.

A new owner's award of 10% discount may also be reduced by the number of weeks previously awarded, if the property has not been occupied for 3 months since the end of the last unoccupied period.

Scenario	1-6 Months	7-12 Months	13-24 Months	25-36 Months	Onwards
Unoccupied & Unfurnished	100% Exemption	10% Discount	100% Increase		
Unoccupied & Unfurnished – property up for sale/let	100% Exemption	10% Discount		100% Increase	
Unoccupied & furnished	10% Discount		100% Increase		
Unoccupied & furnished – property up for sale/let	10% Discount			100% Increase	
Second Home – occupied for at least 25 days	10% Discount - Unlimited				
Structural Repair	100% Exemption		10% Discount	100% Increase	
Unoccupied and exempt (e.g. prohibited by law,	100% Exemption – for as long as the property is eligible for exemption, thereafter, 10% discount for 12 months before 100% increase. (as long as property remains unoccupied)				

repossessed, in care etc)	
Purpose built holiday homes	50% Discount - Unlimited
Job related Properties	50% Discount - Unlimited

Unoccupied and Unfurnished

Where a property is unoccupied and unfurnished, however, is not up for sale/let and is not being renovated, the property will be eligible for a 6 months unoccupied and unfurnished exemption, followed by a **10%** discount for 6 months before the council tax charge is increased by 100%.

This scenario sees the liable party being levied with the 100% additional charge after 12 months as they not showing to be bringing the property back into use.

If after the 100% increase has been levied the liable party then advises the property is up for sale/rent, an application for **10%** discount would be required to be made however the discount will only be granted from that date the evidence shows the property has been advertised from.

Unoccupied & Unfurnished – property up for sale/let

Where a property is unoccupied and unfurnished and is up for sale or is available for let the property would be eligible for the same as the scenario above; a 6 months unoccupied and unfurnished exemption, followed by a **10%** discount for 6 months.

However, if the property still remains up for sale/available for let then a further 10% discount can be granted for 12 months before the 100% increase would be levied.

A review of the account will be carried out leading up to the end of the 1st 12 months to ensure the property is still being marketed. At this point a further 12 months 10% discount will be granted before the 100% increase is levied.

Unoccupied and Furnished

Where a property is unoccupied and furnished, however, is not up for sale/let, is not being renovated and is not lived in for at least 25 days in any 12 month period, the property would be eligible for a **10%** discount for 12 months before the council tax charge is increased by 100%.

Again, this scenario sees the liable party being levied with the 100% additional charge after 12 months as they not showing to be bringing the property back into use.

If after the 100% increase has been levied the liable party then advises the property is up for sale/rent, an application for **10%** discount be required to be made however the discount will only be granted from that date the evidence shows the property has been advertised from.

Unoccupied and Furnished – property up for sale/let

Where a property is unoccupied and furnished and is up for sale or is available for let and is not lived in for at least 25 days in any 12 month period; then the property would be eligible for a **10%** discount for 12 months.

However, if the property still remains up for sale/available for let then a further 10% discount can be granted for 12 months before the 100% increase would be levied.

Again, a review of the account would be carried out leading up to the end of the 1st 12 months to ensure the property is still being marketed. At this point a further 12 months 10% discount will be granted before the 100% increase is levied.

Second Homes

As detailed in section 3.2, the new legislation states a second home is defined **as being furnished and is lived in for at least 25 days in any 12 month period but must not be someone's sole or main residence.**

Should this criteria be met, the Property would be entitled to an unlimited 10% discount and would not be subject to the 100% increase.

To be entitled to the **10%** second home discount, evidence would have to be supplied to confirm that the property is occupied for part of the year.

The suggested evidence would be a copy of a TV Licence however a property visit may also be carried out to confirm the property is furnished.

Structural Repair

The normal rules apply for a structural repair exemption where a Property is eligible for a 12 month exemption from the last date of occupation. Thereafter, should the property remain unoccupied a further **10%** discount is available before the 100% increase is levied.

It should be noted that if the property is sold after the original 12 month structural repair exemption has been granted, and the new property remains unoccupied, the new owner would be entitled to a **50%** discount from the date of purchase for 6 months, followed by a further 10% discount before the 100% increase would be levied.

Unoccupied and exempt (e.g. prohibited by law, repossessed, in care etc)

The normal rules apply for each exemption category which is detailed in section 4.1. Should the Property no longer be entitled to the original exemption, the relevant scenario above should be followed to determine the level of reductions available.

Purpose built holiday homes

An unlimited 50% discount is available for purpose built holiday homes however to date Renfrewshire do not have any of this type of Property registered on the council tax system. This will be reviewed should we receive an application for a purpose built holiday home.

Job related Properties

An unlimited 50% discount is available for any council tax payer whose 2nd home is owned or rented but they live in tied accommodation. This would include members of the clergy, farm workers and publicans who are required to live in the licensed premises where they are tenants.

Proof would be required to confirm the property must be lived in as part of their employment. This could be a letter from their employer.

8. Requests For Discretionary exclusion from the increase

As detailed in section 4.3 the new regulations includes provision for local authorities to apply additional exemption from the increased charged out with the exemptions advised in sections 4 and 7.

Supplementary guidance was provided by the Scottish Government on 31 March 2015 to advise local authorities what circumstances may merit flexibility in terms of not charging the council tax increase where properties have been empty for over a year. This includes:

- 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.

Should any customer wish request a discretionary exclusion from the council tax increase they should write/email, detailing their case for the exclusion.

Each case will be looked at on a case by case basis with a decision being made within 10 working days. Should any further evidence be required or a property visit be appropriate, this 10 working day deadline can be extended. As stated in section 10 below, responsibility for use of discretion will lie with the Finance Recovery Team.

9. Where It Is Claimed a Property Is Now Occupied

The customer should provide information to confirm:

- Date of occupation
- Name of occupants
- Occupants previous address
- Payment method
- Contact Details (telephone and email)

The case will be reviewed and a property visit may be required to confirm the property is furnished. Further credit checks will be carried out to confirm credit activity at the property to ensure it is someone's sole and main residence.

Cases involving couples where one party is residing in the previous property and the other party is claiming to reside in the 2nd property should be investigated to ensure the claim is not simply a way to avoid the increase. The credit check carried out would confirm this.

10. Appeals

There is no right of appeal in relation to the level of discount awarded or the 100% increase added to the council tax charge.

A customer may ask for the decision to be looked at again in which case it should be allocated to a different officer to review.

Appeals can be made against the following decisions:

- Council decision not to class Property as 2nd home
- Council decision not to class Property as purpose built holiday home
- Council decision not to class Property as job related
- Decision to reject application for structural repair exemption
- Decision to reject application for unoccupied and unfurnished exemption.

Should a customer disagree with a decision, from the list above, they can advise that they wish to dispute the original decision made. This can be done in writing, by email or by telephone.

Should the customer still disagree with the decision they can then request for a formal review of the decision. This must be done in writing and a response will be issued detailing the outcome and appeal rights.

If the customer still disagrees with the decision they can then request to be forwarded to the Valuation Appeal Committee to review the case. As stated above decisions regarding the imposition of the 100% increased charge cannot be heard by the Valuation Appeal Committee.

11. Complaints

Should a customer be unhappy with the service provided by Renfrewshire Council in relation to any part of this process, they may submit a formal complaint at any point. This can be done in writing, email or by telephone..

Each complaint will be investigated as part of the council's complaints procedures and should the customer still be dissatisfied with the outcome after stage 2 of the complaint, they may forward the complaint onto the Scottish Public Services Ombudsman.

12. Reviews

All empty property discount reviews from July 2016 will be carried out by the new Review Officer based within the Finance Recovery Team. Due to the impact of the council tax increase, a tighter control on discounts is required therefore functionality such as Equifax will be used to identify electoral/credit activity on empty properties.

The review process will be split into moving out, moving in, deceased and second home categories, appropriate verification activities should be undertaken.

13. Debt Recovery Process

Current debt recovery procedures are aimed at '*can pay, wont pay*' debtors. The main consideration regarding the increased charge is the ability for an owner to maintain an ongoing instalment.

Certain owners will have little or no disposable income and in cases like this the Finance Recovery Team will work in partnership with the Empty Homes Officer (see section 14 below) with the purpose of bringing the property back into use.

Consideration will be given to these cases for discretion to be awarded with the **10%** discount remaining in place on the basis that the owner is engaging with the team. Payment arrangements will also be considered where payment is made at the point the property is sold or let.

All cases where the 100% increase is in place, and is disputed by the owner, will be routed to the Finance Recovery Team. Debt Management Officers will be responsible for applying the discretion and collecting the outstanding charges whether the charge is 90% or 200%.

14. Homes Again Renfrewshire Initiative

'Homes Again Renfrewshire' is a joint initiative which has been established in partnership between Renfrewshire Council, West Dunbartonshire Council (WDC) and the Scottish Government.

The key aim of the initiative is to bring private sector empty homes which have been lying empty for more than 6 months back into use.

An appointed Empty Homes Officer, Kathryn Kelly (shared with WDC) can provide additional support to customers. Advice on letting, selling, renovations can be provided along with one to one support through the selling/letting processes.

Loans are accessible to help empty homeowners bring their properties back into use. To be eligible for a loan, owners must ensure properties are used for affordable housing for a 5 year period after refurbishment.

Homes owners requiring support will be sign posted, where appropriate to the Empty Homes Officer by the Revenues/Finance Recovery Teams.

RENFREWSHIRE COUNCIL
COUNCIL TAX – EMPTY PROPERTIES
EQUALITY IMPACT ASSESSMENT

1. The Proposal

From 1 April 2013, the Scottish Government implemented the Council Tax (Variation for Unoccupied Properties) (Scotland) Regulations 2013 that allowed local authorities the discretionary power to remove the empty property discount or set a council tax increase of a maximum 100% on certain properties which have been empty for 1 year or more. Previously, local authorities were only able to vary the level of discounts, ranging between 10% and 50%.

The legislative changes only apply to long-term unoccupied properties. Properties which are classed second homes, as defined in the legislation, will continue to be entitled to a discount which authorities may set between 10% and 50%.

Purpose built holiday homes and job related Properties will continue to attract a discount of 50%.

From July 2017, Renfrewshire Council will no longer offer a 50% discount on empty properties, excluding purpose built holiday homes and job related Properties.

The discount offered for empty dwelling will now be 10% and this will also apply to properties that have previously been granted 6 months unoccupied and unfurnished exemption.

Where a property has been unoccupied for 1 year, a council tax increase of 100% will be levied on the account.

Legislation dictates however that properties actively being marketed for sale or rent will be exempt from the increase until they have been unoccupied for 2 years. The increase of 100% will therefore commence after year 2 in these cases.

2. Information

There is no evidence to suggest that any vulnerable groups will be affected by the legislative change.

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Council tax records do not hold information on the following equalities groups that may be affected by the increased charge:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual orientation

Council tax records indicate that a total of 1740 properties are currently classed as unoccupied. 546 of these properties are owned by local authority or social landlords.

It should be noted that not all of these properties will be affected by the council tax increase as any number could become occupied prior to the increase being levied.

The change to legislation will not affect a council tax payer's eligibility to claim council tax exemption under the Council Tax (Exempt Properties) Order 1997.

There are a number of exemptions/discounts in place for unoccupied properties for the scenarios below:

- Occupant in long-term residential care
- Occupant in hospital long term
- Occupant in prison
- Where a dwelling has been repossessed by a lender
- Where a dwelling is being structurally repaired (for up to 1 year after it becomes unoccupied)
- Where the council tax payer has died (in which case the exemption is up to 6 months after the estate has settled)

Where a property is no longer eligible for an exemption detailed above, but it remains unoccupied, it will become eligible for the council tax increase after 1 year, unless it is being marketed for rent/sale.

3. Proposal Impact

It is anticipated that the vast majority of groups impacted by the council tax increase will be:

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- Home owners
- Builders
- Local authority properties
- Social landlord properties
- Private landlord properties

It is recognised that some owners may have little or no disposable income available in order to bring their property back into use or a property may take a long time to sell/let in a stagnant market despite being priced appropriately. Requests for discretion will be considered in these circumstances as detailed in section 4.

A positive impact of the council tax increase will be that owners are encouraged to bring empty properties back into use, increasing the supply of housing for those who need homes and reducing the blight on communities caused by houses being left empty and falling into disrepair.

4. Recommendations

The new regulations include provision for local authorities to apply additional discretion from the increased charged and this is available to all customer groups.

Supplementary guidance was provided by the Scottish Government on 31 March 2015 to advise local authorities what circumstances may merit flexibility in terms of not charging the council tax increase where properties have been empty for over a year. This includes:

- 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.

Renfrewshire Council will accept requests for exclusion from the 100% increase as well as discretionary awards of discounts greater than 10%.

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Discretion will be used reasonably and lawfully and will not extend to giving more weight to certain groups and/or claimant because they are seen as more deserving than others.

Home owners affected by the council tax increase will be sign posted to a dedicated empty homes officer who is part of an initiative called Homes Again Renfrewshire. Loans are being made available to help empty homeowners bring their properties back into use. To be eligible for the loan, owners must ensure the property is being used for affordable housing for a 5 year period after refurbishment.

The key aim of the initiative is to bring private sector empty homes which have been lying empty for more than 6 month back into use.