

ALACHO(Association of Local Authority Chief Housing Officers) Response to Scottish Government Consultation on Council Tax Levy on Long-Term Empty properties and Housing Support Grant

General Comments.

ALACHO broadly welcomes the Scottish Government's proposals for increasing Council Tax charges for homes that are left empty for longer than six months. We are pleased to see in particular the discretion proposed for Councils to ensure that local policies on Council Tax charges for empty homes fit local circumstances. We also welcome the proposal to ring fence any additional resources raised by the proposals for housing. We would not however limit their use to the provision of social housing, but would extend the scope of the proposed ring fence to any housing related purposes identified as a priority by a local authority under its Local Housing Strategy.

We also believe that the consultation document may be rather sanguine on the question of the costs of implementing an additional Council Tax levy, as the costs of IT system changes and enforcement could be significant. It would be disappointing if Councils were inhibited from enacting the proposals on cost grounds alone, or if the costs of implementing new systems were to outweigh the benefits of implementation.

Consultation Questions

1. Should Councils be able to remove the current Council Tax discount (of between 10% and 50%) on long-term empty homes?

Yes.

2. Should Councils be able to charge an additional levy on the Council Tax on long-term empty homes and should they have flexibility in deciding the level of the levy? If so, what should be the maximum level of levy Councils could impose?

Yes. Councils should be able to charge an additional levy on the Council tax on long-term empty homes and should have flexibility in deciding the magnitude of such a levy. ALACHO is content that the maximum level of levy Councils could impose should not exceed 100% of existing Council Tax levels.

3. Do you agree that Councils should continue to be able to apply different levels of Council Tax charge in different geographic parts of their area if they feel this is appropriate?

Yes. Councils are best placed to determine differential levels of Council Tax for empty homes in different geographic parts of their area, where they deem this to be strategically appropriate,

economically efficient, and effective in the context of trying to bring empty homes back into use.

4. Do you agree that Councils should have flexibility in deciding how long a home should be empty before they apply increased Council Tax charges for long-term empty homes and should Councils also be able to increase the level of charge the longer a home has been empty?

ALACHO agrees that Councils should have flexibility in deciding how long a home should be empty before increased Council Tax charges for long-term empty homes are applied, and that this flexibility should extend to the level of charge levied according to the duration of the period a home has been empty.

5. Should Councils be able to apply additional, time-limited exemptions to the levy for certain types of property or owner? If so, please provide details of the circumstances under which you feel that an exemption would be appropriate and how long these additional exemptions should be available for.

ALACHO agrees with the principle of granting additional time-limited exemptions to the levy for certain groups of owners or properties. We anticipate the main circumstances giving rise to exceptions would be those where demonstrable financial hardship exists which would be worsened by removal of discount or imposition of a levy. Councils are best placed to develop their policies in this area. We consider that a period of one year would be a reasonable period of exemption to allow cash strapped owners to try and sell or rent their properties, with provision for review built in.

6. Do you agree that homeowners should have a duty to inform their Council if their home has been empty and unoccupied for six months? If so, should Councils be able to charge a fixed penalty fee where an owner has not informed them that a property is unoccupied and what level of penalty fee would be appropriate?

Yes. Councils should be able to charge fixed penalty fees where an owner does not inform them that their home has been empty and unoccupied for six months. A penalty in the region of £100 would seem to be a reasonable level, with flexibility to increase this if it proved ineffective in ensuring compliance.

7. To help minimise avoidance, do you agree that a home should no longer need to be unfurnished to be classed as long-term empty?

Yes.

8. Should the minimum period an empty home must be occupied before it can be declared as empty again and benefit from an exemption be extended

beyond the current six week minimum? If so, what should the minimum period be?

Yes. ALACHO would agree that the minimum period of occupation before a home can be declared empty should be extended beyond the current six weeks. We concur that three months would be a reasonable alternative.

9. Should the additional revenue raised from Council Tax on long-term empty homes be used for affordable housing? Please let us know if you have particular views on the types of project or expenditure this revenue should be used for.

ALACHO firmly believes that any additional revenue raised from increasing Council Tax on long term empty homes should be used to support the provision of affordable housing. However we also believe that the precise purpose to which any additional income might be put should be decided by Councils in light of priorities identified in their Local Housing Strategies. Thus we would expect the additional resources might be used to support a range of housing related objectives, from private sector improvement and repair (perhaps with a view to bringing empty homes back into use) to the provision of new affordable rented housing.

Question on the Housing Support Grant

10. Do you agree that Housing Support Grant should be abolished from April 2013 onwards?

Subject to satisfactory transitional arrangements being agreed for the single authority affected by this proposal, ALACHO would not take issue with the abolition of HSG from April 2013 onwards.

Jim Hayton

ALACHO Policy Manager

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