

# AGENDA ITEM No. 8

NORTH LANARKSHIRE COUNCIL

## REPORT

To: POLICY & RESOURCES (FINANCE) SUB COMMITTEE	Subject: THE COUNCIL TAX DISCOUNT FOR UNOCCUPIED DWELLINGS (SCOTLAND) REGULATIONS 2004
From: DIRECTOR OF FINANCE	
Date: 27 October 2004	Ref: BC/CC

### 1 Introduction

The Scottish Executive has issued a draft Statutory Instrument "The Council Tax (Discount for Unoccupied Dwellings) (Scotland) Regulations 2004", confirming their intent to introduce a power for Local Authorities to vary the level of discount granted for empty dwellings and/or second homes.

### 2 Background

2.1 The draft regulations propose a discretionary power for local authorities to:

- 1 Vary the level of discount from the 50% presently available to between 10% and 50%
- 2 Apply a different level of discount to empty dwellings and/or second homes
- 3 Apply the discount to different geographical areas

2.2 The Scottish Executive anticipates that the introduction of this scheme could raise approximately £25.4M per annum nationwide. The comparable figures for North Lanarkshire Council are shown below.

	Scotland	North Lanarkshire Council
Number of dwellings	2,358,415	139,606
50% Discount Award	66,503	968
%	2.82%	0.69%
Discount Award £@ 50%	£31,750,204	£395,693
Discount Award £@ 10%	£6,350,041	£79,139
Revenue Raised	£25,400,163	£316,554

The figures above are based on the assumption that for every property currently enjoying a 50% discount each of the 32 authorities will adopt the scheme and reduce the discount award to 10%.

- 2.3 The draft regulations are consistent with our response to the consultation paper. However, the introduction of the draft regulations raises certain issues including:-
- 2.3.1 Policy Development – North Lanarkshire Council would require to formulate a policy in regard to applying a reduced discount, applicable to the respective classes of dwellings over all/some of the geographical areas within the Council.
  - 2.3.2 System/Process Development – Amendment to our software system and processes would need to be introduced to adapt to the new regulations and policy requirements. This will need sufficient lead time for the software suppliers, Council, and public, to introduce and adhere to the new requirements.
  - 2.3.3 Cash Allocation – The introduction of this scheme will require the Council to allocate cash receipts from some individual between Scottish Water (Water Charges), Councils (Council Tax), and RSL (Relief Removed). Changes to the draft regulations would need to include an ability to allocate cash on the basis of individual liability and prevent the fundamental flaws inherent in the current allocation of cash between Council Tax and Water Charges which is imposed by existing legislation. Use of individual account basis would ensure that only money collected against the billed liability is transferred to the RSL.
  - 2.3.4 Distribution to RSL's – There is no indication of how the money raised is to be allocated/awarded to RSL's – bidding for funding based on projects, percentage allocated based on stock size etc.

### 3 Considerations

- 3.1 The Council will need to consider, at a future Sub-Committee meeting, a policy regarding the application of the power to vary the amount of discount which the regulations will provide.

### 4 Recommendation

It is recommended that the Committee;

- 4.1 Note the report.
- 4.2 Note that a further report will be presented regarding the policy development needed following the publication of the final regulations.
- 4.3 Remit to Housing & Technical Services Committee for their information.



**Director of Finance**

Members wishing further information please contact Brian Cook, Head of Revenue Services,  
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