

REPORT

To: POLICY & RESOURCES (FINANCE) SUB COMMITTEE		Subject: POLICY IN RELATION TO COUNCIL TAX DISCOUNT FOR SECOND HOMES AND LONG TERM EMPTY DWELLINGS
From: DIRECTOR OF FINANCE		
Date: 18 January 2005	Ref: BC/CC	

1 Introduction

- 1.1 The Policy & Resources (Finance) Sub Committee on 9 November 2004 noted a report on the draft Statutory Instrument by the Scottish Executive "The Council Tax (Discount for Unoccupied Dwellings) (Scotland) Regulations 2004.
- 1.2 The Scottish Parliament approval of the regulations now requires a policy decision on how to extend the award of discount to the two categories of 2nd Homes and Empty properties.

2 Background

- 2.1 Legislative powers have been introduced to allow Local Authorities an opportunity to raise additional funds to tackle the problem of limited availability of low cost affordable social housing.
- 2.2 The legislation allows Local Authorities to reduce the award of a 50% Discount and use the additional funds to support Registered Social Landlords (RSL's) in providing new build social housing.
- 2.3 The Council would utilise the funding raised by lowering the discount to support RSL projects, which are consistent with the Local Housing Strategy. The strategic use of the funds would be co-ordinated in conjunction with Communities Scotland and would ensure funds raised in North Lanarkshire area were spent in the area.

3 Considerations

- 3.1 In order to provide additional support to meeting the goals of the Local Housing Strategy, the Council requires to determine whether to operate the reduced discount award over either of the categories of 2nd Homes or Empty properties.
- 3.2 Within North Lanarkshire the implementation of the discretionary power for 2nd Homes would raise approximately £160,000 for RSL projects.
- 3.3 Applying the discretionary powers to Empty properties would raise approximately £140,000. As a landlord, NLC's Housing Revenue Account would be liable for approximately £65,000 additional charge.

- 3.4 Introducing the discretionary powers across both categories would raise up to £300,000 of additional funding per annum. This would allow RSL's the maximum opportunity to progress achievement of the Local Housing Strategy aims, and provide increased availability of affordable housing within North Lanarkshire.
- 3.5 There are a relatively small number of properties (968 representing 0.7% of the database) which currently enjoy a 50% discount award. There is no evidence that the concentration of these properties unduly influences the housing market within the Council area. Consequently it is proposed to vary the discount to the lowest level expected by legislation of 10% across the Council area.
- 3.6 The Scottish Parliament expectations in introducing the legislation were to extend the opportunity for increased funding and expect that the powers would be used in the fullest. Initial indications from other Local Authorities are that they will introduce the reduction in discount over each category.

4 Recommendation

The Committee is asked to,

- 4.1 Approve the variation to the level of discount as per paragraph 3.5.
- 4.2 Approve the application of the varied discount to both categories as per paragraph 3.4
- 4.3 Remit the report to the Housing & Technical Services Committee for information.

Background Papers are available in the Department



Director of Finance

Members wishing further information please contact Mr Brian Cook, Head of Revenue Services, Ext 2801.