

WEST DUNBARTONSHIRE COUNCIL**Report by Chief Officer - Resources****West Dunbartonshire Council – 20 December 2023**

Subject: Council Tax Charges for Second Homes**1. Purpose**

- 1.1** The purpose of this report is to seek approval to apply a 100% increased charge on second homes from 1 April 2024.

2. Recommendations**2.1** Members are asked to:

- a) Approve the increased 100% charge to second homes from 1 April 2024 as per the Council Tax (Variation for Unoccupied Dwellings) (Scotland) Amendment Regulations 2023.
- b) Note that a grace period have been introduced to protect new purchasers from the 100% Council Tax levy for long-empty properties. This applies where the property is undergoing repairs or renovations and the property was purchased by the person liable to pay the Council Tax less than 6 months ago or such longer period as may be agreed by the local authority.
- c) Approve that the criteria that the property needs to have been purchased by the person liable to pay the Council Tax less than 6 months ago is not extended to a longer period.

3. Background

- 3.1** Under the terms of The Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013, local authorities were given the discretion to reduce the level of the discount afforded to dwellings used as second homes from 50% to 10%.
- 3.2** Further discretion was made available from 1 April 2017, under The Council Tax Variation for Unoccupied Dwellings) (Scotland) Amendment Regulations 2016 to award no discount to second homes.
- 3.3** West Dunbartonshire Council currently offer no discount to second homes and the standard Council Tax charge is applied.

- 3.4** The Council Tax (Variation for Unoccupied Dwellings) (Scotland) Amendment Regulations 2023, gives local authorities discretion to introduce an increase of up to 100% on second homes.
- 3.5** This brings the Council Tax charges levied on second homes in line with that for long term unoccupied dwellings.
- 3.6** On-going protection through a mandatory 50% discount is to remain in place for second homes that meet the definitions of purpose-built holiday homes or job-related dwellings, as provided in the 2013 regulations.
- 3.7** The regulations also introduce further protection for long-term empty properties undergoing repairs or renovations where a grace period from the 100% increased Council Tax levy will apply where:
- a) It is undergoing repairs or renovations that contribute to the improvement of the property; and
 - b) It was purchased by the person who is liable to pay the Council Tax in respect of it less than 6 months ago or such longer period as may be agreed by the local authority.
- 3.8** Officers recommend that the 6 month timescale is accepted as a standard rule.

4. Main Issues

- 4.1** For the purpose of this report a “second home” is a dwelling which:
- isn’t someone’s sole or main residence
 - is furnished
 - in respect of which, during any period of 12 months, the person who is liable to pay the chargeable council tax can provide evidence that it is lived in other than as a sole or main residence for at least 25 days during that period.
- 4.2** The proposed change is to apply an increase of 100% Council Tax charged to second homes.
- 4.3** In West Dunbartonshire there are currently 58 second homes. These are broken down by band, current charge and value of increase (based on the 2022/23 charge) as follows:

Band	Total Number of Props	Current Band Charge (£)	Value of Increase CT (£)
A	9	932.65	8,393.85
B	21	1,088.10	22,850.10
C	5	1,243.54	6,217.70
D	9	1,398.98	12,590.82
E	8	1,838.10	14,704.80

F	3	2,273.34	6,820.02
G	0	0	0
H	3	3,427.50	10,282.50
TOTAL			81,859.79

4.4 The intention of the legislation is to encourage second homes to become someone's sole or main residence therefore this will impact the potential income in future years. Also, it is important to note not all may be collected and consideration for non-payment has to be given.

5. People Implications

5.1 There are no personnel issues.

6. Financial and Procurement Implications

Financial

6.1 The proposed change has the potential to increase Council Tax income due to the 100% increase being applied, subject to point 4.4.

Procurement

6.3 There are no procurement issues

7. Risk Analysis

7.1 There is a risk that the potential increase in Council Tax income will be less than stated however this will be a result of second home becoming someone's sole or main residence which will bring benefits to the communities.

8. Equalities Impact Assessment (EIA)

8.1 No potential negative equality impacts were identified.

9. Strategic Environmental Assessment (SEA)

9.1 There is no requirement to carry out a SEA

10. Consultation

10.1 None

11. Strategic Assessment

11.1 Council Tax collection forms part of the financial governance of the Council. Sound financial practice and budgetary control are imperative to assist with

the governance of the Council and support officers of the Council in achieving the five strategic priorities.

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Date 12 December 2023

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Appendices: None

Background Papers: EIA screening

Wards Affected: All council Wards.