

ANGUS COUNCIL – 22 JUNE 2023

COUNCIL TAX ON SECOND AND EMPTY HOMES: CONSULTATION – PROPOSED ANGUS  
COUNCIL RESPONSE

REPORT BY THE DIRECTOR OF FINANCE

**ABSTRACT**

This report advises members of a consultation on Council Tax as it applies to second homes and long-term empty properties and seeks approval for a proposed Council response.

**1. RECOMMENDATIONS**

1.1 It is recommended that the Council:

- a) notes the background to the consultation as set out in the report;
- b) considers the proposed response to the consultation in Appendix 1; and
- c) approves the proposed response at Appendix 1 with or without amendment.

**2. ALIGNMENT TO THE COUNCIL PLAN**

2.1 This report is relevant to the following priorities as set out in the Council Plan: -

- support business and economic growth by improving the physical and digital infrastructure
- work collaboratively for and with our citizens to keep them safe in resilient communities
- increase the supply of affordable housing and improve the council's current housing stock so it is fit for the future
- listen to the needs of our customers and by working for and with them deliver better public value.

**3. BACKGROUND**

3.1 In April 2023 the Scottish Government and COSLA (on behalf of Local Government) published a consultation on council tax on second and empty homes. Managing the number of long-term empty homes, short term lets and second homes is considered to be an important part of Scotland's housing strategy and the consultation therefore seeks views on how local taxation can help local areas make the best use of existing housing stock. The full consultation document can be found [here](#).

3.2 Although numbers of second homes and long-term empty properties in Angus are quite small the incidence of such properties is much higher in other parts of Scotland and the consultation is seeking views on whether changes to local taxation arrangements should be enabled as a local option for Councils to consider.

3.3 Table 1 below provides additional information on the number of properties affected and the value of Council Tax on such properties for financial year 2022/23. The percentages shown are the number of properties as a percentage of the total properties liable for Council Tax. The income figures are the amounts billed.

**Table 1 – Scotland and Angus Statistics**

Property Type	Scotland		Angus		Angus Council Tax Income 2022/23
	No.	%	No.	%	
Second Homes	23,990	0.9%	411	0.7%	£247,000
Long Term Empty Properties	43,766	1.6%	1,191	2.1%	£691,000

#### 4. PROPOSED COUNCIL RESPONSE

4.1 The consultation provides a standard response form to use. Some of the consultation questions are only relevant to individual taxpayers but others are relevant for the Council to provide a view on. Officers have prepared a proposed response to the consultation on behalf of Angus Council and this is attached at Appendix 1 to this report. Members are asked to consider this proposed response and approve it with or without amendment.

4.2 In considering the response members may wish to note the following points:-

- The additional flexibility which the consultation is considering would be welcome – if changes were implemented to existing legislation this would provide the Council with a route to potentially increasing housing supply and raising some additional income;
- In Angus taxation changes such as those being considered in the consultation will however likely play a fairly modest role in increasing housing supply and raising additional income;
- Long term empty properties are a larger issue (higher numbers) in Angus than second homes and although the reasons such properties are not in use can be complex they represent a missed opportunity to increase the overall supply of housing in an area;
- There is a need to achieve a balance between incentivising certain behaviours e.g. bringing long term empty properties back into use and not being punitive to taxpayers;
- Additional Council Tax charges are likely to be more challenging to collect based on our experience of existing arrangements which can be problematic and require additional administration;
- In summary the consultation is welcome but the impact of legislative changes, should those be made and adopted in Angus is likely to be quite modest overall.

#### 5. FINANCIAL IMPLICATIONS

5.1 There are no financial implications for the Council arising from the recommendations in this report relating to the consultation response. If changes to legislation are made following the consultation and the Council then chooses to implement local policy changes on Council Tax as it applies to second homes and long term empty properties then this would likely mean additional Council Tax income being able to be raised. A fuller assessment of the financial implications will be undertaken if the consultation results in legislative changes as part of reporting back to members on potential changes to existing policies.

#### 6. EQUALITY IMPACT ASSESSMENT

6.1 An equality impact assessment is not required. The consultation is a pre-cursor to potential changes in legislation which if implemented will require to be assessed nationally as part of the legislation and locally should Angus Council consider adopting such changes.

**NOTE:** No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 were relied on in preparing this report.

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