

**COUNCIL TAX ON EMPTY PROPERTIES – PROPOSED EXTENSION OF
TEMPORARY AMENDMENT DUE TO COVID 19**

1.0 EXECUTIVE SUMMARY

- 1.1 On 14 May 2020 the Council's Business Continuity Committee (BCC) approved a temporary policy amendment to remove the double charge of Council Tax on long-term empty dwellings under the following circumstances:

where there is conclusive evidence that efforts have been made, or are being made to bring the empty properties back ef

already started. In addition, for people with their property listed for sale or let, there was evidence that the housing market had really slowed.

- 3.4 However in November 2020 whilst we are no longer in formal lockdown, the government has introduced a new Covid-19 tiered response mechanism to minimise the risk of outbreaks by local authority. Whilst Argyll and Bute is at tier 2 of the national system, cases of Covid-19 are increasing and there is ongoing concern regarding a potential second wave of the pandemic.
- 3.5 The Council has received complaints from owners of long-term empty properties stating that the availability of licensed tradesmen is still an issue due to the backlog developed during the 10 week lockdown period and also there is an impact of delays in the delivery of materials for carrying out renovation works.

IMPACT OF COVID-19 TEMPORARY POLICY CHANGE ON COLLECTION OF COUNCIL TAX FOR LONG-TERM EMPTY PROPERTIES IN 2020/2021

- 3.6 Since the policy change was approved on 14 May 2020 there have been 97 properties where the double charge was either cancelled or new charges not applied when it normally would have been.
- 3.7 The value of Council Tax not levied as a consequence is just under £38,500. In year collection rate of double charge levies in 2019/2020 is 77%. Based on that the income foregone by the temporary policy amendment for the period 1 April 2020 to 30 September 2020 is estimated as £29,645.
- 3.8 The proposal is that officers are given the discretion to reduce the double charge of Council Tax to a single charge for the period 1 October 2020 to 31 March 2021 but, unlike the first temporary policy amendment, we do not propose to stop automatically applying the double charge to properties that become long-term empty in the period. We would only remove the double charge if there were Covid-19 related reasons for the property being long-term empty or if the homeowner can demonstrate that they are in financial hardship. The reduction to the double charge cannot be granted beyond the 31 March 2021.
- 3.9 Decisions would be made by management on a case-by-case basis. Approval will require conclusive evidence there is a recent history of engagement with the taxpayer in relation to renovation works or a clear schedule of work that is planned. Additionally where there is clear evidence of financial hardship brought about by Covid-19 then there could be a reduction on the charge agreed for the period from 1 October 2020 to 31 March 2021.
- 3.10 If the property has already been on the list of long-term empty properties for more than two years at 1 April 2020 then no reduction will be available.
- 3.11 It is proposed that a new double charge is added to any Council Tax accounts where the property becomes eligible to attract the charge between 1 October 2020 and 31 March 2021.
- 3.12 It should be noted that a proportion of the reduction in empty dwelling discount and the increase in taxes in relation to empty properties is paid over to the Strategic Housing Fund. These monies are given to the Registered Social Landlords to

