
NEW Island Communities Impact Assessments

Template form

May 2022



Island Communities Impact Assessment

Proposal to charge 200% Council Tax Charge on long term empty properties and second homes

PRELIMINARY CONSIDERATIONS	Responses
<p>Please provide a brief description or summary of the policy, strategy or service under review for the purposes of this assessment.</p>	<p>The Council Tax (Variation for Unoccupied Dwellings) (Scotland) Amendment Regulations 2016 allows Councils to set a Council Tax charge of 200% on long term empty properties from 01/04/2017.</p> <p>The Council Tax (Variation for Unoccupied Dwellings) (Scotland) Amendment Regulations 2023 allows Councils in Scotland to set a Council Tax charge of 200% on second homes from 1st April 2024.</p> <p>Further, the 2023 legislation introduces a new mandatory exemption from the LTE levy where dwellings purchased by the Council Tax payer less than 6 months ago (or up to 12 months) which are undergoing repairs or renovations that contribute to the improvement of the property, subject to evidence being provided.</p> <p>A report will be presented to Council during February 2024 to seek approval for a 200% Council Tax charge on both long term empty properties and second homes from 01/04/2024, and also to set the mandatory exemption period from the long term empty levy at 6 months.</p>

Island Communities Impact Assessment

Proposal to charge 200% Council Tax Charge on long term empty properties and second homes

STEP 1 - Develop a clear understanding of your objectives	
Responses	What are the objectives of the policy, strategy or service?
<p>Both long term empty properties and second homes will be liable for 200% Council Tax charge in line with The Council Tax (Variations for Unoccupied Dwellings) (Scotland) 2016 & 2023 Amendment Regulations.</p> <p>The long term empty levy will not be applied to dwellings purchased by the Council Tax payer less than 6 months ago which are undergoing repairs or renovations that contribute to the improvement of the property, subject to evidence being provided.</p>	<p>What are the objectives of the policy, strategy or service?</p>
<p>A review has taken place of all affected properties to ensure they are identified in the correct category. The review form advises the payer of the possibility of a 200% charge on long-term empty properties and second homes from 01/04/2024.</p> <p>There is no distinction made for islands. The charge will apply regardless of the geographic location.</p>	<p>Do you need to consult?</p>
<p>The intended impact/outcome is to encourage long term empty properties and second homes back into occupation and used for permanent domestic occupation. The availability of more homes for rent or sale will allow more people to stay or settle in Shetland.</p>	<p>How are islands identified for the purpose of the policy, strategy or service?</p>
<p>Yes</p>	<p>What are the intended impacts/outcomes and how do these potentially differ in the islands?</p>
<p>Yes</p>	<p>Is the policy, strategy or service new?</p>

Island Communities Impact Assessment

Proposal to charge 200% Council Tax Charge on long term empty properties and second homes

STEP 2 - Gather your data and identify your stakeholders		Responses					
What data is available about the current situation in the islands?		There are currently 437 long term empty properties and 221 second homes across Shetland.					
Do you need to consult?		A review has taken place of all affected properties to ensure they are identified in the correct category. The review form advises the payer of the possibility of a 200% charge on long-term empty properties and second homes from 01/04/2024.					
How does any existing data differ between islands? The following is the data split into parish areas.							
Area	Second Homes	Long Term Empty	Total Empty	Correspondence Address Shetland	Address Outwith	Total Properties	% Empty
Unst	30	55	85	36	413	20.58	
Yell	19	36	55	10	516	10.66	
Fetlar	6	7	13	2	55	23.64	
North Mavine	17	29	46	7	407	11.30	
Delting	7	31	38	6	928	4.09	
Walls/Sandness	14	14	28	8	295	9.49	
Foula	4	3	7	1	20	35.00	
Papa Stour	3	2	5	0	12	41.67	
Sandsting/Aithsting	14	28	42	10	535	7.85	
Lunnasting/Nesting	3	15	18	0	322	5.59	
Whalsay	5	15	20	1	453	4.42	
Skerries	4	10	14	0	38	36.84	
Tingwall/Scalloway/Whit	17	40	57	6	1538	3.71	
eness	8	7	15	3	190	7.89	
Bressay	3	1	4	1	331	1.21	
Gulberwick/Quarff	7	20	27	6	420	6.43	
Burra							

Island Communities Impact Assessment

Proposal to charge 200% Council Tax Charge on long term empty properties and second homes

Cunningsburgh and South	25	45	70	13	1576	4.44
Fair Isle	1	3	4	2	29	13.79
Lerwick	34	76	110	18	3599	3.06
	221	437	658	130	11677	5.64
Are there any existing design features or mitigations in place?						
STEP 3 - Consultation						
Who do you need to consult with?						
				<p>Unst has previously had a lot of housing development in the past due to the RAF base and associated staff accommodation, which will increase the figures for this area.</p> <p>Responses</p> <p>The Scottish Government opened an on-line consultation on Council Tax on second and empty homes/Non domestic rates from 17th April 2023 until 11th July 2023, this consultation was advertised through the Shetland Islands Council website where the analysis is also available.</p> <p><u>Executive Summary - Council tax for second and empty homes, and thresholds for non-domestic rates: consultation analysis - gov.scot (www.gov.scot)</u></p>		
How will you carry out your consultation and in what timescales?				<p>Scottish Government provided an on-line consultation between 17th April 2023 and 11th July 2023.</p>		

Island Communities Impact Assessment

Proposal to charge 200% Council Tax Charge on long term empty properties and second homes

<p>What questions will you ask when considering how to address island realities?</p>	<p>Question 23 of consultation asked: Please tell us how you think the changes identified might affect island communities. There were 615 responses to Question 23 which are available at the link above.</p>
<p>What information has already been gathered through consultations and what concerns have been raised previously by island communities?</p>	<p>The demand for second homes, particularly in rural and/or island areas, can result in an increase in house prices, reducing access to affordable housing to meet local needs, and making it more difficult for young people and those on lower incomes to find homes to live in. A lack of affordable homes can also have a negative impact on areas looking to attract workers to settle there.</p>
<p>Is your consultation robust and meaningful and sufficient to comply with the Section 7 duty?</p>	<p>Yes</p>
<p align="center">STEP 4 - Assessment</p>	
<p>Does your assessment identify any unique impacts on island communities?</p>	<p>Responses Yes</p>
<p>Does your assessment identify any potential barriers or wider impacts?</p>	<p>Yes</p>
<p>How will you address these?</p>	<p>See step 5 below</p>
<p>You must now determine whether in your opinion your policy, strategy or service is likely to have an effect on an island community, which is significantly different from its effect on other communities (including other island communities).</p> <p>If your answer is NO to the above question, a full ICIA will NOT be required and you can proceed to Step SIX.</p> <p>If the answer is YES, an ICIA must be prepared and you should proceed to Step FIVE.</p>	

Island Communities Impact Assessment

Proposal to charge 200% Council Tax Charge on long term empty properties and second homes

<p>To form your opinion, the following questions should be considered:</p> <ul style="list-style-type: none"> • Does the evidence show different circumstances or different expectations or needs, or different experiences or outcomes (such as different levels of satisfaction, or different rates of participation)? • Are these different effects likely? • Are these effects significantly different? • Could the effect amount to a disadvantage for an island community compared to the mainland or between island groups? 	
STEP 5 – Preparing your ICIA	
<p>In Step Five, you should describe the likely significantly different effect of the policy, strategy or service:</p>	Responses
<p>Assess the extent to which you consider that the policy, strategy or service can be developed or delivered in such a manner as to improve or mitigate, for island communities, the outcomes resulting from it.</p>	<p>Shetland Islands Council staff will be able to advise and support people who may have below standard properties, regarding what requirements will be needed in order to bring the property to a standard suitable for renting purposes.</p> <p>Alternatively, people wishing to actively market their properties for sale or rent can receive exemption from the levy with the following legislation.</p>
<p>Consider alternative delivery mechanisms and whether further consultation is required.</p>	<p>Investigate the possibility that Shetland Islands Council has powers to decide to charge different amounts of Council Tax in different parts of their local area.</p>
<p>Describe how these alternative delivery mechanisms will improve or mitigate outcomes for island communities.</p>	<p>Potential for more second homes being made available for sale, and more empty homes being brought back into use, will</p>

Island Communities Impact Assessment


Proposal to charge 200% Council Tax Charge on long term empty properties and second homes


	<p>help with the need to address depopulation and the sustainability of communities and economies across some of the small islands. Could also help curb house price inflation.</p> <ul style="list-style-type: none"> • Discounts and Exemptions – Shetland Islands Council • Economic Development grant scheme – Shetland Islands Council • Energy efficiency grants – Shetland Islands Council • There may be a future possibility of allocating funding from the income generated from this new policy to resources that may be required to further support our communities.
STEP 6 - Making adjustments to your work	
Should delivery mechanisms/mitigations vary in different communities?	No
Do you need to consult with island communities in respect of mechanisms or mitigations?	No consultation is planned. Keep new policy under review and may consult in the future.
Have island circumstances been factored into the evaluation process?	Yes
Have any island-specific indicators/targets been identified that require monitoring?	Please see table at step 2 will continue to monitor
How will outcomes be measured on the islands?	Information will be obtained from the Council Tax system and reviewed at regular periods by issuing review forms to affected properties.
How has the policy, strategy or service affected island communities?	Aim is to bring properties within islands communities back into full occupation, which is expected to have a positive impact on the local economy, by helping to meet local housing needs, support communities, and providing additional funding to support service delivery.

Island Communities Impact Assessment

Proposal to charge 200% Council Tax Charge on long term empty properties and second homes

How will lessons learned in this ICIA inform future policy making and service delivery?	Reliance on Scottish Government consultation – in the future may be beneficial to consult with islands communities direct
STEP 7 - Publishing your ICIA	
Have you presented your ICIA in an Easy Read format?	Responses Yes
Does it need to be presented in Gaelic or any other language?	N/A
Where will you publish your ICIA and will relevant stakeholders be able to easily access it?	Shetland Islands Council website
Who will sign-off your final ICIA and why?	

ICIA completed by:	Judy Fraser
Position:	Team Leader – Revenues & Benefits
Signature:	
Date complete:	15/2/24

ICIA approved by:	Paul Fraser
Position:	Executive Manager - Finance
Signature:	
Date approved:	15/02/2024

Island Communities Impact Assessment

Proposal to charge 200% Council Tax Charge on long term empty properties and second homes