



Local Government Finance (Unoccupied Properties etc.) (Scotland) Bill

Bill Number:	SP Bill 12
Introduced on:	26 March 2012
Introduced by:	Alex Neil (Executive Bill)
Passed:	31 October 2012
Royal Assent:	5 December 2012

Passage of the Bill

The Local Government Finance (Unoccupied Properties etc.) (Scotland) Bill was introduced on 26 March 2012 by Alex Neil, Cabinet Secretary for Infrastructure & Capital Investment. The Local Government and Regeneration Committee was appointed as lead committee and its Stage 1 report was published on 28 June 2012. The Stage 1 debate took place on 6 September 2012 and Parliament voted to agree the general principles of the Bill by 96 votes to 15 with no abstentions. Stage 2 proceedings took place on 28 September 2012. The Bill was passed following the Stage 3 parliamentary debate on 31 October 2012 by 82 votes to 33 with no abstentions.

Purpose and objectives of the Bill

The Bill will amend the law regarding non-domestic rates and council tax in respect of unoccupied properties. For non-domestic rates, it allows Scottish Ministers greater flexibility to vary the relief that applies in relation to the rates for empty properties. For council tax, the Bill enables variation (including an increase) of the tax payable where a property is unoccupied and amends powers in respect of the ability of councils to require provision of information. The Bill also repeals provisions that allow grants to be made to local authorities in order to allow them to balance their housing revenue account.

Provisions of the Bill

It is a short Bill with three main provisions. The Bill proposes to:

- Allow the Scottish Government to bring forward regulations to alter the level of empty property relief for certain empty commercial properties under the non-domestic rates regime
- Enable the Scottish Government to bring forward regulations to allow Scottish local authorities to increase council tax charges on certain long-term empty homes
- Abolish the requirement on the Scottish Government to pay Housing Support Grant, currently only paid to the Shetland Islands Council.

Parliamentary consideration

In addition to the lead Committee, the Finance Committee and Subordinate Legislation Committee also scrutinised the Bill. In its Stage 1 Report, the Local Government and Regeneration Committee made a number of recommendations on the provisions of the Bill. The provisions in relation to removal of the Housing Support Grant were unanimously agreed. The aspects regarding council tax were generally welcomed and the Committee found little opposition. The non-domestic rates provisions were more contested, and did attract significant opposition from the business sector.

One member of the lead committee took the view that this was the wrong piece of legislation at the wrong time, which failed to acknowledge that the overriding reason for empty properties was due to a fundamental lack of demand and the current economic climate. As such, the member could not support the non-domestic rates and council tax provisions of the Bill.

The Committee accepted that there may be a negative impact in certain situations, but also recognised that the Scottish Government has to balance the need to bring empty properties back into use with the need to support business and to deliver value to the public for the significant sums that are and will continue to be provided by way of non-domestic rates relief.

Twenty four amendments to the Bill were considered by the lead committee at Stage 2, six Government amendments were agreed to. These include penalties for failure to provide correct information regarding council tax on certain properties; restrictions on the level of council tax increase for unoccupied properties and provision for continued rates relief for smaller shops and offices that become occupied after having been empty for more than a year.

Nineteen amendments were proposed at Stage 3. One was agreed to concerning council tax which stated that local authority or registered social landlord owned dwellings should not to be treated more favourably than others.