

POLICY NOTE

THE COUNCIL TAX (EXEMPT DWELLINGS) (SCOTLAND) AMENDMENT ORDER 2023

SSI 2023/36

1. The above instrument is made in exercise of the powers conferred by section 72(6) and (7) of the Local Government Finance Act 1992(1). It is subject to the negative procedure.

The purpose of this order is to amend the Council Tax (Exempt Dwellings) (Scotland) Order 1997 (“the 1997 Order”), which lists those classes of dwellings which are exempt from council tax in Scotland.

The Order amends paragraph 26 of schedule 1, to provide that the exemption of liability of dwellings to council tax applies only where the dwelling is the sole or main residence of at least one person living in the UK under the Homes for Ukraine sponsorship scheme provided for under the Immigration Rules, and the accommodation is being provided by an Approved sponsor under that scheme.

The Order exempts dwellings occupied as the sole or main residence of persons who come into the United Kingdom under certain other specified resettlement or relocation schemes, where the persons are hosted in the accommodation without making any payment for the accommodation.

Policy Objectives

2. The purpose of this Order is to target the exemption from liability of council tax, in the circumstance where the dwelling is the sole or main residence, to those in the UK under the Homes for Ukraine sponsorship scheme provided for under the Immigration Rules, where the accommodation is being provided by an Approved sponsor under that scheme.
3. Under the UK Government’s Homes for Ukraine scheme property owners can offer to house persons coming to the UK under that scheme in a property that they own but do not live in (such as a second home or a long-term empty property). Under the council tax system such persons living in a property would ordinarily become liable for paying the council tax on that property. The policy intention is for that not to be the case, and for persons coming under the Homes for Ukraine scheme not to be liable for council tax, so long as the accommodation is being provided by an Approved sponsor.
4. It also exempts dwellings occupied as the sole or main residence of persons who come into the United Kingdom under certain other specified resettlement or relocation schemes², where the persons are hosted in the accommodation without making any payment for the accommodation.

¹ 1992 c. 14. The functions of the Secretary of State, in so far as within devolved competence, were transferred to the Scottish Ministers by virtue of section 53 of the Scotland Act 1998 (c. 46).

² the UK Resettlement Scheme, the Community Sponsorship Scheme, the Afghan Relocations and Assistance Policy, the Afghan Citizens Resettlement Scheme, the Vulnerable Persons Resettlement Scheme, the Vulnerable Children’s Resettlement Scheme.

5. This reflects the fact that the aim of the council tax exemption is to support the availability of hosting accommodation under the Homes for Ukraine sponsorship scheme, and other specified schemes, with a view to providing support to those who need it most; those able to find their own accommodation are more likely to be in a position to meet council tax liability. As such, the inclusion of the Homes for Ukraine scheme, was put in place to reflect the acute nature of the situation in Ukraine and the need to make urgent provision to enable people to flee that situation. The inclusion of persons coming to the UK under other specified schemes reflects a policy aim to secure parity for “hosted” persons who have been displaced from other countries. In doing so it has the policy intention of encouraging property owners to offer accommodation.

Consultation

6. No formal consultation was required to be carried out in relation to these Regulations.

Impact Assessments and Financial Effects

7. Given the changes in relation to people coming to the UK under resettlement and relocation schemes, consideration will be given in due course as to whether an EQIA is needed.

Local Government and Communities
Scottish Government
8 February 2023