
Report to: Clackmannanshire Council

Date of Meeting: 19 March 2026

Subject: Council Tax Long Term Empty and Second Home Policy

Report by: Chief Finance Officer

1.0 Purpose

- 1.1. The purpose of this report is to agree formal policies on Council Tax for Long Term Empty Property and Second Homes and update Council on future changes to Council Tax legislation.

2.0 Recommendations

Council is asked:

- 2.1. To formalise the Council Tax policies on:
- 2.1.1. Long Term Empty Property (Appendix 1A), and
 - 2.1.2. Second Homes (Appendix 1B)
- 2.2. To note the update in relation to future changes in Council Tax legislation (paragraph 3.5)

3.0 Considerations

- 3.1. Scottish local authorities have long been given discretion to vary Council Tax charges for long-term empty properties and second homes, with the aim of encouraging owners to return unused housing to occupation. These powers are set out in the Local Government Finance (Unoccupied Properties etc.) (Scotland) Act and the associated Council Tax (Variation for Unoccupied Dwellings) Regulations, updated in 2013, 2016, and 2023.
- 3.2. The 2013 Regulations introduced the ability for councils to apply an empty homes premium of up to 100%, while the 2016 amendments enabled the removal of Council Tax discounts for second homes. The 2023 amendments expanded powers further, including allowing a second homes premium of up to 100% and limiting when the empty homes premium can be applied, particularly where a property has been purchased within six months and is undergoing repairs to bring it back into use.

- 3.3. Council previously approved the introduction of a 100% premium on long term empty properties from 1st April 2014. A 100% premium on second homes was approved by Council as part of the Revenue and Capital Budget for 2024/25, effective from 1st April 2024.
- 3.4. This report does not propose any changes to either of these policies, but to clarify the specific policy on each of these premiums.
- 3.5. Further reforms come into effect from 1 April 2026, when amendments to the Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations will remove the existing statutory cap on premiums. From that date, councils will have full discretion to apply unlimited Council Tax premiums on second homes and long-term empty properties, allowing local authorities to set premium levels in response to local housing pressures. It is not proposed to change the current policies in light of this change at this time but this may be considered at a future date.

4.0 Sustainability Implications

- 4.1. None.

5.0 Resource Implications

5.1. Financial Details

- 5.2. The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. Yes

- 5.3. Finance have been consulted and have agreed the financial implications as set out in the report. Yes

5.4. Staffing

6.0 Exempt Reports

- 6.1. Is this report exempt? Yes (please detail the reasons for exemption below) No

7.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) Our Priorities

Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all

Our families; children and young people will have the best possible start in life

Women and girls will be confident and aspirational, and achieve their full potential

Our communities will be resilient and empowered so that they can thrive and flourish

(2) **Council Policies**

Complies with relevant Council Policies

8.0 Impact Assessments

8.1 Have you attached the combined equalities impact assessment to ensure compliance with the public sector equality duty and fairer Scotland duty? (All EFSIAs also require to be published on the Council's website)

Yes

8.2 If an impact assessment has not been undertaken you should explain why:

9.0 Legality

9.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

10.0 Appendices

10.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

Appendix 1 – Council Tax Long Term Empty & Second Homes Policy

Appendix 2 – Equalities and Fairer Scotland Impact Assessment

11.0 Background Papers

11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes (please list the documents below) No

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Ben Watson	Team Leader – Revenues and Benefits	01259 226228

Approved by

NAME	DESIGNATION	SIGNATURE
Chris Alliston	Strategic Director – Partnership and Performance	

Clackmannanshire Council

Council Tax Long Term Empty & Second Homes Policy

1. Scope

The report outlines previous changes to legislation which provides local authorities with further discretion to vary Council Tax and clarifies the council policies on Council Tax charged for Long Term Empty Property and Second Homes.

2. Background

Scottish local authorities have long been given discretion to vary Council Tax charges for long-term empty properties and second homes, with the aim of encouraging owners to return unused housing to occupation. These powers are set out in the Local Government Finance (Unoccupied Properties etc.) (Scotland) Act and the associated Council Tax (Variation for Unoccupied Dwellings) Regulations, updated in 2013, 2016, and 2023.

The 2013 Regulations introduced the ability for councils to apply an empty homes premium of up to 100%, while the 2016 amendments enabled the removal of Council Tax discounts for second homes. The 2023 amendments expanded powers further, including allowing a second homes premium of up to 100% and limiting when the empty homes premium can be applied, particularly where a property has been purchased within six months and is undergoing repairs to bring it back into use.

Further reforms come into effect from 1 April 2026, when amendments to the Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations remove the existing statutory cap on premiums. From that date, councils will have full discretion to apply unlimited Council Tax premiums on second homes and long-term empty properties, allowing local authorities to set premium levels in response to local housing pressures.

Clackmannanshire Council introduced a 100% premium on long term empty properties from 1st April 2014 and a 100% premium on second homes from 1st April 2024.

3. Definitions

For the purposes of Council Tax the following definitions apply:

- Unoccupied Property: a residential dwelling that is no one's sole or main residence
- Long Term Empty Property: an unoccupied property that has not been occupied for 12 months.
- Second Home: a dwelling which is not one's sole or main residence, but which is furnished and is occupied for at least 25 days during a period of 12 months.

4. Implementation

There are no changes to current practice, this policy was created to provide clarity on the current previously approved policies.

5. Review

This policy will be reviewed on an annual basis.

Council Tax – Long Term Empty Property

The Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013 came into effect on 1st April 2013, with Clackmannanshire Council opting to apply the additional 100% levy, excluding water and sewerage charges, from 1 April 2014.

The increased charge applies to properties which have been unoccupied for over 12 months, including Council owned properties. However, this is subject to the owner's eligibility to claim council tax exemptions under the Council Tax (Exempt Dwellings) (Scotland) Order 1997. The regulations set out specific circumstances, listed below, in which the increased charge is disapplied, and the standard Council Tax liability continues to apply:

- (1) Purpose built holiday homes which cannot be used all year round;
- (2) Job-related dwellings where the taxpayer, or partner, needs to live in a specific dwelling to undertake their job and they are liable for Council Tax on a dwelling that is not their main residence as a result;
- (3) Properties being actively marketed for sale, if they have not been unoccupied for more than 24 months;
- (4) Properties being actively marketed to let, if they have not been unoccupied for more than 24 months;
- (5) Properties entitled to exemption, or
- (6) The long-term empty premium will not apply to properties that have been unoccupied for at least 12 months where a new owner has purchased the dwelling within the last six months and is undertaking repairs or renovations to improve the property.

Discretion

The Council must retain the ability to apply discretion when a council tax payer's circumstances are considered exceptional. This ensures the levy is administered fairly and takes account of situations that could not reasonably have been avoided. Because exceptional circumstances are, by nature, unusual and unforeseeable, it is not possible to define every scenario in advance. It is therefore the responsibility of the council tax payer to present evidence for the Council to consider. In general, exceptional circumstances are those that are unexpected and beyond the individual's control.

When requesting consideration on this basis, the council tax payer must provide sufficient proof to satisfy the Council that an exceptional circumstance exists which

justifies a reduced charge. Where discretion is granted, the property will be charged at 90% for a limited period determined on its own merits.

The Council Tax rates and Collections Supervisor or the Revenues Team Leader will decide whether exceptional circumstances apply in each case. Any discretionary reduction will be reviewed during the agreed period to confirm that the circumstances continue to apply and that the council tax payer is taking reasonable steps to resolve the situation.

Council Tax – Second Homes

The Scottish Parliament approved new powers effective from 1st April 2024 allowing councils to increase Council Tax charges on second homes by up to 100%, doubling the standard liability. Clackmannanshire implemented this additional premium from the same date. The increase applies only to the Council Tax element and does not extend to water or sewerage charges, and its purpose is to bring the treatment of second homes into line with long-term empty property policy to help increase housing availability by encouraging properties back into residential use.

A Second Home for Council Tax purposes is defined as:

- a property lived in for at least 25 days per year;
- furnished, and
- no one's sole or main residence.

All three categories must be met for a property to qualify as a Second Home for Council tax purposes.

Discretion

No discretion will be applied to the categories above regarding the definition of a Second Home.

Equality and Fairer Scotland Impact Assessment - Screening

Title of Policy:	Council Tax Long Term Empty & Second Homes
Service:	Finance & Revenues
Team:	Revenues

Will the policy have to go to Council or committee for approval	Yes
Is it a major policy, significantly affecting how functions are delivered?	Yes
Does it relate to functions that previous involvement activities have identified as being important to particular protected groups?	No
Does it relate to an area where the Council has set equality outcomes?	No
Does it relate to an area where there are known inequalities?	No
Does it relate to a policy where there is significant potential for reducing inequalities or improving outcomes?	No

IF YES TO ANY - Move on to an Equality & Fairer Scotland Assessment

IF NO - Explain why an Equality & Fairer Scotland Assessment is not required

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APPROVAL

NAME	DESIGNATION	DATE
Ben Watson	Team Leader – Revenues & Benefits	10/03/2026

NB This screening exercise is not to be treated as an assessment of impact and therefore does not need to be published. However, if you decide not to assess the impact of any policy, you will have to be able to explain your decision. To do this, you should keep a full record of how you reached your decision.

Equality and Fairer Scotland Impact Assessment - Scoping

Purpose of the proposed policy or changes to established policy
To formalise Clackmannanshire Council's policy on Council Tax charged on long-term empty properties and second homes, reflecting legislative changes and existing operational practice.
Which aspects of the policy are particularly relevant to each element of the Council's responsibilities in relation to the General Equality Duty and the Fairer Scotland Duty?
General Equality Duty -
➤ Eliminating unlawful discrimination, harassment and victimisation and other prohibited conduct
The policy applies equally to all council taxpayers and is based solely on property status, not personal characteristics.
➤ Advancing equality of opportunity between people who share a relevant protected characteristic and those who do not
No differential treatment is applied to protected groups.
➤ Fostering good relations between people who share a protected characteristic and those who do not.
The policy does not relate to interactions between groups.
Fairer Scotland Duty -
➤ Reducing inequalities of outcome caused by socioeconomic disadvantage
The policy aims to increase housing supply by encouraging properties back into use, which may contribute indirectly to improved access to housing.

To which of the equality groups is the policy relevant?		
Protected Characteristic	Yes/No*	Explanation
Age	/No	Policy applies uniformly to property owners regardless of age.
Disability	No	No link between disability and long-term empty/second home ownership.
Gender Reassignment	No	No impact identified.
Marriage and civil partnership	No	No impact identified.
Pregnancy and Maternity	No	No impact identified.
Race	No	No impact identified.
Religion and Belief	No	No impact identified.
Sex	No	No impact identified.
Sexual Orientation	No	No impact identified.

* Delete as required

What evidence is already available about the needs of relevant groups, and where are the gaps in evidence?

Properties subject to premiums are defined solely by occupancy, not personal characteristics of taxpayers
No specific data on whether particular protected groups disproportionately own long-term empty or second homes.

Which equality groups and communities might it be helpful to involve in the development of the policy?

N/A

Next steps

Monitor appeals and caseload for any emerging trends affecting protected groups.

Equality and Fairer Scotland Impact Assessment - Decision

Evidence findings		
No evidence of disproportionate adverse impact on protected characteristics. The policy clarifies existing practice and aligns with new legislative powers. Discretionary mechanisms ensure fairness where circumstances are beyond the taxpayer's control		
Details of engagement undertaken and feedback received		
Internal review by Finance & Revenues. Policy informed by legislative requirements and prior operational experience.		
Decision/recommendation		
Having considered the potential or actual impacts of this policy, the following decision/ recommendation is made:		
Tick X	Option 1: No major change The assessment demonstrates that the policy is robust. The evidence shows no potential for unlawful discrimination and that all opportunities have been taken to advance equality of opportunity and foster good relations, subject to continuing monitoring and review.	
	Option 2: Adjust the policy – this involves taking steps to remove any barriers, to better advance equality or to foster good relations. It may be possible to remove or change the aspect of the policy that creates any negative or unwanted impact, or to introduce additional measures to reduce or mitigate any potential negative impact.	
	Option 3: Continue the policy – this means adopting or continuing with the policy, despite the potential for adverse impact. The justification should clearly set out how this decision is compatible with the Council's obligations under the duty.	
	Option 4: Stop and remove the policy – if there are adverse effects that are not justified and cannot be mitigated, consideration should be given to stopping the policy altogether. If a policy leads to unlawful discrimination it should be removed or changed.	
Justification for decision		
The policy is property-based, not person-based. No protected characteristic results in different treatment. Discretionary powers mitigate risk of inequitable outcomes. The policy supports the public interest in returning empty properties to use.		
APPROVAL		
NAME	DESIGNATION	DATE
Ben Watson	Team Leader – Revenues & Benefits	10/03/2026

