

Argyll and Bute Council: Equality and Socio-Economic Impact Assessment

Section 1: About the proposal

Title of Proposal

Policy to double charge Council Tax on Second Homes in Argyll and Bute using powers given to the Council by The Council Tax (Variation on Unoccupied Dwellings) (Scotland) Regulations 2023.

Intended outcome of proposal

- **Primary Outcome:** Increase Council revenues to help bridge gaps in the budget.
- **Secondary Outcome:** Increase the availability of homes on the housing market, thereby alleviating the housing emergency.

Description of proposal

The policy aims to incentivise owners of second homes to either:

- Occupy these homes as their main residence.
- Provide these homes as long-term rentals.
- Sell these homes to individuals who will use them as their primary residence.

This approach is expected to:

- Boost the local housing market by increasing supply.
- Provide accommodation options for key workers and local residents.
- Enhance the local economy by ensuring more homes are occupied throughout the year.
- Increase council revenues by charging double Council Tax on unoccupied second homes, compensating for the economic impact of these homes being unoccupied.

Business Outcome(s) / Corporate Outcome(s) to which the proposal contributes

CO2 – People Live in Safer and Stronger Communities
CO6 – Our Economy is Diverse and Thriving

Lead officer details:

Name of lead officer	Fergus Walker
Job title	Revenue and Benefits Manager
Department	Financial Services

Appropriate officer details:

Name of appropriate officer	Anne Blue
Job title	Head of Financial Services
Department	Financial Services

Sign off of EqSEIA



Date of sign off

Who will deliver the proposal?

Fergus Walker, Revenue and Benefits Manager

Section 2: Evidence used in the course of carrying out EqSEIA**Consultation / engagement**

- **Scottish Government Consultation:** Extensive consultation on the regulations between April 2023 and July 2023, as detailed [here](#) . The report on the consultation is available [here](#).
- **Council Engagement:** No prior consultation by the Council, but ongoing collaboration with second home owners to review the policy's impact during the 2024/2025 year.

Data

- Monitoring the number of second homes and their usage trends.
- Analysing Council Tax collection data for second homes.

Other information

None

Gaps in evidence

While there are no significant gaps identified in the current data, ongoing monitoring and review are essential to ensure comprehensive evidence collection.

Section 3: Impact of proposal**Impact on service users:**

	Negative	No impact	Positive	Don't know
Protected characteristics:				
Age		X		
Disability		X		
Ethnicity		X		
Sex		X		
Gender reassignment		X		
Marriage and Civil Partnership		X		
Pregnancy and Maternity		X		
Religion		X		
Sexual Orientation		X		
Fairer Scotland Duty:				
Mainland rural population			X	
Island populations			X	

	Negative	No impact	Positive	Don't know
Low income			X	
Low wealth			X	
Material deprivation			X	
Area deprivation			X	
Socio-economic background			X	
Communities of place			X	
Communities of interest			X	

If you have identified any impacts on service users, explain what these will be.

Age, Disability, Ethnicity, Sex, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Religion, Sexual Orientation

- General Impact: The policy is not expected to directly impact these protected characteristics. The primary focus is on property usage rather than individual demographics.
- Indirect Impact: Improved housing availability may indirectly benefit these groups by providing more housing options, potentially improving living conditions.

Fairer Scotland Duty:

Mainland Rural Population and Island Populations

Positive Impact: Increasing occupied homes may lead to more stable communities, enhanced local economies, and better access to services.

Negative impact: Property owners who wish to keep second homes may face financial burdens, potentially affecting rural and island economies dependent on tourism and seasonal residents.

Low Income, Low Wealth, Material Deprivation, Area Deprivation, Socio-economic Background

- Positive Impact: Increased housing availability can provide more affordable housing options, benefiting individuals and families in lower income brackets.
- Economic Boost: Enhanced Council revenues can be reinvested in community services and infrastructure, improving overall living conditions.

Communities of Place and Interest

- Positive Impact: More occupied homes can lead to stronger, more vibrant communities with increased social cohesion and community involvement.
- Key Workers: Easier access to housing for key workers supports essential services and community resilience.

Conclusion

The policy to double charge Council Tax on second homes is aimed at addressing housing shortages and increasing Council revenues. While there are potential negative impacts on second home owners, the broader community benefits are significant. Continuous monitoring and engagement with affected parties will be essential to ensure the policy achieves its intended outcomes while minimising adverse effects.

If any 'don't know's have been identified, at what point will impacts on these groups become identifiable?

N/A

Impact on service deliverers (including employees, volunteers etc):

	Negative	No impact	Positive	Don't know
Protected characteristics:				
Age			X	
Disability		X		
Ethnicity		X		
Sex		X		
Gender reassignment		X		
Marriage and Civil Partnership		X		
Pregnancy and Maternity		X		
Religion		X		
Sexual Orientation		X		
Fairer Scotland Duty:				
Mainland rural population		X		
Island populations		X		
Low income			X	
Low wealth			X	
Material deprivation			X	
Area deprivation			X	
Socio-economic background			X	
Communities of place			X	
Communities of interest			X	

If you have identified any impacts on service deliverers, explain what these will be.

Creation of New Posts

1. Minimising Tax Avoidance:

- The Council anticipates a need to minimise tax avoidance, leading to the creation of two new posts within the Revenues department. These positions are essential to ensure that the policy is effectively implemented and monitored.

2. Job Creation:

- The new positions are based in Campbeltown and are intended to be trainee roles, which is a significant benefit for the local community. These roles provide employment opportunities, particularly for younger people, contributing to local economic development and skill-building.
- **Positive Impact on Young People:** Offering trainee positions can help younger individuals enter the workforce, gain valuable experience, and build a career within the local government sector. This aligns with broader objectives of supporting youth employment and economic stability in rural areas.

Broader Service Delivery Enhancements

3. Enhanced Community Services:

- The increased Council revenues generated from the doubled Council Tax can be reinvested into local services and infrastructure. This has the

If you have identified any impacts on service deliverers, explain what these will be.

potential to improve the resources and support available to service deliverers, thereby enhancing the overall effectiveness and efficiency of service delivery.

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- 4. Improved Housing Availability:**
 - As more homes become available for rent or sale, service deliverers who currently face housing challenges may find it easier to secure affordable and suitable accommodation. This can lead to a more stable and satisfied workforce, positively impacting their performance and well-being.

Protected Characteristics and Socio-economic Factors

- 5. Indirect Benefits Across Various Groups:**
 - While the policy does not directly target service deliverers based on protected characteristics (such as age, disability, ethnicity, etc.), the improved housing market and community stability can indirectly benefit these groups. More affordable housing and stronger community ties can enhance living conditions and work environments for all service deliverers.
 - **Socio-economic Improvements:** The policy can positively affect service deliverers from lower income or wealth brackets by providing more affordable housing options and potentially lowering housing costs. This aligns with the Council's commitment to the Fairer Scotland Duty, aiming to reduce inequalities and improve socio-economic conditions for all residents.

Conclusion

The implementation of the policy to double charge Council Tax on second homes presents several impacts on service deliverers. The creation of new trainee posts in the Revenues department directly benefits the local job market, particularly for younger individuals. Additionally, the anticipated improvements in housing availability and community services provide indirect benefits, enhancing the overall work environment and quality of life for service deliverers. Continuous monitoring and feedback will be crucial to fully understand and optimise these impacts.

If any 'don't know's have been identified, at what point will impacts on these groups become identifiable?

None

How has 'due regard' been given to any negative impacts that have been identified?

To ensure that 'due regard' has been given to any negative impacts identified for service users and service deliverers, the Council has taken a systematic and proactive approach. This includes identifying potential negative impacts, consulting relevant stakeholders, implementing mitigation strategies, and establishing ongoing monitoring mechanisms.

Below is a detailed explanation of how due regard has been given:

Service Users

How has 'due regard' been given to any negative impacts that have been identified?

1. Consultation and Engagement:

- The Council has relied on extensive consultation carried out by the Scottish Government on the regulations between April 2023 and July 2023. This consultation included feedback from a wide range of stakeholders, ensuring that the perspectives of service users were considered.
- Ongoing engagement with second home owners and local residents is planned to review the impact of the policy during the 2024/2025 year. This will help to identify any emerging issues and adjust the policy as necessary.

2. Monitoring and Data Collection:

- The Council is tracking the impact of the policy by reviewing current and historical data on second homes and analysing Council Tax collection statistics. This data will provide insights into how the policy affects housing availability and affordability.

3. Mitigation Strategies:

- Should negative impacts on service users be identified, the Council is prepared to implement targeted measures to mitigate these effects. For instance, if the policy disproportionately affects certain demographic groups, tailored support programs or exemptions could be introduced.
- The Council will consider providing support for those who may struggle with the increased financial burden of double Council Tax, ensuring that the policy does not exacerbate socio-economic inequalities.

Service Deliverers

1. Job Creation and Local Employment:

- The creation of two new trainee posts in the Revenues service demonstrates the Council's commitment to mitigating any negative impacts related to job security and employment opportunities for service deliverers.
- By focusing these roles in Campbeltown, the Council is supporting local employment and providing career development opportunities for young people, addressing potential socio-economic disadvantages in the region.

2. Workforce Stability and Support:

- The policy aims to improve housing availability, which can have a positive knock-on effect for service deliverers who might otherwise struggle to find affordable accommodation. Ensuring that service deliverers have stable housing options is crucial for maintaining a satisfied and effective workforce.
- The increased Council revenues will be reinvested in local services and infrastructure, enhancing the resources available to service deliverers and improving their work environment.

3. Equality and Fairness Considerations:

- The Council has given due regard to the protected characteristics under the Equality Act 2010, ensuring that the policy does not disproportionately impact any specific group of service deliverers. Any identified negative impacts will be addressed through targeted interventions.
- Continuous engagement with service deliverers, will help the Council to identify any issues early and respond promptly with appropriate measures.

4. Ongoing Review and Adjustment:

- The Council has committed to a review process during the 2024/2025 year to assess the policy's impact on both service users and service deliverers. This review will include collecting feedback from affected parties and analysing the effectiveness of mitigation strategies.
- Adjustments to the policy will be made based on this review to ensure that any negative impacts are minimised and that the policy objectives are met without disproportionately affecting service deliverers or users.

How has 'due regard' been given to any negative impacts that have been identified?

Conclusion

The Council has taken a comprehensive approach to ensure that due regard is given to any negative impacts identified for service users and service deliverers. Through consultation, data monitoring, job creation, and continuous review, the Council aims to implement the policy in a way that maximises benefits while mitigating any adverse effects. This proactive approach demonstrates a commitment to equality, fairness, and the well-being of the community.

Section 4: Interdependencies

Is this proposal likely to have any knock-on effects for any other activities carried out by or on behalf of the council?

Yes

Details of knock-on effects identified

The policy to double charge Council Tax on second homes in Argyll and Bute is expected to have several knock-on effects that could benefit the local community over time. These effects, while primarily aimed at addressing housing availability and increasing Council revenues, also have broader implications for the local economy, community stability, and overall quality of life in rural areas.

Housing Market Impacts

1. Reduction in House Prices:

- **Increased Supply:** By incentivising second home owners to either sell their properties or convert them to long-term rentals, the policy is expected to increase the supply of homes on the market. This increase in supply can help to stabilise or reduce house prices, making housing more affordable for local residents.
- **Market Dynamics:** As more homes become available for purchase, the pressure on the housing market eases. This can lead to a more balanced market where prices are driven by local demand rather than external buyers looking for second homes.

2. Increased Availability of Affordable Housing:

- **Conversion to Long-term Rentals:** Encouraging second home owners to provide long-term rentals can directly increase the availability of affordable housing options. This is particularly important in rural areas where rental properties are often scarce.
- **Opportunities for Local Residents:** With more affordable housing options available, local residents, including key workers, young families, and individuals with lower incomes, will have better opportunities to secure housing. This can lead to a more stable and diverse community.

Socio-economic and Community Impacts

3. Economic Revitalisation:

- **Boosting Local Economy:** The policy can stimulate the local economy by increasing the number of full-time residents who contribute to local businesses and services. A higher population density can lead to greater demand for goods and services, supporting local enterprises and potentially creating more jobs.

Details of knock-on effects identified

- **Enhanced Council Revenues:** The additional revenue generated from the double Council Tax on second homes can be reinvested in community services, infrastructure, and development projects. This reinvestment can improve the overall quality of life and make rural towns and communities more attractive places to live and work.
4. **Community Stability and Cohesion:**
- **Reduced Vacancies:** By decreasing the number of unoccupied homes, the policy can enhance community stability. Occupied homes contribute to a sense of community, increase safety, and encourage neighbourhood cohesion.
 - **Support for Key Workers:** Improved housing availability can make it easier for key workers to find accommodation in the area, ensuring that essential services such as healthcare, education, and emergency services are well-staffed and effective.
5. **Environmental and Infrastructure Benefits:**
- **Better Utilisation of Resources:** Having more homes occupied year-round can lead to more efficient use of local infrastructure and public services, such as schools, healthcare facilities, and transportation networks.
 - **Sustainable Development:** The policy can contribute to sustainable development by promoting the use of existing housing stock rather than encouraging new construction, which can have significant environmental impacts.

Conclusion

The knock-on effects of the policy to double charge Council Tax on second homes are expected to be largely positive, with significant benefits for the housing market, local economy, and community cohesion in Argyll and Bute. Over time, these effects can help to create more affordable housing, stabilise the local economy, and foster stronger, more resilient rural communities. Continuous monitoring and adjustment of the policy will be essential to maximise these benefits and address any emerging challenges.

Section 5: Monitoring and review

How will you monitor and evaluate the equality impacts of your proposal?

To ensure that the equality impacts of the proposal to double charge Council Tax on second homes are effectively monitored and evaluated, a structured approach will be implemented. This approach will involve regular data collection, stakeholder engagement, and comprehensive reporting mechanisms.

Monitoring Framework

1. **Annual Policy Review:**

- **Comprehensive Assessment:** An annual review of the policy will be conducted to assess its overall impact, including its equality impacts. This review will include an analysis of housing market trends, Council Tax revenue, and community feedback.
- **Data Collection:** Data on the protected characteristics of service users and service deliverers will be collected and analysed to identify any disproportionate impacts. This will include demographic data, housing

How will you monitor and evaluate the equality impacts of your proposal?

affordability metrics, and socio-economic indicators.

- **Stakeholder Input:** The annual review process will involve consultations with key stakeholders, including local residents, second home owners, service deliverers, and community organisations. Feedback from these groups will provide valuable insights into the policy's effects on different population segments.

2. Quarterly Budget Monitoring Impact Statement:

- **Regular Reporting:** Quarterly reports will be submitted to the Policy and Resources Committee, detailing the financial and equality impacts of the policy. These reports will provide an ongoing assessment of the policy's effectiveness and any emerging issues.
- **Key Metrics:** The quarterly reports will include key performance indicators such as the number of second homes converted to primary residences or long-term rentals, and the impact on Council revenues.

Evaluation and Adjustment

3. Continuous Monitoring:

- **Real-time Data Analysis:** The Council will use real-time data analysis tools to monitor the policy's impacts continuously. This will enable the identification of trends and issues as they arise, allowing for timely interventions.
- **Feedback Mechanisms:** An online platform will be established for residents and service deliverers to provide feedback on the policy. This platform will be regularly monitored to capture public sentiment and address concerns promptly.

4. Stakeholder Engagement:

- **Surveys:** Surveys will be conducted with a diverse range of stakeholders to gather detailed feedback on the policy's impacts. These sessions will provide qualitative data to complement the quantitative analysis.

5. Adjustments Based on Findings:

- **Policy Amendments:** Based on the findings from the annual review and quarterly reports, the Council will make necessary adjustments to the policy to mitigate any identified negative impacts and enhance positive outcomes.
- **Targeted Interventions:** If specific groups are disproportionately affected, targeted interventions will be implemented. For example, additional support could be provided to low-income households or specific demographic groups to alleviate any adverse effects.

Conclusion

The Council is committed to monitoring and evaluating the equality impacts of the proposal to double charge Council Tax on second homes through a robust and structured approach. By conducting annual reviews, providing quarterly impact statements, engaging with stakeholders, and making data-driven adjustments, the Council aims to ensure that the policy is fair, effective, and beneficial for all members of the community.