

Orkney Islands Council – Council Tax Introduction and Additional Information

1. Introduction

Council Tax is a form of local taxation set by the Council to help to pay for the services it provides. There is only one bill for each property, which is based on the value of the property relative to others in the local area. As an introduction, this leaflet deals with the main features of Council Tax, including discounts and exemptions.

Council Tax bills for each financial year are normally issued in the month of March. Amended or new bills will be issued if circumstances change, for example you move property or receive discounts or exemptions. The bill is normally payable in 10 monthly instalments.

2. Valuation Bands

All residential properties are placed in one of eight Valuation Bands (from A to H) based on the value of the property at April 1991 prices. Every year the Council sets the Council Tax charge for a Band D property, with the charge for all other bands being a proportion of that charge. For example, a Band H property will pay 3.7 times more than a Band A property. The Bands are:

Band	Property Value £	Proportion of Band D
A.	up to 27,000	240/360
B.	27,001 - 35,000	280/360
C.	35,001 - 45,000	320/360
D.	45,001 - 58,000	360/360
E.	58,001 - 80,000	473/360
F.	80,001 - 106,000	585/360
G.	106,001 - 212,000	705/360
H.	above 212,000	882/360

Newer properties are given a Valuation band when they are built, which is based on an estimate of their value had they existed in April 1991. If there has been a material increase in value resulting from building, engineering or other works carried out on the property, any increase in value will only take effect after the property is next sold.

If you disagree with the Valuation Band you can generally appeal within 6 months of becoming the owner, tenant or occupier of the dwelling, or of the dwelling being added to the Valuation List.

For more information on Council Tax Valuation Bands, the valuation process, to check your Council Tax Band, or your rights of appeal against the Valuation Band you can visit the Scottish Assessors' website at <https://www.saa.gov.uk/>. You can also contact the Assessor, 8 Broad Street, Kirkwall, Orkney, KW15 1NX. Telephone 01856 876222.

3. Liability to pay the Council Tax

Council Tax is normally paid on a domestic property by the people who are living in the property, whether it is privately owned or rented. Responsibility for paying Council Tax usually applies in the following order:

- a resident owner.
- a resident tenant.
- a resident sub-tenant.
- a resident.
- a tenant or sub-tenant.
- the owner, if nobody lives in the property.

For example, if you own or rent the dwelling that you live in it is likely that you will be liable to pay the Council Tax. If you are the only resident aged 18 years or over who is living in the dwelling you will be solely liable to pay the Council Tax. If you reside in the dwelling with your spouse or partner you will be jointly and severally liable.

4. Council Tax Reduction

If you are on a low income you can apply for Council Tax Reduction to reduce your payments, if:

- You, and you partner (if you have one), have savings of less than £16,000.
- You, or your partner (if you have one), are responsible for paying the Council Tax bill.
- You, and your partner (if you have one), have a low income from benefits (including Universal Credit) or work, including self-employment.

You may still get a Council Tax Reduction if your savings are more than £16,000 and you or your partner get the Guarantee Credit part of Pension Credit.

You will still be liable to pay any water and waste water charges that may apply as these are not included in Council Tax Reduction.

From 1st April 2017, you can also apply through the Council Tax Reduction scheme to receive a reduction from the Council Tax increase for homes in Bands E to H. This is also based on your income, please see the Council's website for more information.

If you do not already receive Council Tax Reduction and would like to apply, you should see our website, or contact us for further information or an application form.

5. Council Tax Discount of 25%

If you are aged 18 years or over and live alone, you may be entitled to a 25% discount in the amount of Council Tax that you pay.

When counting how many people live in the dwelling we do not take account of certain groups of people, subject to qualifying criteria – although we still need to know about them - for example, we do not count full-time students, student nurses, apprentices (earning less than £195 gross per week), the severely mentally impaired, long term hospital patients, care workers, prisoners, anyone aged under 18 years, anyone for whom child benefit is still payable or a person in residential care.

6. Council Tax Exemptions

Certain dwellings may qualify for an exemption and do not have to pay Council Tax, some of which will last for a limited period only. The following are some common examples:

- An unoccupied and unfurnished dwelling - exemption will apply for no more than 6 months from the date of last occupation, or if a new dwelling, 6 months from entry in the Valuation List.

- An unoccupied dwelling which is undergoing major repair - exemption will apply for no more than 12 months after the last day of occupation.
- An unoccupied dwelling in respect of which the liability to pay council tax would fall to be met solely out of the estate of a deceased person – for example, ownership of the property is still in the name of the deceased person. Exemption will apply for no more than 6 months from the date of the grant of confirmation.
- An unoccupied dwelling as the previous resident has moved to receive, or give, personal care due to old age, disablement, illness, past or present alcohol or drug dependence or past or present mental disorder.
- An unoccupied dwelling, the occupation of which is prohibited by law – exemption is not time limited.
- An unoccupied dwelling which is difficult to let due to the proximity of your own sole or main residence – exemption is not time limited.
- Occupied solely by students.
- Occupied solely by residents aged under 18 years.
- Occupied by someone suffering from severe mental impairment – exemption is not time limited.

There are other categories of exemption available, please see the Council's website for more information.

7. Empty Properties – discount and surcharge

For Council Tax purposes an empty property is “a property that is no one's sole or main residence and is not a second home”. This includes both furnished or unfurnished properties.

You can apply for a Council Tax discount of 10%, which will last for up to 12 months from the date the property was last occupied. The discount will not apply to any water or waste water charges.

From 1 October 2019, once a period of 12 months has passed since the property was last occupied, a Council Tax surcharge of 100% will become payable. There are instances where the surcharge will be delayed and the standard empty property discount of 10% will remain in place, for a limited period, as follows:

- An empty property that is being genuinely marketed for sale or let at a realistic market price will be exempt from any additional surcharge of up to 100% until the property has been unoccupied for two years or more (3 years if the property is situated in the North or South Isles (excluding Burray and South Ronaldsay).
- The Council has also set out a list of discretionary circumstances where the surcharge may be delayed, usually for no more than two years since the property was last occupied.

Please refer to the Council's website for more information.

8. Second Homes

For Council Tax purposes a second home is a property that is “no one's sole or main residence but is furnished and evidence is produced to establish that it is lived in for at least 25 days during any 12 month period”.

You can apply for a Council Tax discount of 10% which, from 1 October 2019, will last for up to 12 months from the date the property was last occupied as someone's sole or main residence (the discount will not apply to any water or waste water charges).

If the property is not lived in for at least 25 days in any 12 month period, the property will instead be treated as an empty property and subject to a surcharge of 100%.

There are a small number of empty properties and second homes that are entitled to receive a discount of 50%. From 1 April 2019, this includes a second home where a person's sole or main residence in Orkney is separated from their place of work by a body of water, the transport provision over which does not permit daily commuting between their sole or main residence and their place of work, and they occupy a second home in Orkney to enable them to maintain that employment. Please refer to the Council's website for more information on these categories.

9. Reduction for Disabilities

If your dwelling has been adapted to meet the needs of a permanently disabled person who lives in the property you may be entitled to a reduction in the Council Tax that you pay. Your dwelling will be placed in the next lowest Valuation Band: for example, if your dwelling had been placed in Band D it will be reduced to Band C.

10. Appeals

If you think that you are not liable to pay the Council Tax; that your dwelling should be exempt; that you have not been given the appropriate discount; or think the council have made a mistake in calculating your bill, you can appeal against the decision.

If you would like to appeal on any of these grounds you should, in the first instance, write to the Head of Finance. If, after your appeal has been looked at again, you remain dissatisfied with the decision you can appeal to the Valuation Appeal Committee.

11. Change in Circumstances

Your Council Tax bill has been calculated in accordance with the information that is currently held by the Council. If your circumstances change you should contact us within 21 days of any change. If you fail to tell us about any changes that affect your entitlement to discount or exemption you may be liable to pay a penalty of £50.

12. Enquiries and additional information

This leaflet deals with the main features of Council Tax, including discounts and exemptions. It does not cover every detail and should not be regarded as a comprehensive statement of the law. If you need further information you should contact the Council Tax Section, Orkney Islands Council, Council Offices, Kirkwall, KW15 1NY.

- Council Tax queries: Telephone: 01856 873535 Extension 2133 (Direct Dial 01856 886322), email: revenues@orkney.gov.uk.
- Council Tax Reduction queries: Telephone 01856 873535 Extension 2116 (Direct Dial 01856 886312), email: benefits@orkney.gov.uk.
- Orkney Islands Council website: <http://www.orkney.gov.uk/>.