POLICY NOTE

THE COUNCIL TAX (EXEMPT DWELLINGS) (SCOTLAND) AMENDMENT ORDER 2025

SSI 2025/56

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

This Order substitutes a new paragraph 26 into schedule 1 of the 1997 Order. This updates the exemption relating to dwellings made available as the sole or main residence of a person with permission to enter or stay in the United Kingdom under the Homes for Ukraine Sponsorship Scheme. It also exempts certain dwellings used as the sole or main residence of a person with permission to stay in the United Kingdom under the Ukraine Permission Extension Scheme (UPE), or a person who has applied for permission to stay under UPE and is awaiting the outcome of the application.

The amendment ensures that no council tax is payable in respect of a dwelling used as the sole or main residence of:

- one or more persons who has permission to enter or stay in the United Kingdom (UK) under the Homes for Ukraine Sponsorship Scheme, or UPE, (or who has applied for permission under UPE and is awaiting the outcome of their application), where the accommodation is made available by a person approved by a local authority to provide accommodation as a host, other than a host who is a close relative of the person, or
- one or more persons falling within the description above plus one or more persons falling within paragraph 10(a) of schedule 1 of the 1997 Order.

Policy Objectives

The purpose of this Order is to update the exemption from liability to Council Tax, in the circumstance where a dwelling is the sole or main residence of one or more persons who was formerly residing in Ukraine. The effect is that no council tax is payable in respect of dwellings used as the sole or main residence of those who have permission to enter or stay in the in the UK under the Homes for Ukraine Sponsorship Scheme or UPE provided for under the Immigration Rules, or who are awaiting the outcome of an application under the UPE,

where the person providing the accommodation is an approved host, other than a host who is a close relative of the person being hosted. The exemption applies, too, where the property is the sole or main residence of one or more persons who meets these conditions, along with one or more persons falling within paragraph 10 of schedule 1 of the 1997 Order. Paragraph 10 covers specified persons occupying a property, including students. So, for example, a house made available by an approved host and lived in by a person who has received permission to stay in the UK under UPE, together with a student, would be exempt, provided the person hosting was not a close relative of the person in the UK under UPE. Approval of hosts is by local authorities and must be in accordance with the version of the guidance entitled "Super Sponsor Scheme and Homes for Ukraine: guidance for local authorities" published by the Scottish Ministers on 4 February 2025 ("Super Sponsor Scheme and Homes for Ukraine guidance")
https://webarchive.nrscotland.gov.uk/20250217122004/https:/www.gov.scot/publications/super-sponsor-scheme-and-homes-for-ukraine-guidance-for-local-authorities

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 who have permission to enter or stay in the UK under the Homes for Ukraine Sponsorship scheme or UPE, or are awaiting the outcome of an application for permission under UPE, not to be liable for Council Tax, so long as the person providing the accommodation is a host approved by a local authority, in accordance with the Super Sponsor Scheme and Homes for Ukraine guidance, and is not a close relative of the person being hosted.

The aim of the focus on hosted arrangements, other than those involving close relatives providing each other with accommodation, is to ensure that the help is targeted at those in greatest need, as reflected by reliance on accommodation provided by a person other than a family member, via the Homes for Ukraine Sponsorship Scheme.

Ukraine Permission Extension (UPE) Scheme

The UK Government set up visa schemes in 2022 to enable Ukrainian nationals and their immediate family members to come to the UK for up to three years. These schemes have either ended or are due to end. On 18 February 2024, the UK government announced the launch of the UPE scheme. The UPE scheme opened for applications on 4 February 2025.

The UPE scheme is intended to allow those with existing permission granted under the Ukraine schemes, who continue to require sanctuary in the UK, to apply for further permission to stay in the UK. Ukrainian nationals, or the immediate family members of a Ukrainian national who are living in the UK with existing permission under one of the Ukraine schemes, may be eligible to apply for UPE to continue living in the UK for up to a further 18 months.

UN Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024 Compatibility

The Scottish Ministers have made the following statement regarding children's rights.
In accordance with section 23(2) of the United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024, the Scottish Ministers certify that, in their view, the Council Tax (Exempt Dwellings) (Scotland) Amendment Order 2025 is compatible with the UNCRC requirements as defined by section 1(2) of the Act.

EU Alignment Consideration
This instrument is not relevant to the Scottish Government's policy to maintain alignment with the EU

Consultation

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

Impact Assessments

A Child Rights and Wellbeing Impact Assessment is provided with this instrument. No other Impact Assessments have been undertaken.

Financial Effects

The policy measures implemented in this instrument will not increase the level of Council Tax householders pay or reduce the level of council tax local authorities receive. That is because all the changes maintain the current level of council tax liability that a household has, rather than reducing or increasing it.

The Cabinet Secretary for Finace and Local Government confirms that no BRIA is necessary as the instrument has no financial effects on the Scottish Government, local government or on business.

Local Government Directorate
Scottish Government
February 2025