



**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**CABINET**

**12th DECEMBER 2022**

**COUNCIL TAX PREMIUMS –  
LONG TERM EMPTY PROPERTIES AND SECOND HOMES**

**JOINT REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES,  
DIRECTOR OF PROSPERITY AND REGENERATION AND DIRECTOR OF PUBLIC  
HEALTH AND COMMUNITY SERVICES IN DISCUSSION WITH COUNCILLOR  
C LEYSHON, COUNCILLOR B HARRIS AND COUNCILLOR M NORRIS**

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**1. PURPOSE OF THE REPORT**

- 1.1 This report provides Cabinet with the results of the public consultation which it agreed to initiate in respect of the introduction of a Council Tax Premium on long term empty properties and second homes in the County Borough.

**2. RECOMMENDATIONS**

It is recommended that Cabinet:

- 2.1 Review and consider the consultation feedback as attached at Appendix 1 of this report;
- 2.2 Determine whether, and if so how, they wish to proceed with the proposed introduction of a premium in light of the consultation feedback;
- 2.3 Subject to the above, recommend the proposed way forward to Full Council; and
- 2.4 Authorise the Director of Finance and Digital Services to put in place the necessary implementation arrangements.

**3. REASONS FOR RECOMMENDATIONS**

- 3.1 To provide Cabinet with the feedback from the public consultation in order to determine whether and if so how they wish to proceed with the proposed introduction of a Council Tax Premium on long term empty properties and second homes.



#### 4. **BACKGROUND**

- 4.1 From 1<sup>st</sup> April 2017, Councils in Wales have been able to charge higher amounts (a premium) of up to 100% on top of the standard rate of council tax on second homes and long-term empty properties. The legislative changes were made by the Housing (Wales) Act 2014 and the powers given to Councils are discretionary. Whether to charge a premium on second homes or long term empty properties (or both) is, therefore a decision to be made by each Council.
- 4.2 The Act also provides regulations which make exceptions to the premiums and these are set out in the Council Tax (Exceptions to Higher Amounts) (Wales) Regulations 2015.
- 4.3 From 1<sup>st</sup> April 2023, the regulations will be updated, following a Welsh Government consultation exercise, to allow Councils to charge a maximum premium of 300% on top of the standard rate of council tax.
- 4.4 Cabinet on the 17<sup>th</sup> October, considered and agreed a new Empty Homes Strategy for 2022-2025. One of the objectives of the strategy is to use a range of interventions to ensure all types of empty homes are targeted and enabled to be brought back into use. This includes reviewing Council Tax Premiums for long term empty homes and second homes.
- 4.5 At the same meeting, Cabinet agreed to undertake a consultation on the proposal to introduce a Council Tax Premium on Long Term Empty Properties as follows :

<b>Length of Time Property has been Empty</b>	<b>No of Properties</b>	<b>Current Council Tax Liability</b>	<b>Proposed Council Tax Liability</b>
Empty Properties Exempt from Paying Council Tax (6 Month Statutory Exemption)			
<b>0 – 6 Months</b>	1,095	Nil	Nil
Empty Properties already Subject to a Council Tax Charge			
<b>7 – 12 Months</b>	248	100%	100%
Empty Properties already Subject to a Council Tax Charge and proposed to be Charged a Premium			
<b>1 – 2 Years</b>	406	100%	150%
<b>2 Years +</b>	1,310	100%	200%

- 4.6 It was also proposed to charge a premium in respect of second homes and that this should be 100% for all properties classified as a second home under Class B of the



Council Tax (Prescribed Class of Dwelling) (Wales) Regulations 1998.

- 4.7 It was proposed that the premium for long term empty properties would be introduced and effective from **1<sup>st</sup> April 2023**, while the premium for second homes would be effective from **1<sup>st</sup> April 2024** (in line with the requirements of the Act).
- 4.8 The Council would write to each homeowner, once a decision is made, to advise them of the forthcoming changes, thereby providing as much advance notice as possible.
- 4.9 The full report which was considered by Cabinet on the 17<sup>th</sup> October 2022 is attached at Appendix 2.

## **5. EQUALITY AND DIVERSITY IMPLICATIONS / SOCIO-ECONOMIC DUTY**

- 5.1 An Equality Impact Assessment has been completed in respect of the proposal and concluded that there are no issues which would prevent the Cabinet from implementing the proposal.

## **6. CONSULTATION**

- 6.1 This report provides Cabinet with information on the response to the consultation exercise that has now taken place in relation to this proposal. The full consultation report is attached at Appendix 1.

## **7. FINANCIAL IMPLICATION(S)**

- 7.1 The charging of a premium on long-term empty dwellings would raise additional revenue through the council tax. This is estimated (initially) at £1.5M (full year impact), but will be subject to review and confirmation pending the identification and application of the exceptions set out in Table 1.
- 7.2 The charging of a premium on second homes would raise an estimated extra £0.4M council tax (full year impact).

## **8. LEGAL IMPLICATIONS**

- 8.1 The legal framework for the implementation of premiums are referenced throughout this report and are summarised below:
- Housing (Wales) Act 2014
  - Local Government Finance Act 1992, Sections 12A and 12B;



- Council Tax (Exceptions to Higher Amounts) (Wales) Regulations 2015

## **9. LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT**

- 9.1 The charging of Higher Amounts supports the Council's work in delivering its Empty Homes Strategy and in doing so contributes to the delivery of Corporate Plan priorities and well-being goals as set out in the Well-being of Future Generations Act.

## **10. CONCLUSION**

- 10.1 The Council has discretionary powers to charge higher amounts (premiums) in relation to council tax for long-term empty dwellings and second homes with a view to bringing empty properties back into use, increasing the supply of affordable housing and enhancing the sustainability of local communities.
- 10.2 This report summarises the responses to the consultation exercise that took place between 24<sup>th</sup> October and 21<sup>st</sup> November 2022 and should be considered in determining whether to implement the proposals set out at section 4 of this report.