

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2022/23

COUNCIL

18th JANUARY 2023

COUNCIL TAX PREMIUMS - LONG TERM EMPTY PROPERTIES AND SECOND HOMES

REPORT OF: THE DIRECTOR OF FINANCE AND DIGITAL SERVICES

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1.0 PURPOSE OF THE REPORT

- 1.1 This report provides Council with the opportunity to consider the recommendation of Cabinet with regard to the proposed introduction of a Council Tax Premium for Long Term Empty Properties and Second Homes.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that Council:
- i) Considers and if appropriate agrees to the introduction of a Council Tax Premium for Long Term Empty Properties and Second Homes, as recommended by Cabinet at its meeting held on 12th December 2022.

3.0 REASON FOR RECOMMENDATION

- 3.1 For full Council to satisfy the decision making requirements associated with the proposed introduction of a Council Tax Premium.

4.0 BACKGROUND

- 4.1 On the 17th October 2022, Cabinet considered and agreed a new Empty Homes Strategy for 2022-2025. At the same meeting, Cabinet agreed to initiate a consultation on a proposal to introduce a Council Tax Premium in respect of Long Term Empty Properties and Second Homes. The consultation process took place between 24th October and 21st November 2022.
- 4.2 The feedback from the consultation process was presented to Cabinet on the 12th December 2022 where they determined to proceed with the proposal, as consulted

upon, and to recommend this way forward to Full Council, in line with the statutory decision making requirements with regard to Council Tax Premiums.

- 4.3 The Cabinet reports, consultation report and the Cabinet Decision notice are appended to this report.

5.0 **SUMMARY OF PROPOSAL**

- 5.1 Cabinet are recommending the introduction of a Council Tax Premium on Long Term Empty Properties as follows :

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

- 5.2 It is also recommending to charge a premium in respect of second homes and that this should be set at 100% for all properties classified as a second home under Class B of the Council Tax (Prescribed Class of Dwelling) (Wales) Regulations 1998.
- 5.3 It is recommended that the premium for long term empty properties be introduced and effective from **1st April 2023**, while the premium for second homes be effective from **1st April 2024** (in line with the requirements of the regulations).
- 5.4 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. The Council is also required to publish notice of the decision within 21 days of that decision being made.

6.0 **EQUALITY AND DIVERSITY IMPLICATIONS / SOCIO-ECONOMIC DUTY**

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

7.0 CONSULTATION

7.1 The proposal has been consulted upon as set out above.

8.0 FINANCIAL IMPLICATION(S)

8.1 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 of Appendix 2.

8.2 The charging of a premium on second homes would raise an estimated extra £0.4M council tax (full year impact).

8.3 The extra revenue raised would support the continuation of the Council's Empty Homes Strategy.

9.0 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

9.1 The legal framework for the implementation of premiums are set out within:

- Housing (Wales) Act 2014
- Local Government Finance Act 1992, Sections 12A and 12B;
- Council Tax (Exceptions to Higher Amounts) (Wales) Regulations 2015

10.0 WELSH LANGUAGE IMPLICATIONS

10.1 There are no Welsh language implications as a result of the recommendations in this report.

11.0 LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT

11.1 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.

12.0 CONCLUSION

12.1 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.

12.2 This report now summarises the recommendation of the Cabinet with regard to implementing a Premium.

LOCAL GOVERNMENT ACT 1972
AS AMENDED BY
THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL
COUNCIL
18th January 2023

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

Background Papers

Cabinet: 17th October 2022
Cabinet: 12th December 2022

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