

CABINET

9TH JANUARY 2023

SECOND HOMES AND EMPTY PROPERTIES

Purpose:

This report pulls together the areas for consideration by Cabinet in relation to Second Homes / Short Term Holiday Homes and Empty Properties.

Concerns have been raised at both a local and National level about the perceived impact of growing numbers of second homes and empty properties on our communities

Recommendations / key decisions required:

For approval and comments

Reasons:

Cabinet decision required as to whether to proceed with consultation for council tax premiums.

Cabinet Decision Required YES

Council Decision Required YES

CABINET MEMBER PORTFOLIO HOLDER:- Cllr Alun Lenny - Resources

Directorate:

Chris Moore

Name of Head of Service:

Helen Pugh

Designations:

Director of Corporate Services

Head of Revenues & Financial Compliance

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EXECUTIVE SUMMARY

CABINET

9TH JANUARY 2023

SECOND HOMES AND EMPTY PROPERTIES

Welsh Government announced in 2021 a three-pronged approach to address “second homes crisis”

Welsh Government’s reasoning for this approach is that it has fairness at its heart, ensuring that everyone in Wales can have access to good quality, affordable housing.

The three-pronged approach will focus on:

- support - addressing affordability and availability of housing,
- regulatory framework and system - covering planning law and the introduction of a statutory registration scheme for holiday accommodation; and
- a fairer contribution - using national and local taxation systems to ensure second home owners make a fair and effective contribution to the communities in which they buy.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: **Helen Pugh**

Head of Revenues & Financial Compliance

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
YES	YES	YES	YES	YES	YES	NONE

1. Policy, Crime & Disorder and Equalities

- the proposals support statutory requirements in relation to the Welsh Language and Equalities including the results of an equalities impact assessment where appropriate. Impact Assessment required
- We must give due consideration to its statutory duties to carry out equality impact assessments under the Equality Act 2010 and the Welsh Public Sector Equality Duties 2011 and to all other relevant considerations. A local authority should also give consideration to engagement and consultation with key stakeholders, including the local electorate, before taking a decision as to whether or not to charge one or both of the premiums.

2. Legal

New Legislation will need to be adhered to in relation to consultation and implementation for planning approach and council tax premiums noted in the report.

- Housing Act 2014
- Authorities are required to make certain determinations and take certain actions beforehand, including impact assessments and consultation. The determination by a local authority to charge a premium under section 12A or 12B of the 1992 Act must be made by full Council.
- The Town and Country Planning (Use Classes) (Amendment) (Wales) Order 2022

3. Finance

Implementing council tax premium will result in additional staff resources required (as evidenced by other Welsh LAS that have already implemented premiums) – 2 FTE possible cost £70k - £80k

Income generation should council tax premiums be introduced (dependant on the amount of premium and when expected to be applied) but for example 1,300 properties empty for > 12 months @ say 50% premium (Taking Band B Rate £1300 as majority of properties in this band) and applying our 97% recovery rate would be the equivalent = $1,300 * (£1300 * 50%) * 97\% = £819,650$

Potential loss of income if premiums are introduced on holiday homes (some may transfer across to NNDR if they meet the business criteria – as demonstrated in some other Welsh authorities that have already introduced premiums)

4. ICT

The Council Tax system provider has confirmed that they would not be able to distinguish between council tax and premium collected within the system, manual intervention will be needed. Unless some additional program / report can be written

5. Risk Management Issues

Risk of empty properties numbers not being resolved

Risk of impact on Welsh Language

Risk of a reduced impact on economic recovery in Carmarthenshire if tourism / holiday lets are too expensive and discourage the availability of holiday homes.

7. Staffing Implications

With the introduction of premiums more staff resources will be required to manage, monitor and deal with appeals – would expect to need 2FTE

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: H L Pugh Head of Revenues & Financial Compliance

1. Scrutiny Committee request for pre-determination	NO
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- 2. Local Member(s) N/A**
- 3. Community / Town Council N/A**
- 4. Relevant Partners N/A**
- 5. Staff Side Representatives and other Organisations N/A**

CABINET MEMBER PORTFOLIO HOLDER AWARE/CONSULTED	YES
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**Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:**

There are none