

ISLE OF ANGLESEY COUNTY COUNCIL

REPORT TO:	COUNTY COUNCIL
DATE:	10 MARCH 2016
SUBJECT:	COUNCIL TAX PREMIUMS: LONG-TERM EMPTY DWELLINGS AND DWELLINGS OCCUPIED PERIODICALLY (USUALLY KNOWN AS SECOND HOMES)
LEAD OFFICER(S)	MARC JONES HEAD OF FUNCTION (RESOURCES) (SECTION 151 OFFICER)
CONTACT OFFICER	GERAINT JONES REVENUES AND BENEFITS MANAGER (EXT. 2651)
ACTION :	1. To decide on whether to charge Council Tax premiums for long-term empty dwellings and for dwellings occupied periodically (usually known as second homes) from 1 April 2017; and 2. If the decision is to do so, determine the percentage level of the Council Tax premium for long-term empty dwellings and for dwellings occupied periodically (usually known as second homes) from 1 April 2017.

1. Purpose of the report

The report explains the requirement for the Isle of Anglesey County Council, as a billing authority for its area, to make a decision whether to charge a premium of up to 100% of the standard rate of council tax on long-term empty dwellings and second homes by 31 March 2016 to come into effect from 1 April 2017.

2. Background Information

- 2.1 Legislative changes were made by the Housing (Wales) Act 2014 ("2014 Act") giving local authorities discretionary powers on whether to charge a premium on long-term empty dwellings or second homes (or both). The 2014 Act amended the Local Government Finance Act 1992 ("1992 Act") by inserting new sections 12A and 12B to enable a billing authority (a county council or county borough council) in Wales to disapply any discount granted to long-term empty dwellings and dwellings occupied periodically and apply a higher amount of council tax (a premium).
- 2.2 The Full Council's current policy is not to award any discounts to owners of long-term empty properties i.e. empty and substantially unfurnished for 6 months or more and to owners of second homes i.e. not a person's sole or main residence and substantially furnished. At present, long-term empty dwelling owners and second homes owners are liable for 100% Council Tax (i.e. the standard rate).
- 2.3 Local authorities will now have discretion to decide on the amount of the premium from 0% up to a maximum of 100% of the standard rate of council tax that applies to the dwelling. A billing authority can make, vary or revoke a determination made under sections 12A and 12B of the 1992 Act, but only before the beginning of the financial year to which the determination applies. For second homes however, a billing authority **MUST MAKE its first determination under section 12B at least one year before the beginning of the financial year** to which the premium applies. This means in order to charge a premium from 1 April 2017, a billing authority must make its determination for second homes before 1 April 2016. The same requirement does not apply to long-term empty properties but there is nothing to prevent a determination for long-term empty dwellings being done to be set at the same time.

- 2.4** A **long-term empty dwelling** is defined (for Council Tax premium purposes) as a dwelling which is both unoccupied and substantially unfurnished for a continuous period of at **least one year**. When determining whether a dwelling has been empty for one year, no account is to be taken of any period before 1 April 2016. If the local authority makes a determination to charge a premium on long-term empty dwellings, it may specify different percentages (up to a maximum of 100%) for different dwellings based on the length of time for which they have been empty. This will allow a stepped approach with incremental increases over time.
- 2.5** A **second home** is defined as a dwelling which is not a person's sole or main home and is substantially furnished. The 1992 Act refers to them as dwellings occupied periodically.
- 2.6** The Welsh Government's aim when giving the discretion to local authorities to charge a premium, on top of the standard rate, was to be a tool to help local authorities:-
- Bring long-term empty homes back into use to provide safe, secure and affordable homes; and
 - Support local authorities in increasing the supply of affordable housing and enhancing the sustainability of local communities.
- 2.7** In considering whether or not to charge a premium, regard is given to these aims and also the particular housing need and circumstances in the authority's area. Factors which will help a local authority to decide whether to charge a premium or not include –
- the numbers and percentages of long-term empty dwellings or second homes in its area;
 - the distribution of long-term empty dwellings or second homes and other housing in the authority and an assessment of their impact on property values in particular areas;
 - potential impact on local economies and the tourism industry;
 - patterns of demand for, and availability of, affordable homes;
 - potential impact on the local public services and local community;
 - other measures available to the authority to increase housing supply and to bring back empty properties into use.
- 2.8** Welsh Ministers have exercised their powers under the 1992 Act to make regulations to prescribe one or more classes of dwellings in relation to which a billing authority may not make a determination to charge a Council Tax premium. These are contained in The Council Tax (Exceptions to Higher Amounts)(Wales) Regulations 2015 and are listed in **Appendix 1**.
- 2.9** Council Tax premiums cannot also be charged for a dwelling where no Council Tax is paid under the Council Tax (Exempt Dwellings) Order 1992. These are listed in **Appendix 2**.
- 2.10** Dwellings, where year-round occupation is prohibited are not eligible to be charged a premium (see Class 6 in Appendix 1). This means, that dwellings that are advertised as being available for holiday rental for 140 days a year and where owners can provide evidence that they are rented for 70 days or more a year, will be eligible to pay business rates rather than domestic Council Tax. There are 292 such properties classified as businesses in the Council's area currently and they will not be affected by the changes as regards Council Tax premiums.
- 2.11** The Full Council, as a billing authority has, under section 13A of the 1992 Act the discretionary powers to reduce council tax liability to such extent it thinks fit. This discretionary power can be exercised in particular cases or by determining a class or case. This power can be used to reduce a council tax liability in circumstances where a local authority has decided to charge a premium. Examples where a local authority might consider using these powers include:-

- where there are reasons why a dwelling could not be lived in;
- where there are reasons why a dwelling cannot be sold or let;
- where an offer has been accepted on a property but the sale has not yet been completed and the exception period has run out;
- where charging a premium might cause hardship.

2.12 The use of powers granted under section 13A is a matter for the local authority but in the interest of fairness and transparency, there should be a clear policy on whether, and how, these powers will be used. However, each case must be considered on its merits taken account of the circumstances of each case.

2.13 The Council has also engaged and undertaken 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. Because of the tight timescales between the making of the publishing of the statutory guidance in December 2015 and the exception regulations coming into effect on 31 January 2016 and the requirement to determine whether or not to charge a Council Tax premium on second homes by 31 March 2016, consultation has been truncated to a period between 16 February 2016 and 4 March 2016.

2.14 The Welsh Government has previously undertaken a series of consultations regarding giving discretionary powers to local authorities in Wales to charge additional council tax on long-term empty and second homes and these were considered when finalising their policy. These were:-

- Council Tax and Long-Term Empty Homes in Wales: 31 July 2012 – 30 October 2012;
- Consultation on Discretionary Powers for local authorities to increase council tax on Second Homes: 16 September 2013 – 28 October 2013;
- Exemptions to the Council Tax Premium for Second Homes in Wales: 13 March 2015 - 13 June 2015;
- Exemptions to the Council Tax Premium for Long-term empty homes in Wales: 13 March 2015 - 13 June 2015;
- Technical consultation on the council tax (exceptions from higher amount)(Wales) regulations 2015: 16 October 2015 - 13 November 2015.

2.15 An Equality Impact Assessment has been carried out and was submitted to the Minister for Public Services for consideration alongside the draft bill and regulations.

2.16 Should the Full Council decide to charge a Council Tax premium for long-term empty and second homes it is required to publish a notice in a local newspaper within 21 days of its decision. It should then consider how its decision is communicated more widely, particularly to those affected and who normally reside outside the local area.

3. Main issues in deciding on whether or not to charge a Council Tax premium and the Percentage level to apply

3.1 The Full Council is obliged by 31 March 2016 to determine whether or not to charge a Council Tax premium for second homes and the percentage level it wishes to apply from 1 April 2017. The Full Council at the same time can make a decision whether or not to charge a Council Tax premium on long-term empty dwellings and the percentage level it wishes to apply from 1 April 2017. In doing so, and as mentioned earlier, it needs to have regard to the Welsh Government's aims in providing discretionary powers to local authorities in Wales and also relevant factors to consider on whether to charge a premium or not.

3.2 The main aim of the Welsh Government with regard to charging a Council Tax premium was to increase the supply of affordable housing. This is both a local and a national priority. Long-term empty dwellings and second homes can reduce the amount of housing available for local people.

- 3.3** With regard to the Isle of Anglesey, the 2011 Census showed that 10.5% of homes on the Island had no usual residents. This varied from 1.8% in the London Road Ward in Holyhead to 42.7% of properties in Rhosneigr that were either empty or where second homes. (see **Appendix 3** for further details). This places the Island in the top 10 local authority areas in England and Wales having a greater percentage of homes with no usual residents.
- 3.4** Current Council Tax records for long-term empty dwellings and second homes reflect the 2011 Census data as regards the distribution of such property. A higher number of second homes tend to be in coastal settlements where there is often a shortage of affordable housing, with a higher number of long-term empty dwellings in the main towns on the Island. This has impact on the number of affordable dwellings in these areas and generally on the Island. (see **Appendices 4a & 4b** for further details in respect of Council Tax current records).
- 3.5** Current Council Tax records for long-term empty dwellings and second homes also show the distribution of such properties in accordance to their Council Tax bands. (see **Appendix 5**)
- 3.6** Based on current Council Tax records for long-term empty dwellings and second homes the potential additional revenue generated, dependant on the premium charged will be £730k at a 25% premium up to £3m at a 100% premium. (see **Appendix 6**). A considerable degree of caution has to be introduced when considering these figures. A net reduction adjustment of 30% on the potential income that can be generated has been made to take account of possible exceptions required under regulations and also having regard to the lack of robustness and accuracy of the Council Tax data base.
- 3.7** Housing Services' Empty Homes Database dated 1 April 2015 identified 863 empty property on the Island, with 80% being empty for 12 months or more. 35% of long-term empty property on the Island have been empty for over 4 years. The condition of such properties may have deteriorated over the years possibly affecting adjacent properties and property values. (see **Appendix 7**)
- 3.8** To be able to charge a Council Tax premium on long-term empty dwellings, the dwelling has to be empty for 12 months or more (unless excepted) measured from 1 April 2016 – periods previous to this are discounted. If the Full Council decides to use its discretionary power to specify different percentages for different long-term empty dwellings based on length of time, these will be measured from 1 April 2016 e.g. if the Full Council decides that a 100% Council Tax premium will be charged if the property has been empty for 4 years or more – this will only come into effect on 1 April 2020. Will such a stepped approach with incremental increases applying over time be a successful additional tool in bringing such properties back into use?
- 3.9** **How will charging a Council Tax premium on the standard council tax charge for a dwelling on the Island compare to council tax payable by owners who have their sole or main residence elsewhere?** The average Band D Council Tax set by local authorities (including parishes) in England for 2015/16 is £1,484; for Police and crime commissioners £164 and Fire and rescue authorities £68 giving a total of average Band D of **£1,716**. (For Greater Manchester the average Band D is £1,694 and for Merseyside the average Band D is £1,759). The average Band D for the Island in 2015/16 was **£1,296**, (for Wales £1,327) including Police and crime commissioner and town/community councils.
- 3.10** Will account have to be taken of these variances when deciding to charge a Council Tax premium or not and if so, what the percentage level should then apply? How will this influence owners of long-term empty dwellings and second homes on the Island in their treatment of their properties e.g. change use to holiday rental, sell/rent property or no effect whatsoever?

- 3.11 How are long-term empty dwellings and second homes treated in England and Scotland for discounts and premiums?** In England, local authorities can reduce the standard discount for empty properties and second homes from 50% to 0%. English authorities have the power to increase council tax on properties which have been “unoccupied and substantially unfurnished” for over 2 years. English authorities can then charge up to a maximum 50% premium on the standard Council Tax on such properties.
- 3.12** In Scotland, local authorities can reduce the standard discount for empty property and second homes from 50% to 10%. An Empty Home Premium up to 100% can be charged in Scotland on unoccupied and substantially unfurnished property which have been empty for over 1 year.
- 3.13** In Wales, local authorities have the power to reduce the standard discount for empty property and second homes from 50% to 0%. As regards long-term empty dwellings the law (as regards charging a Council Tax Premium) is equivalent to Scotland but Welsh local authorities can also charge a premium of up to 100% of the standard Council Tax on second homes where there is no permanent resident but must give at least 12 months’ notice of their intention to introduce a second home charge. Does the power to curtail the discounts and charge a premium on long-term empty dwellings and second homes in Wales, will mean that the Council Tax for such properties will now more closely resemble a property tax than a personal tax for local services?
- 3.14** The ability to charge Council Tax premiums in England and Scotland has been in place since April 2013. Council Tax premiums only apply to long-term empty property and recent reviews of their policy to charge a 50% Council Tax premium by certain councils show that there has been success in returning long-term empty property to use (being an usefull additional tool for Empty Homes Officers), but proved more controversial than expected involving appeals to Valuation Tribunals against the setting of the Council Tax Premium and also evidence of additional administrative work resulting from exception applications and inspection of properties and in the enforcement of payment. The number of taxpayers having difficulties in paying was small but evidence shows increase use of charging orders to secure the debt until property is sold.
- 3.15** The introduction of Council Tax premiums has required the employment of additional temporary staff (including agency staff) and additional part-time and full-time staff However, the Council Tax premium on long-term empty properties also generated additional income to the Collection Fund (in England the additional income is also distributed to crime commissioners and parishes – this will not apply in Wales). Unlike England and Scotland, Welsh local authorities have also been given discretionary powers by the Welsh Government to charge a Council Tax premium on second homes. It is likely that additional administrative work will be required to ensure that the tax base reflects the correct status of a long-term empty dwelling or second home as to whether a premium can be charged and also, this may involve additional enforcement resource to collect the premium.
- 3.16** The Authority will also have to consider whether the same premium percentage should be charged for long-term empty property and second homes and if a decision is made to have different percentages, how will owners respond?
- 3.17** The tourism industry makes a significant contribution to the economy of the Island. Nearly 300 properties are used for holiday lettings which are classified as businesses and as such, will not be affected by the these changes to introduce Council Tax premiums. Will the introduction of a Council Tax Premium on second homes influence owners of such properties to classify their property as holiday lettings and therefore be classified as businesses? However, it should be noted that the option to reclassify a property as a busnes property is open to owners currently, but only 11% of the owners of second homes have chosen to take up this option.

3.18 The following section having regard to the main issues listed above, provides various determinations for the Full Council to consider on whether to charge premiums or not, and if so decide on the percentage levels of the Council Tax premium for long-term empty property and second homes.

4. Determinations on Council Tax premiums

4.1 Determination 1:

4.1.1 The Full Council will need to decide whether it wishes or not to introduce a Council Tax premium for long-term empty dwellings and second homes. By not introducing such premiums the Full Council will be confirming the status quo of charging the full standard Council Tax on long-term empty dwellings after 6 months and on second homes from day one when the dwelling is not used as person's sole or main residence.

4.1.2 By introducing such premiums the Full Council will be agreeing to a premium being charged on top of the full standard Council Tax on long-term empty property after 12 months (measured from 1 April 2016) and on second homes from 1 April 2017. Additional income is generated for the Council to keep and spend as it wishes and also to meet the Welsh Government's aim of bringing such property back into use of local people, having regard to the fact that the Island has 10.5% of homes having no usual residents. However, this will mean additional resources will be required to administer and enforce payment of the Council Tax premiums.

4.2 Determination 2:

4.2.1 If it is the Full Council's wish to charge a Council Tax premium on long-term empty dwellings and second homes the Full Council will then need to decide if the level of premium charged should be the same for both types of dwellings or different charges will apply, in particular, for long-term empty property based on length of time they have been empty.

4.2.2 In applying the same charge for both types of dwellings this will ease administration, be easily understood and there is no apparent advantage in changing the status of the dwelling from long-term empty to a second home and changing back again to possibly pay less Council Tax.

4.2.3 In deciding on different charges for both dwelling types this will allow the Full Council to treat them differently to prioritise and meet the Authority's aims, for example, targeting a higher percentage charge on longer-term empty dwellings to bring them back into use. Whilst meeting the Authority's aims, a more complex charging scheme will be less easy to administer, less easily understood and owners may take advantage of the different percentages set. A position could also result that a longer-term empty dwelling may have a higher Council Tax premium charge than a second home.

4.3 Determination 3:

4.3.1 If it is the Full Council's wish to charge the same percentage charge in respect of the Council Tax premium on long-term empty property and second homes, the Full Council will need to decide at what level the percentage should be, up to no more than 100% of the standard Council Tax.

4.3.2 Appendix 6 of this report informs the Full Council of the expected additional income generated by applying different percentages on top of the standard Council Tax. The Full Council when making its decision, also needs in addition to having regard to the additional income generated, take account of the following (though this may not be an exhaustive list):-

- If the charge is set at 25% or 30%, will this be sufficient incentive for owners to bring dwellings back into use by sale or rent? In particular, a Council Tax premium at this level, will mean that owners of dwellings who live in England will be paying approximately the same or still less Council Tax on their property on the Island than on their main residence (though for owners who live in Wales it will mean that they will pay 23% or 28% more on their second dwelling on the Island as compared to their main residence). If charges are set at 25% or 30%, it would seem there is little or no perceived incentive to change the domestic property to become a holiday lettings or claim a change in sole or main residence?
- if charges are set at 50%, 75% or 100% - will these provide sufficient incentives for owners to bring dwellings back into use whether for sale or rent or, will owners still be willing to pay the Council Tax premium? The higher the percentage charged the Council Tax cost on a dwelling on the Island would progressively be more than what owners pay on their main residences (at 50% – 13% more; at 75% - 37% more and 100% - 73% more for owners who live in England). For owners living in Wales the differences will be significantly more. Will percentages at this level incentivise owners to seek tax avoidance practices, such as change to business use, or claim a change of sole or main residence? Would certain owners suffer financial hardship from Council Tax premiums set at these levels and as a consequence, should the Full Council introduce before 1 April 2017 a policy guideline under Section 13A of the 1992 Act where it can use discretionary powers to reduce the council tax liability resulting from the council tax premium to such extent it thinks fit?

4.4 Determination 4:

4.4.1 Having decided whether or not to charge Council Tax premiums from 1 April 2017, the Full Council is asked (if it has decided to charge Council Tax premiums) before it determines its Council Tax requirement for 2019/20, it agrees that a review is undertaken on its policy of charging such premiums to establish the following –

- did the policy meet its objectives of bringing empty/second homes back into use by sale or rent?
- did the policy achieve the expected level of additional income generated and how that additional income was used;
- what impact the introduction of the Council Tax premiums had on the administration and enforcement of the premiums?
- is there evidence of increased tax avoidance?

4.4.2 Based on the outcome of this review, which may involve a further public consultation, the Full Council when determining its Council Tax requirement for 2019/20 can decide whether to vary or revoke its determination.

5. Financial Implications

5.1 The Authority will be able to retain any additional funds generated by implementing the premiums and amendments to the calculations of the tax base regulations will be made to facilitate this by Welsh Government. This will negate the need for the Authority's Revenue Support Grant to be adjusted as a result of the increased tax base. The additional funds generated can be spent by the Authority as it wishes, but the Welsh Government will encourage the Authority to use any additional revenue generated to help meet local housing needs, in line with the policy intentions of the premiums.

- 5.2 The Authority's internal negotiations and decisions on how the additional funds generated will be spent will apply during the 2017/18 budget setting cycle dependant on the estimated additional funds generated from the premiums determined and also on any plans and spending requirement submitted by Housing Services to meet the policy intentions of the premiums.
- 5.3 There is likely to be a requirement for an increased resource to administer and enforce collection of the Council Tax premiums, if they are introduced. This is estimated to involve an additional enquiry/visiting officer and an additional revenue/recovery officer. This will be an annual revenue cost implication of approximately £50k.
- 5.4 The Council Tax collection rates are expected to fall if Council Tax premiums are introduced. This risk is already included in the calculation of the tax base and this area will be monitored in the same way.

6. Legal Implications

- 6.1 The determination to charge a Council Tax premium under section 12A and 12B of the 1992 Act **must be made by Full Council**.
- 6.2 The Full Council is obliged to make its first determination whether or not to charge a premium on second homes before 1 April 2016 to come into effect on 1 April 2017. A determination to charge a premium in 2018 must be made before 1 April 2017 and so on.
- 6.3 To vary or revoke a determination in respect of Council Tax premiums for long-term empty and second homes can only be made before the beginning of the financial year to which the determination applies e.g. to vary or revoke a determination to charge a premium in 2018 must be made before 1 April 2018.

7. Risk Implications

- 7.1 These, indirectly have been referred to earlier in the report, but the following is a summary of the apparent risks –
- The Council Tax data on long-term empty dwellings and second homes has not been updated regularly since the Full Council set a policy of no discounts being applied for such dwellings. The full standard Council Tax is payable on such dwellings. A recent review undertaken by a credit reference company checking their records with that of the Council established that 22% to 25% of long-term empty dwellings or second homes on Council Tax records had a medium to high risk that they were occupied as a person's sole or main residence. No Council tax premium can be charged on such properties and there is therefore a risk in estimating the additional income generated;
 - Will there be an increase in owners refusing or unable to pay the Council Tax premium?
 - Will there be an increase in Council Tax premium avoidance by owners in e.g. transferring use to business rates, changing from second homes to long-term empty, attempting to market the property for sale or rent to claim an exception, claiming that the dwelling is occupied or changing sole and main residence? Will this lead to a reduction in the domestic property Council Tax Register?
 - Will there be an impact on the Council's reputation?
 - Will there be an increase in the number of appeals and legal challenges?
 - How will this impact on the local tourism industry?

8. Equalities Implications

- 8.1** The Council has undertaken a consultation exercise in the limited time available on the charging of Council Tax premiums. The consultation assists the Council in satisfying the public sector equality duty in the Equality Act. The result of this consultation is given in **Appendix 8**.
- 8.2** The Welsh Government has compiled an equalities impact assessment following its consultation and a local equalities impact assessment has been carried out and a copy is available by application to the Finance Service (Revenues and Benefits). A Welsh Language impact assessment has also been carried out and again a copy if available by application to the Finance Service (Revenues and Benefits).

Background Documents

- Local Government Finance Act 1992 as amended by Section 7 of the Housing (Wales) Act 2014
- Council Tax (Exceptions to Higher Amounts Wales) Regulations 2015
- Council Tax (Exempt Dwellings) Order 1992
- Statutory Guidance by Welsh Government on the Implementation of Council Tax Premiums on Long-Term Empty Homes and Second Homes in Wales December 2015
- Consultation Council Tax and Long-Term Empty Homes in Wales: 31 July 2012 – 30 October 2012;
- Consultation on Discretionary Powers for local authorities to increase council tax on Second Homes: 16 September 2013 – 28 October 2013;
- Consultation Exemptions to the Council Tax Premium for Second Homes in Wales: 13 March 2015 – 13 June 2015;
- Consultation Exemptions to the Council Tax Premium for Long-term empty homes in Wales: 13 March 2015 – 13 June 2015;
- Technical consultation on the council tax (exceptions from higher amount)(Wales) regulations 2015: 16 October 2015 – 13 November 2015;
- Census 2011: KS401EW Dwellings, household spaces and accommodation type;
- Department for Communities and Local Government – Council Tax levels set by local authorities in England 2015 – 16 (revised);
- The Scottish Government “Guidance on Local Authority Discretion to: Reduce Council Tax Discount on Second and Long-Term Unoccupied Homes; and Apply an Increase to Long-term Unoccupied Homes”: 21 May 2013;
- Department for Communities and Local Government “Council Tax – Empty homes premium. Guidance for properties for sale or letting”: May 2013;
- South Lakeland District Council - Cabinet 30 October 2013 “Review of Council tax Discounts and the Council tax Premium”;
- South Somerset District Council - Full Council 27 February 2014 “Review of Council Tax Reforms – Empty Homes Premium”.

Summary of main issues

1. The Welsh Government has made primary legislation to allow local authorities to use discretionary powers to charge Council Tax premiums from April 2017 for long-term empty and second homes up to 100% of the standard Council Tax payable;
2. The additional funding generated can be retained by the local authority;
3. The Council is required to determine the level of premiums for second homes before 1 April 2016 and for long-term empty dwellings by 1 April 2017;
4. Different determinations are available to the Full Council to decide on the course ahead which is provided in Section. 4 of this report;
5. The Full Council is required to take account of the aims of the Welsh Government when giving the discretion to local authorities to charge a premium and also the particular housing need and circumstances in the authority’s area when deciding on whether or not to charge premiums; and
6. The Council’s Executive on the 1 March 2016 resolved to recommend to the Full Council, at its meeting on 10 March 2016:-

Recommendations

1. The Isle of Anglesey County Council (“Full Council”), as a billing authority in Wales, uses its discretionary powers, under sections 12A and 12B of the Local Government Finance Act 1992 (“the 1992 Act”) as inserted by the Housing (Wales) Act 2014 (“the 2014 Act”) to disapply any discount(s) granted to long-term empty dwellings and dwellings occupied periodically (usually known as second homes) and apply a higher amount of council tax (called a Council Tax Premium) to come into effect from 1 April 2017.
2. That the Council Tax Premium be set at 25% of the standard rate of council tax for both long-term empty dwellings and for dwellings occupied periodically (usually known as second homes), and that a review of the Council Tax premiums be undertaken by the Head of Function (Resources) and Section 151 Officer during 2018/19 (after the first full year of operation of the Council Tax premiums) to establish if the premiums determined have met the aims of the Executive and the Full Council and whether, as a consequence, the premium levels determined need to be varied or revoked when the Full Council sets its Council Tax requirement for 2019/20. The revised premiums, if applicable, will then come into force from 1 April 2019 onwards.
3. That the Full Council instructs and authorises the Head of Function (Resources) and Section 151 Officer to –
 - i. To publish a notice of its determination to charge a premium in a local newspaper within 21 days of its decision;
 - ii. To communicate its decision, also within 21 days and in particular to those affected, by publication of press notices, providing information on website pages or other avenues to raise awareness. This to include direct communication with council taxpayers who are likely to be liable for the premium and in particular to those who normally reside outside the local authority area;
 - iii. To ensure administrative arrangements are put in place to establish (before the Executive calculates the Council Tax Base for 2017/18 and the Full Council sets its Council Tax requirement for 2017/18) the estimated number of long-term empty dwellings and dwellings occupied periodically (usually known as second homes) that will be eligible to be charged a Council Tax premium under the 1992 Act, as inserted by the 2014 Act, subject to the exceptions allowed by regulations;
 - iv. To ensure that administrative arrangements are put in place for the proper administration and enforcement of the Council Tax premium from 1 April 2017 onwards and notes that the Executive agrees in principle (subject to the Executive’s approval) to any additional resources that is deemed necessary (by the Head of Function (Resources) and Section 151 Officer), to ensure that there is proper administration and enforcement of the Council Tax premium, which will initially include, establishing the estimated number of dwellings where the Council Tax premium will apply.
4. That the Full Council, also instructs and authorises the Head of Function (Resources) and Section 151 Officer, that before the Executive calculates the Council Tax Base for 2017/18 and the Full Council sets its Council Tax requirement for 2017/18, the Executive and the Full Council (as a billing authority in Wales), is advised whether it needs to determine under section 13A of the 1992 Act to use its discretionary powers to reduce council tax liability resulting from a Council Tax premium being charged, to such extent it thinks fit. For fairness and transparency, should such a determination be required, advice is to be provided if the Full Council should adopt a clear policy on whether and how these powers will be used, with appropriate delegated decision making authority being provided for in the Council’s Constitution but also recognising that each case is considered on its merits having taken into account the circumstances of each case.

Premium Exception Classes	Definition
Class 1.	Dwellings being marketed for sale (time limited for one year)
Class 2.	Dwellings being marketed for let (time limited for one year)
Class 3.	Annexes forming part of, or being treated as part of, the main dwelling
Class 4.	Dwellings which would be someone's sole or main residence if they were not residing in armed forces accommodation
Class 5.	Occupied caravan pitches and boat moorings
Class 6.	Seasonal homes where year-round occupation is prohibited
Class 7.	Job-related dwellings

Standard Exemption Classes

- Property that are unoccupied and substantially unfurnished for less than 6 months or 12 months if undergoing or requires structural repair to render the property habitable
- Property that is unoccupied and was, or will be, the sole or main residence of a person in detention
- Property that is unoccupied where occupation is prohibited by law
- Property that is unoccupied and held as being available for occupation by a minister of religion
- Property that is unoccupied where it was last occupied by a person who is resident elsewhere providing care
- Property that is unoccupied where it was last occupied solely by a student or students
- Property that is unoccupied, forms part of a single property which includes another dwelling and may not be let separately from that other dwelling without breach of planning control
- Where the resident is in long-term residential care or hospital
- Where the dwelling is being structurally repaired (time limited for one year)
- Where the resident has died (for up to six months after grant of probate/letters of administration)

KS401EW - Dwellings, household spaces and accommodation type

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Census 2011

Area	All categories: Dwelling type	All categories: Household spaces	Household spaces with at least one usual resident	Household spaces with no usual residents	Percentage
Anglesey Wards	34,168	34,183	30,594	3,589	10.50%
Aberffraw	718	718	629	89	12.40%
Amlwch Port	1,234	1,235	1,131	104	8.43%
Amlwch Rural	604	604	555	49	8.11%
Beaumaris	1,132	1,132	980	152	13.43%
Bodffordd	696	696	654	42	6.03%
Bodorgan	807	807	717	90	11.15%
Braint	646	646	617	29	4.49%
Bryngwran	825	825	778	47	5.70%
Brynteg	1,009	1,009	899	110	10.90%
Cadnant	652	656	609	47	7.21%
Cefni	721	721	665	56	7.77%
Cwm Cadnant	1,046	1,047	942	105	10.04%
Cyngar	930	930	891	39	4.19%
Gwyngyll	682	682	653	29	4.25%
Holyhead Town	642	645	579	66	10.28%
Kingsland	664	664	642	22	3.31%
Llanbadrig	752	752	646	106	14.10%
Llanbedrgoch	843	843	691	152	18.03%
Llanddyfnan	629	629	558	71	11.29%
Llaneilian	1,075	1,075	968	107	9.95%
Llanfaethlu	802	802	689	113	14.09%
Llanfair-yn-Neubwll	1,170	1,171	1,107	64	5.47%
Llanfihangel Ysgeifiog	916	916	859	57	6.22%
Llangoed	689	690	580	110	15.97%
Llanidan	844	844	773	71	8.41%
Llannerch-y-medd	866	866	802	64	7.39%
London Road	731	731	718	13	1.78%
Maeshyfyd	1,048	1,051	997	54	5.15%
Mechell	738	738	659	79	10.70%
Moelfre	662	662	491	171	25.83%
Morawelon	714	714	697	17	2.38%
Parc a'r Mynydd	542	542	520	22	4.06%
Pentraeth	916	916	804	112	12.23%
Porthyfelin	1,092	1,092	1,040	52	4.76%
Rhosneigr	853	853	489	364	42.67%
Rhosyr	1,130	1,130	986	144	12.74%
Trearddur	1,475	1,476	1,009	467	31.66%
Tudur	653	653	637	16	2.45%
Tysilio	946	946	910	36	3.81%
Valley	1,074	1,074	1,023	51	4.75%

In order to protect against disclosure of personal information, records have been swapped between different geographic areas. Some counts will be affected, particularly small counts at the lowest geographies.

**EIDDO GWAG HIRDYMOR / LONG-TERM EMPTY PROPERTY (Treth Gyngor –
Council Tax 01.02.16)**

Cymuned/Community	Nifer/Number	Cymuned/Community	Nifer/Number
Caergybi – Holyhead	118	Y Fali - Valley	15
Llangefni	71	Llanfaethlu	15
Amlwch	36	Bryngwran	15
LlanfairMathafarnEithaf	31	Llaneilian	14
Llanfaelog	31	Rhosybol	13
Llanbadrig	28	Llangristiolus a Cherrigceinwen	14
Trearddur	27	Llanddyfnan	13
Llanfairpwll	24	Llanddona	10
Biwmares - Beaumaris	24	Bodorgan	11
Rhosyr	23	Rhoscolyn	9
Porthaethwy – Menai Bridge	22	Llanfair yn Neubwll	8
LlanfihangelEsceifiog	22	Aberffraw	7
Moelfre	19	Tref Alaw	6
Llanerchymedd	19	Trewalchmai	6
Cylch y Garn	18	Llanddaniel	7
Cwm Cadnant	17	Llanidan	6
Bodedern	17	Bodffordd	6
Mechell	17	Penmynydd	5
Llangoed	16	Llanfachraeth	4
Pentraeth	16	Llaneugrad	4
		Cyfanswm - Total	784

AIL DAI / SECOND HOMES (Treth Gyngor – Council Tax 01.02.16)

Cymuned/Community	Nifer/Number	Cymuned/Community	Nifer/Number
Llanfaelog	343	Llanfaethlu	30
Trearddur	295	Llanfair yn Neubwll	28
LlanfairMathafarnEithaf	182	Mechell	27
Moelfre	119	Y Fali - Valley	27
Biwmares - Beaumaris	111	Llanfairpwll	25
Caergybi - Holyhead	106	Bodffordd	24
Llanbadrig	87	Llaneugrad	24
Rhoscolyn	72	Llanidan	23
Rhosyr	72	Llanddyfnan	21
Llangoed	71	Llanddaniel	19
Amlwch	63	Rhosybol	19
Porthaethwy – Menai Bridge	63	Llangristiolus a Cherrigceinwen	17
Cylch y Garn	50	Llanerychymedd	16
Cwm Cadnant	50	Penmynydd	16
Bodorgan	48	Bryngwran	14
Pentraeth	47	Llannfihangel Esceifiog	14
Llanddona	43	Bodedern	13
Llangefni	38	Tref Alaw	10
Aberffraw	34	Llanfachraeth	10
Llaneilian	31	Trewalchmai	9
		Cyfanswm - Total	2,311

**EIDDO GWAG HIRDYMOR / LONG-TERM EMPTY PROPERTY (Treth Gyngor –
Council Tax 01.02.16) FESUL BAND Y DRETH – BY TAX BAND**

Band y Dreth – Tax Band	Eiddo - Dwellings	Cyfateb i Band D Equivalent
A	157	105
B	144	1120
C	150	133
D	153	153
E	114	139
F	42	61
G	23	38
H	0	0
I	1	2
Cyfanswm – Total	784	743

**AIL DAI / SECOND HOMES (Treth Gyngor – Council Tax 01.02.16)
FESUL BAND Y DRETH – BY TAX BAND**

Band y Dreth – Tax Band	Eiddo - Dwellings	Cyfateb i Band D Equivalent
A	155	103
B	246	191
C	479	426
D	572	572
E	453	554
F	237	342
G	117	195
H	31	62
I	14	33
U	7	7
Cyfanswm – Total	2,311	2,485

Amcangyfrifiad o'r incwm ychwanegol (ar sail Treth Gyngor 2015/165) – Estimate of the additional income (based on 2015/16 Council Tax)

Eiddo Dwelling	Nifer Total	Cyfateb Band D Equivalent	Premium Ychwanegol – Additional Premium (%)				
			25%	30%	50%	75%	100%
Tai Gwag Empty Homes	784	743	£240,745	£288,895	£481,495	£722,240	£962,990
Ail Dai Second Homes	2,311	2,485	£805,190	£966,225	£1,610,380	£2,415,570	£3,220,760
	3,095	3,228	£1,045,935	£1,255,120	£2,091,875	£3,137,810	£4,183,750
Llai 30% Less 30%	-	-	(£313,780)	(£376,535)	(£627,560)	(£941,345)	(£1,255,125)
Incwm Ychwanegol Additional Income	-	-	£732,155	£878,585	£1,464,315	£2,196,465	£2,928,625

**Nifer o eiddo gwag fesul amser – Number of empty property by length of time
(Cronfa Data Tai Gwag : Empty Homes Database 1.4.15)**

I fyny at 12 mis Up to 12 months		1 a 2 mlynedd 1 to 2 years		2 a 3 mlynedd 2 to 3 years		3 a 4 mlynedd 3 to 4 years		Tros 4 mlynedd Over 4 years	
168	20%	163	19%	147	17%	81	9%	304	35%

ANALYSIS OF THE CONSULTATION

As the consultation is to end at mid-day on 4 March 2016, the analysis will be presented separately to this report.