

Complete Agenda



Democratic Service
Swyddfa'r Cyngor
CAERNARFON
Gwynedd
LL55 1SH

To: Members of the Cabinet

09 Feb 2021

Dear Member,

**THE CABINET – 16 FEBRUARY 2021
LATE REPORTS**

I enclose late reports in respect of the following items:-

- 1. COUNCIL TAX PREMIUM ON SECOND HOMES AND LONG TERM
EMPTY PROPERTIES 2 - 80**
Cyng / Cllr. Ioan Thomas

Yours sincerely,

Members Support Officer

GWYNEDD COUNCIL CABINET



Report to the Cabinet

Meeting Date: 16 February 2021
Cabinet Member: Councillor Ioan Thomas
Contact Officer: Dewi Morgan
Contact Number: 01286 682684
Item Title: Council Tax Premium on Second Homes and Long-term Empty Properties

1. DECISION SOUGHT

- 1.1. To submit a recommendation to full Council on 4 March regarding the level of Premium on Second Home Tax and Long Term Empty Properties for the 2021/22 financial year

2. REASON WHY DECISION IS NEEDED

- 2.1. Full Council, at its meeting on 3 December 2020, has decided to defer a decision on Council Tax discounts and premium and ask Cabinet to consider the appropriateness of increasing the level of the Premium to up to 100%. Cabinet was asked to undertake a consultation process on this basis, consider the relevant factors, and bring a further recommendation to the Council in March 2021 in accordance with Section 12, 12B and 12A of the Local Government Finance Act 1992.
- 2.2. The consultation period has ended, and the purpose of this report is to present the results of the consultation so that the Cabinet can weigh up the feedback received before reaching a decision on a recommendation to present to the full Council.
- 2.3. According to the 1992 Act, any determination on the Premium must be made by the full Council before the start of the relevant financial year so the decision cannot be delayed beyond 4 March 2021.

3. INTRODUCTION

- 3.1. A report was presented to the full Council on 3 December 2020 recommending keeping the Premium levels at 50% for 2021/22. A link to the report is found here:
<https://democracy.gwynedd.llyw.cymru/documents/s27879/Item%209%20-%20Council%20Tax%20-%20Discretionary%20Powers%20to%20Allow%20Discounts%20and%20or%20Raise%20a%20Premium%202021-22.pdf>
- 3.2. An amendment was proposed at the meeting to postpone the decision and ask the Cabinet to consider the propriety of increasing the level to 100% and to hold a consultation process on this basis.

- 3.3. At its meeting on 15 December 2020, the Cabinet decided to hold a public consultation on the proposal to increase the Premium on second homes and long term empty dwellings to up to 100% for the 2021/22 financial year. A link to that report can be found here

<https://democracy.gwynedd.llyw.cymru/documents/s27996/Adroddiad%20Cabinet%20-%20Premiwm%20Treth%20Cyngor%20S.pdf>

4. RELEVANT CONSIDERATIONS

Context

- 4.1. The terminology used in Section 12B is not “second homes” or “holiday homes” but rather “dwellings occupied periodically”. The Act states that the conditions for a property to be subject to a “second home” Council Tax premium is, “**there is no resident of the dwelling, and the dwelling is substantially furnished**”. That is, the property is not anyone’s main home, but it has been furnished. The Act does not include any provision to be able to distinguish on the basis of where the owner lives, or if it is used for the purposes of holidays.
- 4.2. For the purposes of collecting Council Tax, the The Council Tax (Prescribed Classes of Dwellings) (Wales) Regulations 1998 (SI 1998/105) have categorised 'second homes' into two classes, namely classes A and B. Class C refers to empty properties:
- **Class A** – Second homes which are unoccupied and furnished, with a restriction on occupancy for a period of at least 28 consecutive days in any 12 month period.
 - **Class B** – Second homes which are unoccupied and furnished.
 - **Class C** – empty and unfurnished properties, and have been such for a period of over 6 months.
- 4.3. A “resident” in relation to any dwelling means an individual who has attained the age of 18 years and has his sole or main residence in the dwelling (Section 6(5)) Local Government Finance Act 1992).
- 4.4. It was reported to the Cabinet in December 2020 that the situation on 25 November 2020 was:
- **4,718** dwellings subject to the Premium on second homes (Class B)
 - **165** of further second homes in Class B but not paying the Premium as they were subject to one of the exemptions outlined in Part 8 below.
 - **811** eiddo o fewn Dosbarth A lle mae'r meddiant yn cael ei wahardd am gyfnod o 28 diwrnod o leiaf yn y flwyddyn berthnasol.
- 4.5. At the same time, **1,130** properties were subject to the Premium on a long term empty dwelling.

Statutory Requirements

- 4.6. When giving councils powers to raise a Premium of up to 100% on the Council Tax of second homes and long-term empty dwellings, the Welsh Government published statutory guidance, *Guidance on the Implementation of the Council Tax Premiums on Long-Term Empty Homes and Second Homes in Wales*. A copy of the Statutory Guidance is found in Appendix 1.

4.7. Paragraphs 20 to 22 of the Guidance outline what a local authority needs to consider when planning to introduce a Premium. These were considered in detail in 2016 when Gwynedd Council decided to introduce a 50% Premium on second homes and long-term empty dwellings. If Cabinet decides to recommend an increase in the level of premium it will need to consider the following again, and how the evidence collected achieves the following.

20. The discretion given to local authorities to charge a premium is intended to be a tool to help local authorities to:

- **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.**

21. In considering whether or not to charge a premium, regard should be given to these aims. Authorities should take into account the particular housing need and circumstances in their area.

22. There are a range of factors which could help inform local authorities in deciding whether to charge a premium. Whilst some factors will be specific to either long-term empty homes or second homes, others will be common to both. A list of these factors is set out below to assist local authorities. It is not intended to be exhaustive.

- **Numbers and percentages of long-term empty homes or second homes in the area;**
- **Distribution of long-term empty homes or second homes and other housing throughout 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 local public services;**
- **Potential impact on the local community;**
- **Other measures that are available to authorities to increase housing supply;**
- **Other measures that are available to authorities to help bring empty properties back into use.**

4.8. With the introduction of the 50% Premium, particular attention was paid to two studies. Firstly, a detailed analysis undertaken in 2013 supported the introduction of a premium, whilst also noting a need for action to control / block the transfer of second homes being commercial holiday lets subject to non-domestic rates. The document included a detailed analysis supporting the Council's position that it should be given the right to raise a Premium on second homes. The outcome of this analysis was shared with members at the time, and was a key consideration in making the decision to raise a Premium on second homes.

- 4.9. Similarly, the Housing Strategy 2013-17 addressed empty properties within Gwynedd, and the Empty Homes Strategy's mission statement was: "Gwynedd Council will endeavour to bring empty properties back into use. Our aim is to contribute to the well-being of neighbourhoods, increase the supply of housing, reduce homelessness or the possibility of homelessness, while at the same time reducing the pressure on the Housing Waiting List".
- 4.10. The Council has now adopted a new Housing Strategy, and two key reports have been addressed by Cabinet, at its meeting on 15 December 2020, namely Holiday Homes Research Work and the Housing Action Plan.
- 4.11. As part of the process of considering and coming to its recommendation to full Council, the Cabinet will need to consider whether the situation has changed in the period since it was decided to introduce the Premium in 2016 to justify any change to the level of the Premium. The Holiday Homes Research Work, Housing Strategy and Housing Action Plan are key evidence to make this a reality.

Second Homes

- 4.12. The outcome of the Holiday Homes Research Work provides a background of the current situation in Gwynedd in terms of "holiday homes", and the combined effect of second homes and self-catering holiday units on Gwynedd society:

Cabinet Report:

<https://democracy.gwynedd.llyw.cymru/documents/s27960/Item%20%20-%20Report%20Holiday%20Homes.pdf>

Appendix – Research:

<https://democracy.gwynedd.llyw.cymru/documents/s27959/Item%20%20-%20Appendix%20-%20Holiday%20Homes%20Research%20Work.pdf>

- 4.13. This research was approved by Cabinet for submission to the Welsh Government. The decision was made "in light of the need to obtain better control of houses being taken out of the supply available for local people, and thus benefit local residents first".
- 4.14. The research considered "holiday homes" as a combination of second homes and self-catering holiday units. The study highlighted the high number of dwellings used within Gwynedd for holiday purposes, with over 4,800 re-homes and around 2,000 self-catering holiday units (November 2020):

	Gwynedd	Cymru
Number of residential units	61,645	988,418
Number of second homes	4,873	18,547
Total holiday accommodation (nondomestic business units)	1,976	6,906
Combined total	6,849	25453
Combined percentage of holiday homes	10.76%	2.56%

Source: Holiday Homes Research Work, December 2020

- 4.15. Over 1 in 10 residential units in Gwynedd are holiday accommodation with 8% being second homes. Self-catering holiday units are not subject to the Council Tax regime as they have transferred to the non-domestic rating list, and more attention is given to these properties in Part 8 of this report.
- 4.16. As the Holiday Homes Research notes, since the introduction of a council tax premium on second homes in 2018 and the introduction of the rates relief scheme for eligible self-catering holiday accommodation units paying the non-domestic rates, the number of second homes has gradually decreased with the number of properties paying non-domestic rates gradually increasing.

Empty Dwellings

- 4.17. The Council adopted its Housing Strategy 2019-2024, "Homes for People in Gwynedd" in July 2019:

<https://www.gwynedd.llyw.cymru/en/Council/Documents---Council/Strategies-and-policies/Housing/Strategaeth-Tai-v29-Terf-English.pdf>

- 4.18. The Strategy notes the vision of "Ensure that the people of Gwynedd have access to a suitable Home of a high standard that is affordable and improves their quality of life.". The Strategy notes the following on empty homes: "*We have identified approximately 1,300 empty houses across the County. These are houses that have been empty for some time and their condition can be very poor. This is a waste of a Resource when you consider that nearly 2,000 people are on the Council's waiting list. We believe that the list of empty houses is not complete, and efforts need to be increased to find them and return them into use as homes for our residents*".
- 4.19. There is a high number of long-term empty dwellings in Gwynedd compared to other counties of the same size. The Housing Action Plan translates the Strategy into specific projects to address the situation and one of these is to provide financial support to 250 local first-time buyers that will assist them to buy and renovate empty homes.

Cabinet Report:

<https://democracy.gwynedd.llyw.cymru/documents/s27956/Item%206%20-%20Housing%20Action%20Plan.pdf>

Action Plan:

<https://democracy.gwynedd.llyw.cymru/documents/s27957/Item%206%20-%20Appendix%20A%20-%20Housing%20Action%20Plan.pdf>

5. PUBLIC CONSULTATION

- 5.1. It was explained to the Cabinet in December 2020 that the statutory guidance, *Guidance on the Implementation of the Council Tax Premiums on Long-Term Empty Homes and Second Homes in Wales*, also notes:

23. 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. Prior to doing so, a local authority 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.

- 5.2. In making its decision to launch a consultation, the Cabinet expressed a preference for the questionnaire that Powys County Council had recently used, but to give greater prominence to the impact on the Welsh language.
- 5.3. The *LimeSurvey* software usually used by the Council was used to produce a questionnaire in a similar form to that of Powys County Council. The public consultation was launched on 22 December 2020 and it was open until 1 February 2021. A press release was released on 23 December which resulted in a number of press and media articles and items. Messages started to be published on social media at the same time to promote the consultation. A second press release was issued in January in good time before the deadline, and there have been several reminders on the Council's Facebook and Twitter accounts.

Social Media and Mailing

- 5.4. From 23 December 2020 to January 30 2021, a series of regular messages were published on the Council's social media accounts. The statistics show that 75,263 saw the messages on Facebook, and 78,909 saw them on Twitter. In addition, 1,715 people clicked on the link in the Facebook message, and 368 on Twitter, with a total of 343 sharing or retweeting these messages.
- 5.5. To ensure that awareness of the consultation is as wide as possible, on 6 January a letter was sent to owners of all second home and long-term empty properties informing them of the consultation; where there was a correspondence address on the Council Tax system that differed from the address of the property in question, the correspondence address was used.
- 5.6. We are therefore confident that reasonable efforts have been made to raise awareness amongst the people of Gwynedd and owners of second homes and long-term empty properties to inform them of the consultation so that they can respond, and that this is evidence that a clear effort has been made to engage with key stakeholders.

- 5.7. One issue raised during the consultation period was that the software did not contain barriers to prevent individuals filling the questionnaire more than once. This was raised by people who opposed increasing the level of premium as well as those who supported doing so. It is not possible to include a checking facility that would ensure that an individual could only express an opinion once. It is important to note that this exercise is not a public vote or referendum but rather a consultation exercise designed to gather the views of the full-time residents of Gwynedd as well as owners of dwellings occupied periodically and long-term empty dwellings on ongoing issues. That is, a crude account of the solutions for and against increasing the Premium will not be the main factor that will need to be considered, but nevertheless the figures below give Cabinet members a sense of the number and direction of responses.
- 5.8. It is a fundamental principle that any consultation is carried out when the proposals are formulated and that the results of the consultation are taken into account conscientiously in reaching a position. Therefore, in making its recommendation, Cabinet will need to give due consideration to the issues and concerns contained in the consultation responses, so that there is a full picture of the issues that have been drawn to its attention.

The Number of Responses

- 5.9. A total of **6,227** responses were received to the questionnaire (6,171 completed online and 56 returned a copy on paper), as well as approximately 100 separate letters and messages expressing dissatisfaction with the proposal. This is an extremely high response to a public consultation by the Council.
- 5.10. All responses are kept in a spreadsheet that forms part of this report's Background Papers.
- 5.11. Of those who answered 5,679 (91.2%) said that they were responsible for paying Council Tax to Gwynedd Council.
- 5.12. Of the respondents:
- 2,559 (41.1%) said that they did not own a second home or a long-term empty dwelling
 - 3,326 (53.4%) said they owned a second home
 - 253 (4.1%) said they owned a long-term empty dwelling
 - 71 (1.1%) said they owned a second home and a long-term empty dwelling
 - 18 did not answer the question.

Analysing the Results

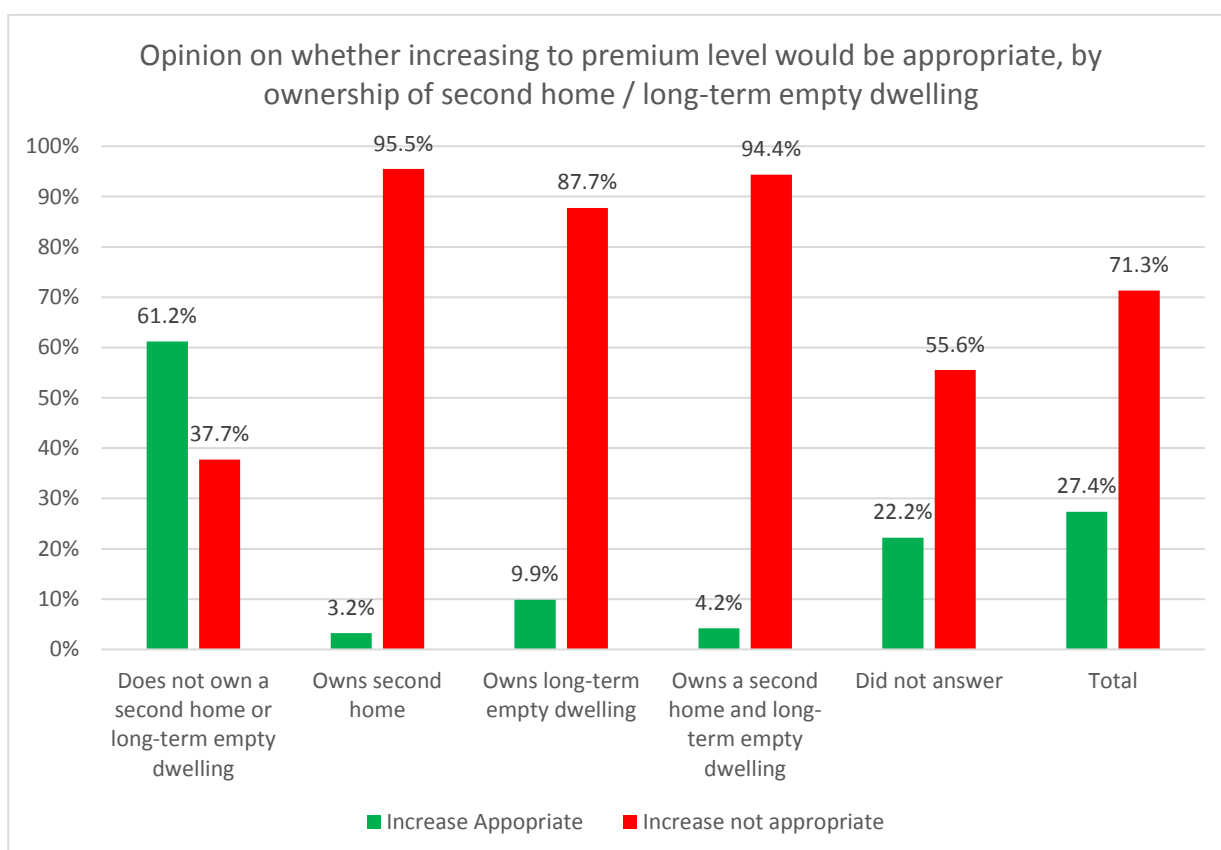
5.13. The Research and Information Team has made considerable efforts since the consultation closing date on 1 February to analyse the results. The outcome of their work can be found in Appendix 2.

5.14. Just over half of respondents (55.1%) believes that second homes are currently having a positive impact on local communities, while 28.0% think they are having a negative impact, with 16.1% thinking that they are not generally impacted ("neutral").

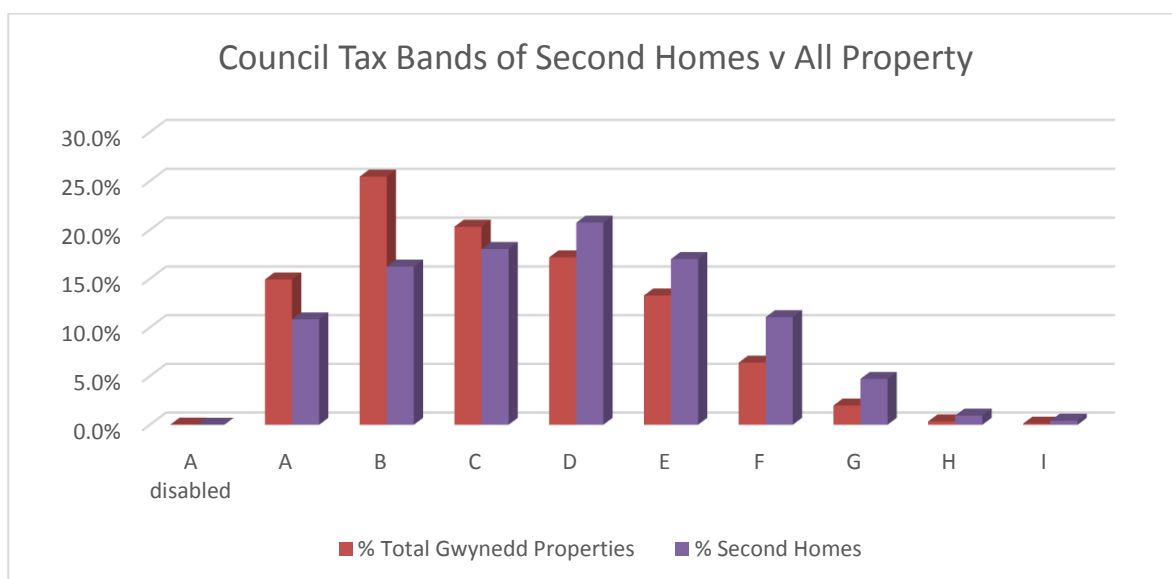
5.15. However, looking at the results in more depth, it is seen that there is a clear difference between the views of respondents who own second homes and those who do not. Almost 4 in 5 (78.9%) of respondents who own a second home think that second homes are currently having a positive impact on local communities, while just over a quarter (26.7%) of the respondents who do not own a second home or long-term empty dwelling are of this opinion. Virtually 3 in every 5 (59.9%) of respondents who do not own a second home or long-term empty dwelling think that second homes currently have a negative impact on local communities, while only 3.8% of respondents who own a second home believe this.

5.16. A key question in the consultation was ***The Council is considering increasing the level of Council Tax Premium on second homes and long-term empty dwellings (which is currently 50%). Do you think this is appropriate?***

5.17. There is a clear and expected difference of opinion here between owners of properties subject to the Premium and property owners who are not, as shown in the chart below.



- 5.18. While again emphasising that the process was not a referendum, but a consultation that seeks views and comments to assist the authority in reaching a decision, the responses give a sense of public opinion about the proposal.
- 5.19. Of those stating that they did not own properties subject to the Premium, 61.2% felt that increasing the Premium would be appropriate, and 37.7% felt that it would not (1.1% had not expressed an opinion).
- 5.20. However, 95.6% of second home owners stated that increasing the Premium would be inappropriate, as were 87.8% of long-term empty property owners and 94.4% of those who own both types of properties..
- 5.21. It is not surprising to understand that the taxpayers who currently pay a Premium do not feel that it is appropriate to ask them to pay more, but 61.2% of those who said that they were not currently subject to the premium were supportive of the intention. This is the best suggestion that we have that the view among those who do not pay the Premium – and who have responded to the consultation – is divided.
- 5.22. One of the very common arguments in the comments from second home owners was the economic benefit they said they contribute to Gwynedd, giving work to builders and other local traders, as well as the support given to local shops. It would appear that many people who don't pay the premium believe that there is a reliance on second home owners, since 37.7% of non-premium taxpayers felt that increasing the level of premium would have a positive impact on the local economy (despite the fact that the current Premium yield is used on local housing issues); 32.2% thought it would have a negative impact and 28.3% thought there would be no impact, with 1.8% not answering the question.
- 5.23. Some respondents also noted that their second homes in Gwynedd has been in the possession of their family for a number of years, and that although they have an asset in terms of ownership of the property, their income is relatively low and Council Tax is not as affordable to them as the general belief suggests. The Equality Impact Assessment (Appendix 3) states that there is a tendency for second home owners to be older people, and therefore it is very likely that many are dependent on their pensions to pay Council Tax.
- 5.24. On the other hand, the evidence in the graph below shows that second home Council Tax bands tend to be higher than those of Gwynedd as a whole:



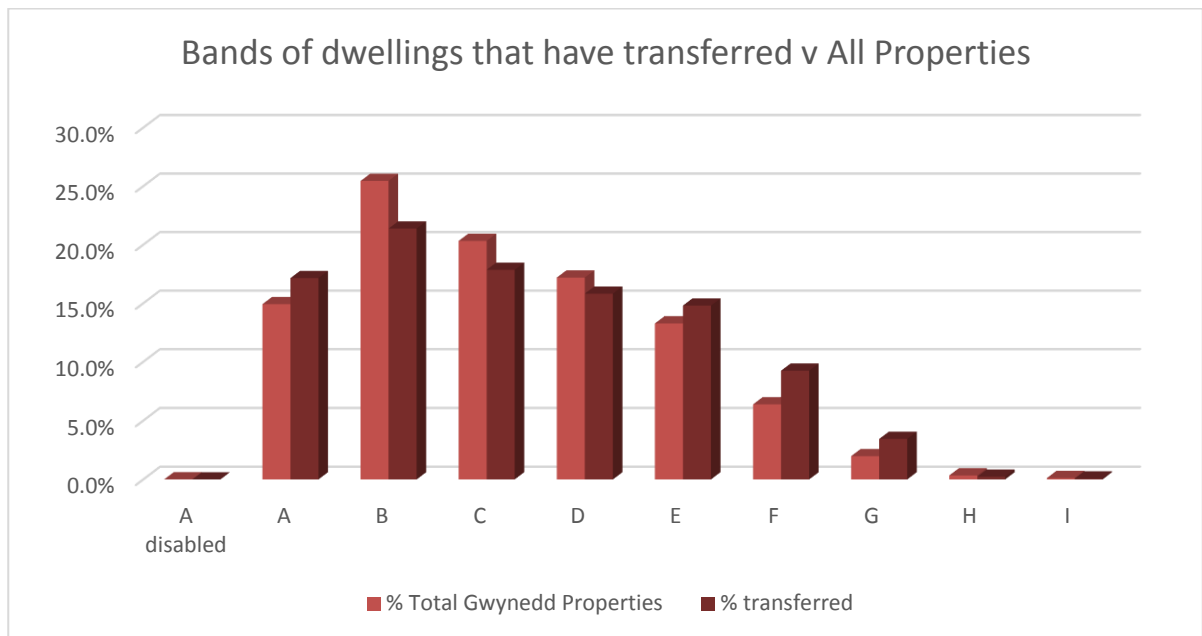
6. TRANSFER OF SELF-CATERING HOLIDAY UNITS

- 6.1. When the original decision was made to charge a Premium, the risk of an increase in the number of properties transferring to being self-catering holiday units, which are subject to non-domestic rates. This would happen because the Valuation Office Agency had ruled that they met the threshold to be able to do so.
- 6.2. The Council has for several years been pressing the Welsh Government to change Section 66 of the Local Government Finance Act 1988 to control the transfer of domestic homes to self-catering holiday units subject to non-domestic rates, with the vast majority avoiding any local taxation because they receive small business rates relief. The Council's Plan states that the Council intends to continue to maintain our pressure in this area over the next few years, using evidence we are continually gathering, in order to get Welsh Ministers to understand the scale of the problem that exists in Gwynedd. The response so far has been disappointing with the Government focusing more on the alleged detrimental impact on tourism rather than the real detrimental effect on the residents of Gwynedd.
- 6.3. The risk that increasing the Premium would incentivise more second home owners to let their properties and transfer it to the non-domestic rating list is one that the Council and Cabinet have been aware of for some time as this has been considered in previous reports.
- 6.4. It was reported to Full Council and Cabinet in December that this transfer continues to accelerate. The latest figures (to the end of January 2021) show that a total of 2,106 properties in Gwynedd have transferred from the Council Tax list to the Non-Domestic Rating list, after the Valuation Office Agency designated the property as self-catering holiday units, in accordance with Section 66(2BB) of the Local Government Finance Act 1988. Approximately 90% of the transferring properties receive full Small Business Rates Relief, which means that no local taxation is payable on them:

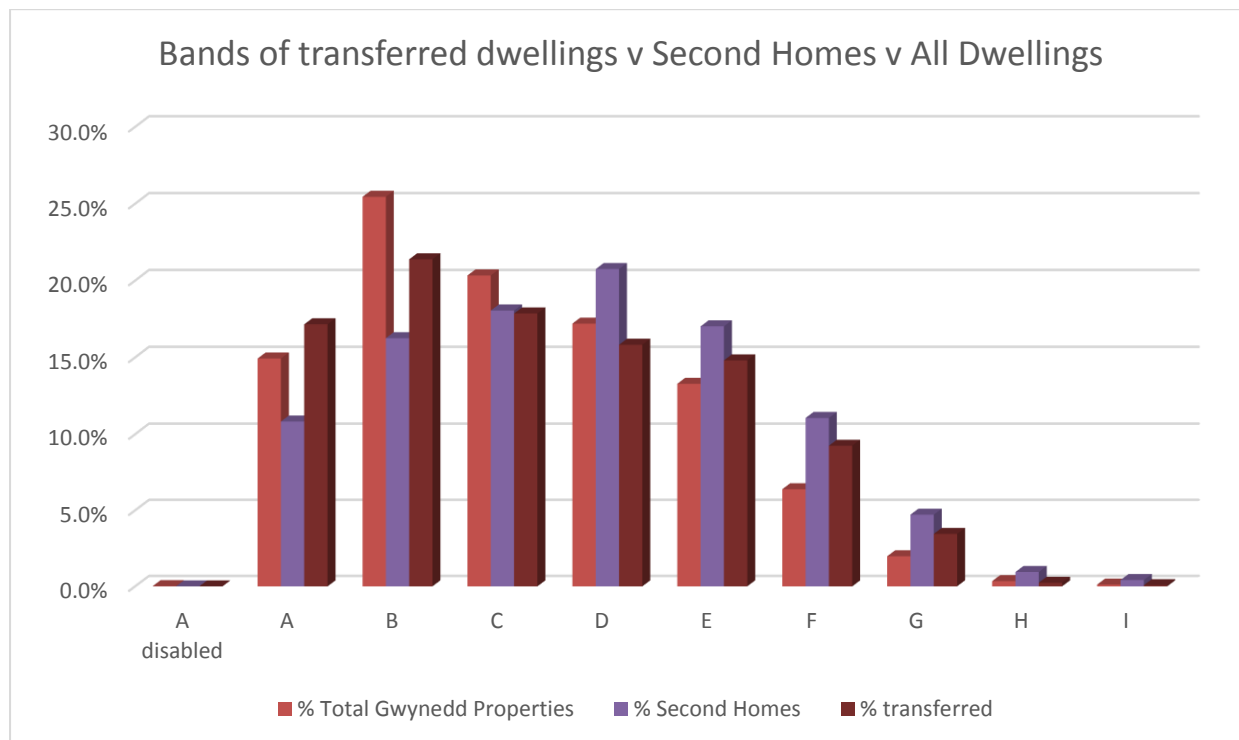
Financial Year	Number of transfers
2020-21 (to 31/01/2021)	419
2019-20	397
2018-19	454
2017-18	282
2016-17	199
2015-16	167
2014-15	188
Total	2,106

- 6.5. Second home owners who currently pay a Premium were also aware that those who have transferred their properties to self-catering holiday units avoid paying any taxes at all. However, many stated that their property had been inherited, or had been bought for several years, and that they had no desire to start letting it commercially – if anything, they were more likely to dispose of the property. Others stated that they would be looking to transfer their property into a business to avoid Council Tax.

- 6.6. Recent experiences, e.g. in administering Government Covid-19 business grants, have shown that a number of individuals and companies are now buying properties in Gwynedd specifically with the intention of converting them into self-catering holiday units, rather than using them as a second home. As part of this investment they are striving to keep the property within the Council Tax regime for as little as possible before being able to transfer.
- 6.7. It was highlighted above that Council Tax bands of second homes tend to be in higher Council Tax bands than Gwynedd properties in general. In contrast, the properties that have transferred to self-catering holiday units since 1 April 2018 are in lower bands, and closer to the common picture of Gwynedd's housing stock (as shown in the graph below). These are the type of properties that would be suitable as homes for first-time buyers. This analysis suggests that speculators who buy properties in order to turn them into self-catering holiday units also have a detrimental effect on the availability of affordable housing with second homes because of the nature of the properties they buy.



6.8. When comparing the Council Tax bands of second home in Gwynedd with properties that have transferred to self-catering holiday units and the Council Tax bands of Gwynedd's general housing stock it is seen that the second homes tend to be in higher Council Tax bands than Gwynedd properties in general, while the properties that have transferred since 1 April 2018 are much closer to Gwynedd's housing stock, in lower bands, and closer to the type of property that would be suitable as homes for first-time buyers.

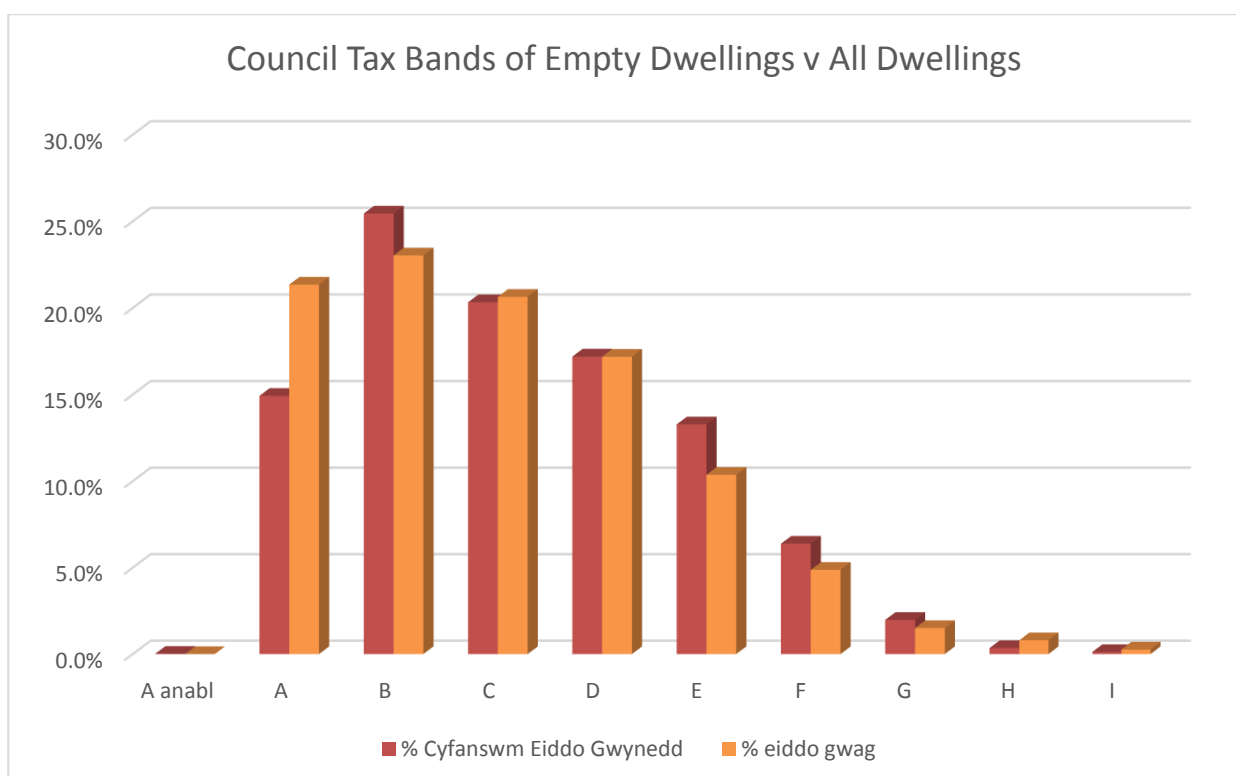


6.9. Since 1 April 2018, an average of over 400 properties a year have been lost from the Council Tax bands to non-domestic rates. Gwynedd Council's Band D Council Tax 2020/21 is approximately £1,430 which means that the annual Premium (at 50%) is £715. Every 400 properties transferring, based on current rates, is a loss of £286,000 of Premium yield per annum. This does not include the basic Council Tax, which will also be lost, and any refund that must be paid due to back-dating.

6.10. If the Premium were to increase to 100%, every 400 properties transferring would be a loss of £572,000 premium. Of course, if the Premium rate were to double, the total yield would remain higher as long as less than half of the properties paying it transferred. In that situation half of the current number would pay twice the premium each in order to yield the same total, with the other half paying no local taxation at all.

7. LONG-TERM EMPTY DWELLINGS

- 7.1. It was explained to Cabinet at its meeting in December that some billing authorities in Wales charge a different rate of Premium on long-term empty properties and second homes. In their responses to the consultation some second home owners have pointed out that the Council needs to focus increasing the Premium on long-term empty properties, claiming that these are the real causes of social problems.
- 7.2. However, there would be practical difficulties in raising different rates. If the Council were to increase the premium on empty properties to above the scale of second homes all that their owners would need to do would be to furnish the rooms that are visible from the outside. On the other hand, if a long-term empty property Premium were to be set lower, it would not be practical to police around 5,000 properties if the owners told the Council that the property is no longer furnished.
- 7.3. It should also be noted that a total of 1,130 long-term empty properties, while relatively low compared to the number of second homes within Gwynedd, is a high figure when considering the demand for affordable homes within the county and this is recognised in the Housing Strategy. According to Stats Wales, estimates suggest that Gwynedd is 7th out of the 22 local authorities in Wales in terms of a number of long-term empty properties.
- 7.4. In comparison with the second homes and properties that have transferred, it is seen that the long-term empty properties within Gwynedd tend to be in lower Council Tax bands than gwynedd properties as a whole; it is particularly seen that over 20% of them are in Band A, compared to less than 15% of the overall stock.



8. EXEPTIONS

8.1. The 1992 Act also contains a provision giving the Welsh Ministers the right to impose certain exceptions (in classes) where a Council Tax premium cannot be imposed. This was done through the [Council Tax \(Exceptions to Higher Amounts\) \(Wales\) Regulations 2015 \(SI 2015/2068\)](#) which came into force on 31 January 2016. The table below outlines the exemptions where a Premium cannot be raised:

Classes of Dwellings	Definition	Type of property that is eligible for an exemption from paying the premium
Class 1	Dwellings being marketed for sale – time-limited for one year	Long-term Empty Properties and Second Homes
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	Second Homes
Class 6	Seasonal homes where year-round occupation is prohibited	
Class 7	Job-related dwellings	

9. LEGAL REQUIREMENTS

9.1. Since the Council decided on 3 December 2020 to defer the Premium rate decision, we are confident that Council members and officers have taken all reasonable steps to ensure that any action taken has been taken to comply with legislative requirements.

Equality Act 2010 Duties

9.2. The Council is subject to a duty under the Equality Act 2010 to have due regard to the need to eliminate discrimination, unlawful harassment and oppression, together with other behaviours prohibited under the provisions of the Act, to increase equal opportunity and to promote good relations between those who have protected characteristics and those who do not (the General Equality Duty). As required in Wales and in order to greet this duty an Equality Impact Assessment has been prepared (Appendix 3).

9.3. The findings of the Assessment can be summarised as follows. There is no evidence that increasing the premium on long-term empty properties would have a negative impact on any of the groups with protected characteristics. It is expected that there will be a positive impact on young families and children since the policy of charging a Premium enables the Council to supply homes to them, but the response to the consultation suggests that second home owners tend to be older people. The impact on the Welsh language is likely to be positive, but apart from the small theoretical possibility that a few second homes may have been purchased especially for someone with a disability there is no anticipated impact on the other groups with protected characteristics. Some respondents to the consultation have claimed that the policy is racist but no evidence has been presented to support this, and the Premium is raised on the basis of the use of the property, not the characteristics of the owner.

10. WELL-BEING OF FUTURE GENERATIONS ACT 2015

- 10.1. There is a duty to act in accordance with the sustainable development principle, which is to try to ensure that the needs of the present are met without compromising the ability of future generations to meet their needs. When acting in accordance with this general duty the Council needs to consider the importance of the long term impact, being integrated and inclusive, collaboration and prevention in developing the proposal.
- 10.2. In accordance with the requirements of the Act, Gwynedd Council (in conjunction with Isle of Anglesey County Council) has adopted well-being objectives. These are:
- Thriving and long-term prosperous communities
 - Healthy and Independent residents with a Good Standard of Life
- 10.3. Since the original decision in 2016 to raise a Council Tax Premium, assurances have been given that these issues have been considered. The current Premium funds the Council's Housing Action Plan, which is a proactive attempt to strengthen the sustainability of those communities within Gwynedd with a high number of second and long-term empty homes.
- 10.4. The Council's Housing Strategy notes the vision of "Ensure that the people of Gwynedd have access to a suitable Home of a high standard that is affordable and improves their quality of life."
- 10.5. The Strategy identified five objectives that needed to be addressed if the Council was to deliver this vision:
1. No one is homeless in Gwynedd
 2. Social housing available to all who need one
 3. Everyone's home in Gwynedd is affordable to them
 4. Gwynedd Housing are environmentally friendly
 5. Homes having a positive influence on the health and well-being of the people of Gwynedd
- 10.6. The Housing Action Plan includes a number of projects that together set out to deliver these objectives.

11. NEXT STEPS AND TIMETABLE

- 11.1. The Full Council will need to reach a decision on the Premium on 4 March 2021 in order to set Council Tax for 2021/22.
- 11.2. There are several options available to Cabinet in terms of a recommendation to be submitted including, but not limited to:
- Keep the Premium level at 50% in 2021/22
 - Increase the Premium to the highest allowed by law, which is 100% in 2021/22
 - Set the Premium somewhere between 50% and 100% in 2021/22
 - Make an explicit decision for more than one financial year, increasing the level of Premium over more than one year – but it will be possible to adjust the level for each year as far as that happens before the start of the relevant financial year.
 - Reducing the Premium or abolishing it altogether is also an option of course, but that will have subsequent implications for the funding of the Housing Action Plan.
- 11.3. In considering its recommendation Cabinet will be aware that increasing the Premium is likely to increase the income received by the Council and this product could be used to fund more projects in the Housing Action Plan. It is also a tool for tackling social injustice within Gwynedd. On the other hand the income is not guaranteed should dwellings continue to transfer to self-catering holiday units, and adjusting the Premium is not going to be a solution to this ongoing problem.
- 11.4. Whatever the Cabinet recommends, it will need to ensure that the proposal is justified as outlined in the Statutory Guidance and that research confirms that a problem exists that needs to be tackled.

12. ANY CONSULTATIONS UNDERTAKEN PRIOR TO MAKING THE DECISION

- 12.1. The report describes the results of the consultation.

BACKGROUND DOCUMENTS

1. Gwynedd Council's response to the Consultation on Discretionary Powers for Local Authorities to Increase Council Tax on Second Homes
2. Gwynedd Council's Housing Strategy 2019-2024, "Homes for the People of Gwynedd"
3. Gwynedd Housing Action Plan
4. Responses to the Consultation (except documents that contain exempted informations about individuals).

OPINION OF STATUTORY OFFICERS

Monitoring Officer:

I have had an opportunity to have prior input into the report . I am satisfied that it provides guidance on the decision making basis, the context and the results of the consultation. It is important that the Cabinet carefully weighs up these matters as it forms its recommendation to the Council and sets out its reasoning for the decision.

Head of Finance Department:

I have collaborated with the Cabinet Member in the preparation of this report and I confirm the content.



Llywodraeth Cymru
Welsh Government

Guidance on the Implementation of the Council Tax Premiums on Long-Term Empty Homes and Second Homes in Wales

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Guidance on the Implementation of the Council Tax Premiums on Long-Term Empty Homes and Second Homes in Wales

Introduction

1. From 1 April 2017, local authorities will be able to charge a premium of up to 100% of the standard rate of council tax on long-term empty homes and second homes in their areas. The legislative changes were made by the Housing (Wales) Act 2014 and the powers given to local authorities are discretionary. Whether to charge a premium on long-term empty homes or second homes (or both) is, therefore, a decision to be made by each local authority.
2. The purpose of this guidance is to assist local authorities in their decision whether or not to charge a premium in their area.
3. This guidance has been produced to ensure that there is a fair and consistent implementation of the premiums and their exceptions across Wales.
4. The guidance is statutory and is issued under powers in sections 12A (3) and 12B (4) of the Local Government Finance Act 1992 ("the 1992 Act") as inserted by the Housing (Wales) Act 2014 ("the 2014 Act"). It applies to all local authorities in Wales.
5. This guidance should not be treated as an interpretation of the legislation. The interpretation of legislation is in the first instance a matter for the local authority, with definitive interpretation the responsibility of the courts.

Legal Framework for the Council Tax Premiums

6. Paragraphs 7 - 14 set out the legal framework which is common to both the premium on long-term empty homes and the premium on second homes. Requirements which are specific to long-term empty homes are set out in paragraphs 15 - 17, and those which are specific to second homes are detailed in paragraphs 18 - 19.
7. The 2014 Act amends the 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).
8. Local authorities have discretion to decide on the amount of the premium up to a maximum of 100% of the standard rate of council tax that applies to the dwelling.

9. Where a determination to charge a premium is made, a local authority must publish a notice of the determination in at least one newspaper circulating in its area within 21 days of the date of the determination.
10. A determination by a billing authority to charge a premium will also disapply any discount that is granted under section 11(2)(a) of the 1992 Act for dwellings in which there are no residents.
11. 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.
12. The Welsh Ministers also have powers under section 12A(4) and 12A(5), and 12B(5) and 12B(6) of the 1992 Act to prescribe through regulations certain classes of dwelling which may not be subject to a premium. The Council Tax (Exceptions to Higher Amounts Wales) Regulations 2015 have been made under these powers and the exceptions they prescribe are detailed later in this guidance.
13. The council tax system already provides a number of specific exemptions from council tax. The exempt groups are set out in the Council Tax (Exempt Dwellings) Order 1992. There are a number of exemptions in place for unoccupied dwellings, such as, for example:
 - where the resident is in long-term residential care or hospital,
 - where a dwelling is being structurally repaired (for up to one year),
 - where the resident has died (for up to six months after grant of probate or letters of administration).
14. A dwelling that is exempt from council tax is not liable for a premium. However, where a dwelling becomes no longer eligible for an exemption, but remains unoccupied, it will become liable for the premium. In the case of an empty home, it will be liable for a premium after it has been empty for a continuous period of one year.

Section 12A: Higher amount for long-term empty dwellings

15. A long-term empty dwelling is defined as a dwelling which is both unoccupied and substantially unfurnished for a continuous period of at least one year.
16. In determining whether a dwelling has been empty for one year, no account is to be taken of any period before 1 April 2016. In addition, the furnishing or occupation of a dwelling for one or more periods of six weeks or less during the year will not affect its status as a long-term empty dwelling. In other words, a person cannot alter a dwelling's status as a long-term empty dwelling by taking up residence or installing furniture for a short period.

17. Where a 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 per cent) for different dwellings based on the length of time for which they have been empty. This will enable local authorities to take a stepped approach with incremental increases applying over time.

Section 12B: Higher amount for second homes

18. A second home is defined as a dwelling which is not a person's sole or main home and is substantially furnished. These dwellings are referred to in the 1992 Act as dwellings occupied periodically but they are commonly referred to as "second homes".

19. In order for a premium to apply to dwellings occupied periodically, 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 relates. This means that in order to charge a premium from 1 April 2017, a billing authority must make a determination before 1 April 2016. A determination to charge a premium in 2018 must be made before 1 April 2017 and so on.

Making a Determination to charge the Council Tax Premiums on Long-term Empty Homes and Second Homes

20. The discretion given to local authorities to charge a premium is intended to be a tool to help local authorities to:

- 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.

21. In considering whether or not to charge a premium, regard should be given to these aims. Authorities should take into account the particular housing need and circumstances in their area.

22. There are a range of factors which could help inform local authorities in deciding whether to charge a premium. Whilst some factors will be specific to either long-term empty homes or second homes, others will be common to both. A list of these factors is set out below to assist local authorities. It is not intended to be exhaustive.

- Numbers and percentages of long-term empty homes or second homes in the area;
- Distribution of long-term empty homes or second homes and other housing throughout 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 local public services;
 - Potential impact on the local community;
 - Other measures that are available to authorities to increase housing supply;
 - Other measures that are available to authorities to help bring empty properties back into use.
23. 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. Prior to doing so, a local authority 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.
24. Having made a determination to charge a premium, in addition to the requirement to publish a notice in a local newspaper within 21 days, a local authority should give consideration to how its decision is communicated more widely, particularly to those who might be affected. This may be through the publication of press notices, providing information on website pages or other avenues to raise awareness such as, for example, direct communication with council taxpayers who are likely to be liable for the premium. A local authority may also wish to give consideration to how they advise or inform those who may be affected but who normally reside outside the local area.

Exceptions to the Council Tax Premiums on Long-Term Empty Homes and Second Homes

25. Sections 12A and 12B of the 1992 Act provide Welsh Ministers with powers to make regulations to prescribe one or more classes of dwellings in relation to which a billing authority may not make a determination to apply a premium. The Council Tax (Exceptions to Higher Amounts) (Wales) Regulations 2015 are made under these powers – a premium may not be charged on a dwelling that falls within an exception. A local authority must have regard to these exceptions before deciding to implement a premium.
26. The regulations prescribe seven classes of exempt dwellings. Classes 1, 2, 3 and 4 apply to both long-term empty homes and second homes. Classes 5, 6, and 7 only apply to second homes. The classes of dwelling are outlined in the table below and are detailed further in paragraphs 28 - 46.

Classes of Dwellings	Definition	Application
Class 1	Dwellings being marketed for sale – time-limited for one year	Long-Term Empty Homes and Second Homes
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	Second Homes
Class 6	Seasonal homes where year-round occupation is prohibited	
Class 7	Job-related dwellings	

27. Each exception is described further in the next section. Additional guidance will be provided in relation to assist local authorities in the application of the exceptions for:

- dwellings being marketed for sale;
- dwellings being marketed for let; and
- job-related dwellings.

Class 1: Exception for dwellings being marketed for sale

28. This exception applies to both the premium on long-term empty homes and the premium on second homes. It excepts dwellings that are being marketed for sale. It also covers dwellings where an offer to buy the dwelling has been accepted but the sale has not yet been completed.

29. In order to qualify for this exception a dwelling must be on the market for sale at a reasonable price. In considering whether a price is reasonable, regard should be given to the sale price of comparable dwellings in the area. Additional guidance will be provided to assist local authorities in the application of this exception.

30. The exception period runs for up to one year from the granting of the exception. After an exception has ended, a dwelling being marketed for sale will not be eligible for a further exception period unless it has been sold.

Class 2: Exception for dwellings being marketed for let

31. This exception applies to both the premium on long-term empty homes and the premium on second homes. It excepts dwellings that are being marketed for let. It also covers dwellings where an offer to rent has been accepted but the tenant is not yet entitled to occupy the property because the tenancy has not yet started.
32. In order to be eligible for this exception, a dwelling must be on the market for let at a reasonable rent, that is, the rent the property would be expected to fetch having regard to the rent raised on comparable dwellings. Additional guidance will be provided to assist local authorities in the application of this exception
33. The exception period runs for up to one year from the granting of the exception. After the end of the exception period, a dwelling being marketed for let will not be eligible for a further exception period unless it has been subject to a tenancy that was granted for a term or six months or more.

Class 3: Exception for Annexes forming part of, or being treated as part of, the main dwelling

34. This exception applies to both the long-term empty homes premium and to the second homes premium.
35. This exception applies where an owner has adapted their dwelling to provide an annexe and the annexe is now being used as part of the main dwelling.

Class 4: Exception for Dwellings which would be someone's sole or main residence if they were not residing in armed forces accommodation

36. This exception applies to both the long-term empty homes premium and to the second homes premium.
37. This exception applies to dwellings that would be a person's sole or main residence but which is unoccupied because that person resides in armed forces accommodation.
38. This exception is also intended to cover armed forces personnel whose homes are unoccupied because they are living in armed forces accommodation overseas.

Class 5: Exception for Occupied caravan pitches and boat moorings

39. This exception applies to the second homes premium. It covers dwellings that consist of a pitch occupied by a caravan or a mooring occupied by a boat where the boat or caravan currently has no resident, but when next in use will be a person's sole or main residence.

Class 6: Exception for Seasonal homes where year-round occupation is prohibited

40. This exception applies to the second homes premium. It is applicable to dwellings that are subject to planning conditions that prevent occupancy for a continuous period of at least 28 days in any 12-month period.
41. This exception is intended to cover purpose-built holiday homes or chalets which are subject to planning conditions restricting year-round occupancy. The exception is based on the definition of the existing discretionary discount for seasonal homes (Class A) in The Council Tax (Prescribed Classes of Dwellings) (Wales) Regulations 1998¹.

Class 7: Exception for job-related dwellings

42. This exception applies only in relation to the second homes premium and applies to dwellings occupied by a person who is:
- a qualifying person in relation to the dwelling, but who is resident in another dwelling which is job-related (as defined in Schedule 1 to the Regulations); or
 - a qualifying person in relation to a job-related dwelling.
43. A qualifying person is defined as:
- a person who is liable for council tax in respect of a dwelling on a particular day, whether or not jointly with another person; and
 - a person who would be liable for the council tax in respect of a dwelling on a particular day, whether or not jointly with another person if that dwelling did not fall within:
 - i. Class O of the Council Tax (Exempt Dwellings) Order 1992; or
 - ii. Class E of the Council Tax (Liability for Owners) Regulations 1992.
44. This exception applies where a person is required to reside in a job-related dwelling. It applies to a second home that is occupied periodically because a person is required to live in job-related accommodation elsewhere. It also applies where the job-related accommodation is a person's second home.
45. The definition of a job-related dwelling is given in the Schedule to the Regulations. Although this exception is similar to the job-related discount under the Council Tax (Prescribed Classes of Dwellings) (Wales) Regulations 1998, it differs because the discount only applies if the job-related dwelling is a person's sole or main residence.

¹ SI 1998 No 105

46. Another difference from the job-related dwelling discount is that there is no requirement for the taxpayer to be liable for council tax in respect of two dwellings, meaning that a person who has either a main home abroad or a job-related dwelling abroad can also benefit from the exception. Additional guidance will be provided to assist local authorities in the application of this exception

Reducing Liability for the Council Tax Premiums on Long-Term Empty and Second Homes

47. Under section 13A of the 1992 Act, a billing authority has discretionary powers to reduce council tax liability to such extent as the billing authority thinks fit. The power can be exercised in particular cases or by determining a class or case. The power may be used to reduce council tax liability in circumstances where a local authority may otherwise charge a premium.

48. Some illustrative examples of where a local authority might consider using these powers include:

- where there are reasons why the dwelling could not be lived in;
- where there are reasons why a dwelling could not 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.

49. The above list is not exhaustive and billing authorities will want to consider all factors they think are relevant.

50. It is a matter for a local authority as to whether the discretionary 13A powers are used to reduce council tax liability in respect of a premium. In the interest of fairness and transparency, a local authority should have a clear policy on whether, and how, these powers will be used. The authority should, however, consider each case on its merits having taken into account the circumstances of the case.

51. It should be noted that deliberations around the use of the discretionary 13A powers are likely to be different when they are considered to reduce council tax liability resulting from a premium compared to reducing liability from the standard rate of council tax. This is because dwellings liable to a premium are already liable for the standard rate of council tax.

Appeals

52. If a person is aggrieved by a calculation by the local authority of the amount of their council tax liability including their liability to pay a premium, they must, in the first instance, make an appeal to their local authority.
53. If they are aggrieved by the decision taken by their local authority or if the local authority does not provide a decision within the required timescales, they can appeal to the Valuation Tribunal for Wales but only after they have exhausted the local authority's appeals process.
54. Further information on the appeals process can be found on the Valuation Tribunal for Wales' website via the link below:
<http://www.valuation-tribunals-wales.org.uk/home.html>.

Next Steps

Amendments to related legislation

55. In order to ensure that local authorities are able to administer and enforce the premiums the Welsh Government will amend relevant legislation to reflect the introduction of the premiums for example, changes to the calculation of the tax-base and to the appeals process.

Administration and Enforcement

56. In order to assist local authorities with the administration and enforcement of the premiums, in particular the application of the exceptions, additional guidance will be provided.
57. In response to concerns raised by some authorities about administrative difficulties and potential avenues for abuse, this guidance will also provide additional information to assist local authorities in applying the exceptions for:
- dwellings being marketed for sale;
 - dwellings being marketed for let; and
 - job-related dwellings.

Use of additional revenue generated from the Council Tax Premiums

58. A local authority will be able to retain any additional funds generated by implementing the premiums and amendments to the calculation of the tax base will be made to facilitate this. However, authorities are encouraged to use any additional revenue generated to help meet local housing needs, in line with the policy intentions of the premiums.

59. Specific requirements in relation to reporting on additional revenue generated and its subsequent use will be set out in further guidance. Further details on this are provided in the next section.

Monitoring and Reporting

60. In order to monitor the effectiveness of the premiums and to ensure that information on their usage is clearly made available to local council tax payers, the Welsh Government will require local authorities to monitor and report on the implementation of the premiums.

61. The specific requirements in relation to this will be set out in further guidance which will be published prior to April 2017. This is likely to include:

- Number of properties liable for the premiums;
- Additional income raised from implementing the premiums;
- How any additional income has been used;
- Number of empty homes which have been brought back into use.

62. A new module is currently being developed on Datatank for local authorities to use in modelling, monitoring and reporting on the premiums. This will be available to all authorities in the New Year.

Local Taxation Team
Welsh Government
December 2015

Appendix 2 – Consultation on Council Tax Premium on Second homes and Long Term Empty Dwellings

A public consultation was launched on 22nd December 2020 and was open until midnight on 1st February 2021. The questionnaire was placed on the Council's website with letters sent to all second home owners, and reminders placed on the Council's social media pages. Two press releases were issued – one on 23 December 2020 and one on 19 January 2021 – to raise awareness of the press and media exercise together with a series of messages on the Council's social website accounts.

6,227 responses were received to the questionnaire. There were 6,171 responses to the online questionnaire and 56 paper responses. This is the largest number of responses the Council has seen to any consultation in recent years.

Below is an analysis of the quantitative questions of the questionnaire with examples of the type of answers obtained for the qualitative questions.

Are you responsible for paying Council Tax to Gwynedd Council on any property?

The table below shows 91.2% (N=5,679) of respondents were responsible for paying Council Tax to Gwynedd Council for any property, while 8.5% (N=523) of them were not .

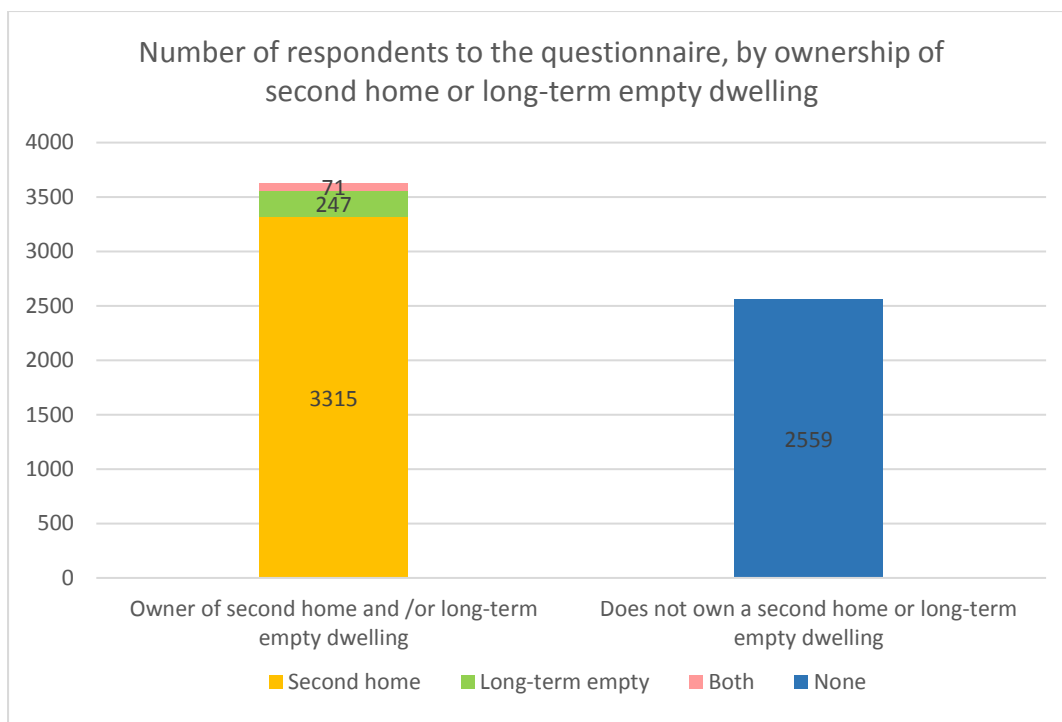
	Number	%age
Yes	5,679	91.2%
No	523	8.4%
No answer	25	0.4%
Total	6,227	100.0%

Do you own a long-term empty dwelling or second home in Gwynedd?

Over half of respondents (58.6%, N=3,650) owned either a second home or a long-term empty dwelling in Gwynedd (or both).

Within this figure 53.4% (N=3,326) owned a second home, 4.1% (N=253) owned a long-term empty dwelling, and 1.1% (N=71) owned both (i.e. a long-term empty dwelling and a second home in Gwynedd).

41.1% (N=2,559) of respondents did not own a second home or long-term empty dwelling in Gwynedd.



Of the 5,679 respondents who paid council tax, just over half (57.7%, N=3, 278) owned a second home, just over a third did not own a second home or long-term empty dwelling (36.4%, N=2,069), and 4.4% (N=247) owned a long-term empty dwelling.

Do you own a long-term empty dwelling or second home in Gwynedd?	Are you responsible for paying Council Tax to Gwynedd Council on any property?							
	Yes		No		Did not answer		Total	
	No.	%age	No.	%age	No.	%age	No.	%age
No	2,069	36.4%	484	92.5%	6	24.0%	2,559	41.1%
Yes – second home	3,278	57.7%	36	6.9%	12	48.0%	3,326	53.4%
Yes – a long-term empty dwelling	249	4.4%	3	0.6%	1	4.0%	253	4.1%
Yes – both a long-term empty home and a second home	71	1.3%		0.0%		0.0%	71	1.1%
No answer	12	0.2%		0.0%	6	24.0%	18	0.3%
Total	5,679	100%	523	100%	25	100%	6,227	100%

In your opinion, what impact do you believe second homes currently have on local communities?

In total just over half of respondents (55.1%, N=3,433) thought that second homes were currently having a positive impact on local communities, while 28.0% (N=1,746) thought they were having a negative impact, with 16.1% (N=1,002) thinking that the effect is neutral.

However by looking at differences between respondents who own second homes and those who do not, a significant difference in opinion is shown in the chart below .

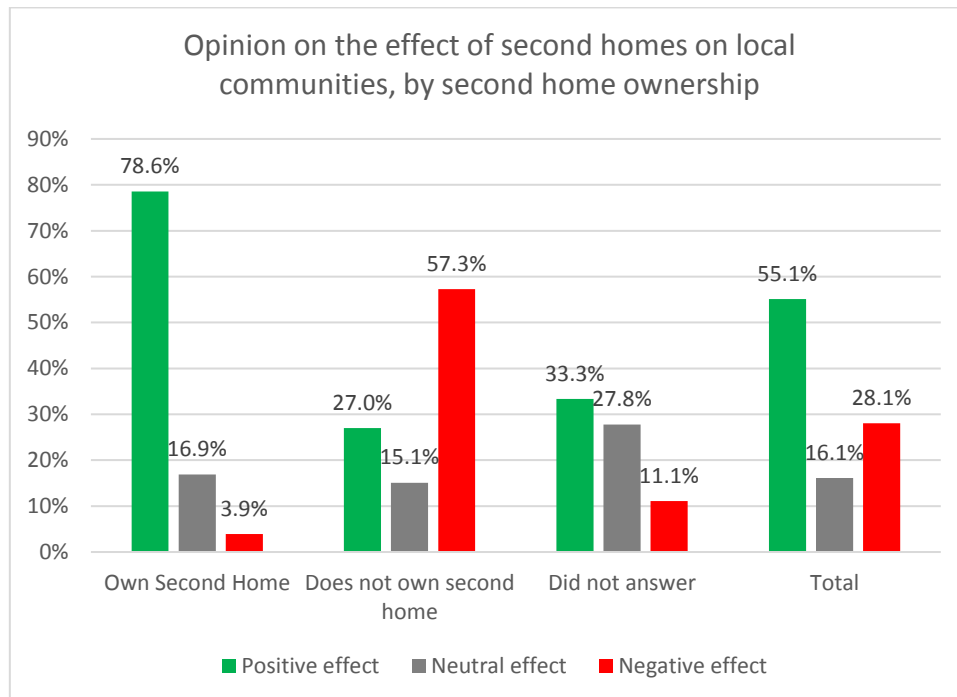


Chart not showing the small number of respondents who did not answer the question

"Second home ownership" includes all respondents who owned a second home, whether or not they also owned a long-term empty dwelling

"Not owning a second home" included respondents who owned a long-term empty dwelling (but not a second home), as well as respondents who did not own either

The table below details the responses by category, and shows that 78.9% (N=2,624) of respondents who own a second home currently think that second homes have a positive impact on local communities, while only just over a quarter (26.7%, N=684) of respondents who do not own a second home or a long-term empty dwelling are of this opinion. 59.9% (N=1,533) of respondents who do not own a second home or long-term empty dwelling currently think that second homes have a negative impact on local communities, while only 3.8% (N=125) of the respondents who own a second home are of this opinion.

The responses of those who own a long-term empty dwelling are seen to be fairly equal, with slightly more of them (37.5%, N=95) feeling that second homes are currently having a neutral impact on local communities.

	Positive Effect		Neutral Effect		Negative Effect		Did not answer		Total	
	No.	%age	No.	%age	No.	%age	No.	%age	No.	%age
Do not own a second home or long-term empty dwelling	684	26.7%	329	12.9%	1,533	59.9%	13	0.5%	2,559	100.0%
Second Home Owner	2,624	78.9%	554	16.7%	125	3.8%	23	0.7%	3,326	100.0%
Long-term empty dwelling Owner	75	29.6%	95	37.5%	78	30.8%	5	2.0%	253	100.0%
Long-term empty home and Second home owner	44	62.0%	19	26.8%	8	11.3%	0	0.0%	71	100.0%
No answer	6	33.3%	5	27.8%	2	11.1%	5	27.8%	18	100.0%
Total	3,433	55.1%	1,002	16.1%	1,746	28.0%	46	0.7%	6,227	100.0%

Here are examples of the additional comments that were noted :

Positive:

“It brings visitors into the community, gives a local resident a small income and does not effect the price of local houses. Less than 5% of houses in my village are second homes.”

“Second home owners contribute to the economy - they put more in economically than they take out. We need to encourage business and tourism, not discourage particularly after this year”.

“Positive particularly as many second home owners truly contribute to their communities locally. We shop locally, use local hairdressers, dog groomers, tourist attractions, activity centres Amd more. We do this all year around unlike tourists/visitors. We are committed to our homes, local area and community. Many second homes are also let as holiday accommodation which means those visitors are also spending money locally helping businesses and communities locally.”

“Received a grandmother's house and kept it so that our children can stay in the area in the future .”

“Several have been renovated in the town. One or two were ruins. There are also not enough places to stay in the town. No big hotels. However, there are plenty of second homes now and and end should be put to them.”

Neutral:

"It's a mixed bag. I understand the plight, but I don't think dissuading second home owners will ultimately bring the property prices down - especially in the short term. The only solution is increasing the housing stock to adjust prices, and make most of them priority for locals."

"They bring a lot of money and work to the area so good in that respect but there needs to be a ratio set to limit the number of second homes. Also they should not be allowed to register as a business and not pay any local tax. I do think 200% council tax is too excessive and will harm the area."

Negative:

"There is a housing crisis because of economic disparity between those who want to buy locally and those who wish to buy a second home or for Airbnb and the like. This is linked to a lack of permanent work and low wages which in particular is a problem in tourist areas. A tourist economy is not sustainable at all and the loss of young people weakens these areas further and means a permanent decline in the Welsh language"

"I appreciate that tourism benefits the local economy but we can attract tourism through hotels and camp sites etc we need to ensure first there are homes for people that want to live here on a full time basis and integrate into the local community. Some people don't have any homes- how can it therefore be acceptable to allow people to have second homes here- i believe even without people having their second homes here people will still want to come here on holidays so don't believe that tourism will be affected."

"It is difficult, if not impossible, for a great many young people or people with low incomes, to buy homes in their own communities in Gwynedd. They are priced out by second home owners. I know many young couples in Arfon and Llyn who cannot afford to buy their first house in the areas where they have been brought up and where they work. This is a growing problem. Raising the premium would generate income for the council to help these people and alleviate the problem."

In your opinion, what impact do you believe long-term empty dwellings currently have on local communities?

In total 65.0% (N=4,049) of respondents thought that long-term empty dwellings were currently having a Negative impact on local communities, while 28.2% (N=1,756) thought they were having a Neutral effect and 4.72% (N=295) thought they were having a Positive impact.

It is shown in the chart below that there is some difference in this view between respondents who own a long-term empty dwelling and the rest of the respondents.

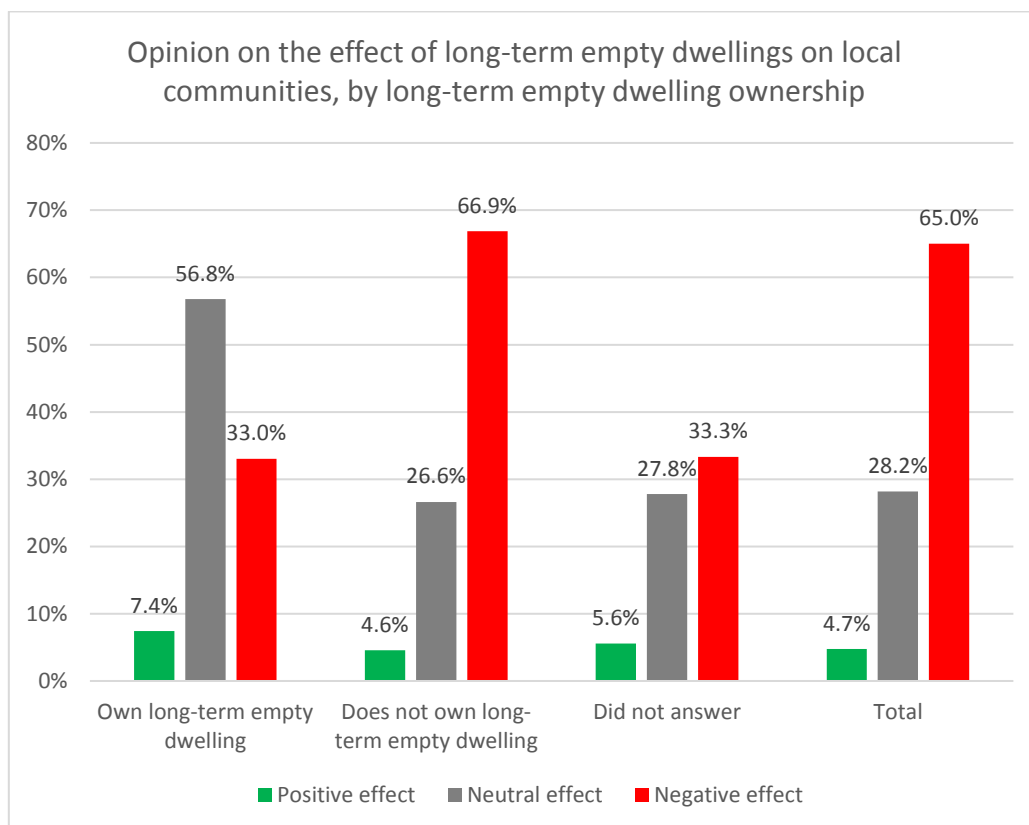


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"Second home ownership" includes all respondents who owned a second home, whether or not they also owned a long-term empty dwelling

"Not owning a second home" included respondents who owned a long-term empty dwelling (but not a second home), as well as respondents who did not own either

The table below details the responses by category, and shows that just over half (56.4%, N= 144) of respondents who own a long-term empty dwelling feel that long-term empty dwellings have a Neutral impact on local communities, with just over a third of them (34.4%, N=87) thinking that they are having a Negative impact.

77.8% (N=1,992) of respondents who do not own a second home or a long-term empty dwelling feel that empty long-term empty dwellings have a Negative impact on local communities, while almost one in five of them (17.6%, N=451) think they are having a Neutral impact .

58.4% (N=1,944) of respondents who own a second home think that long-term empty dwellings have a Negative impact on local communities, with about a third of them (33.6%, N=1,116) thinking that they have a Neutral impact..

	Positive Effect		Neutral Effect		Negative Effect		Did not answer		Total	
	No.	%age	No.	%age	No.	%age	No.	%age	No.	%age
Does not own a second home or long-term empty dwelling	87	3.4%	451	17.6%	1,992	77.8%	29	1.1%	2,559	100.0%
Second Home Owner	183	5.5%	1,116	33.6%	1,944	58.4%	83	2.5%	3,326	100.0%
Long-term empty dwelling Owner	14	5.5%	144	56.9%	87	34.4%	8	3.2%	253	100.0%
Long-term empty home and Second home owner	10	14.1%	40	56.3%	20	28.2%	1	1.4%	71	100.0%
No answer	1	5.6%	5	27.8%	6	33.3%	6	33.3%	18	100.0%
Total	295	4.7%	1,756	28.2%	4,049	65.0%	127	2.0%	6,227	100.0%

Here are examples of the additional comments that were being noted :

Positive:

“These are often renovation projects that take time and money to improve because the properties have been left to become dated or of poor repair. Covid 19 has hampered the progress of these projects

but also the lack of tradespeople who want to commit or are reliable also adds to the delays. Once completed they become second homes and holiday homes which bring benefits to locals...."

Neutral:

"I partly own a dwelling through inheritance. The property has been on sale for a year and a half at a price deemed reasonable by a local housing agency and the original price has been reduced twice in the hope that it would attract a local buyer, Council tax on the property is almost as much as the council tax we pay on our home in another county although we do not take advantage of any facilities offered by Gwynedd Council."

"They save the council money eg. waste removal & you're still getting an extra 50% in council tax"

"They are not damaging the local community. Freedom to buy and sell properties should be retained and home owners should not be unduly penalised."

Negative:

"Loss of sense of community "

"They make the villages look down trodden & uninviting. Neighbouring properties disadvantaged."

"Fewer children in our schools, less buzz in our communities, and young people being sent from the community."

"The availability of properties to rent is limited and the cost of properties is inflated due to second homes, holiday homes, air B&Bs and longterm empty properties - something needs to change or our communities will die."

"They can cause problems e.g. - attract anti-social behaviour, it could be a local home or business ."

"Empty homes do not contribute to a community, unless the alternative is that they remain empty and deteriorate as nobody has an interest in maintaining them. There would appear to be no positive balance with income being brought into the community as there is in the case of second home owners".

The Council is considering increasing the Council Tax Premium charged on second homes and long term empty dwellings (currently 50%). Is this appropriate in your opinion?

It is seen that 71.3% (N=4,440) of respondents indicated that it is not appropriate to increase the level of Council Tax Premium on second homes and long-term empty dwellings. Just over a quarter of respondents (27.4%, N=1,705) indicated that it was appropriate to increase the level of Council Tax Premium.

Differences in opinion were seen according to whether respondents owned a second home or long-term empty dwelling or not. 61.2% (N=1,566) of respondents who did not own a second home or a long-term empty dwelling felt it was appropriate to increase the level of council tax premium, while only 3.2% (N=107) of respondents owned a second home and 9.9% (N=25) of respondents owned a long-term empty dwelling.

Although they do not own a second home or long-term empty dwelling, just over a third (37.7%, N=965) of these respondents did not think it appropriate to increase the level of Council Tax Premium. 95.5% (N=3,176) of respondents who owned a second home and 87.8% (N=222) of respondents who own a long-term empty dwelling were also of this opinion.

	Yes		No		Did not answer		Total	
	No.	%age	No.	%age	No.	%age	No.	%age
Does not own a second home or long-term empty dwelling	1,566	61.2%	965	37.7%	28	1.1%	2,559	100.0%
Second Home Owner	107	3.2%	3,176	95.5%	43	1.3%	3,326	100.0%
Long-term empty dwelling Owner	25	9.9%	222	87.8%	6	2.4%	253	100.0%
Long-term empty home and Second home owner	3	4.2%	67	94.4%	1	1.4%	71	100.0%
No answer	4	22.2%	10	55.6%	4	22.2%	18	100.0%
Total	1,705	27.4%	4,440	71.3%	82	1.3%	6,227	100.0%

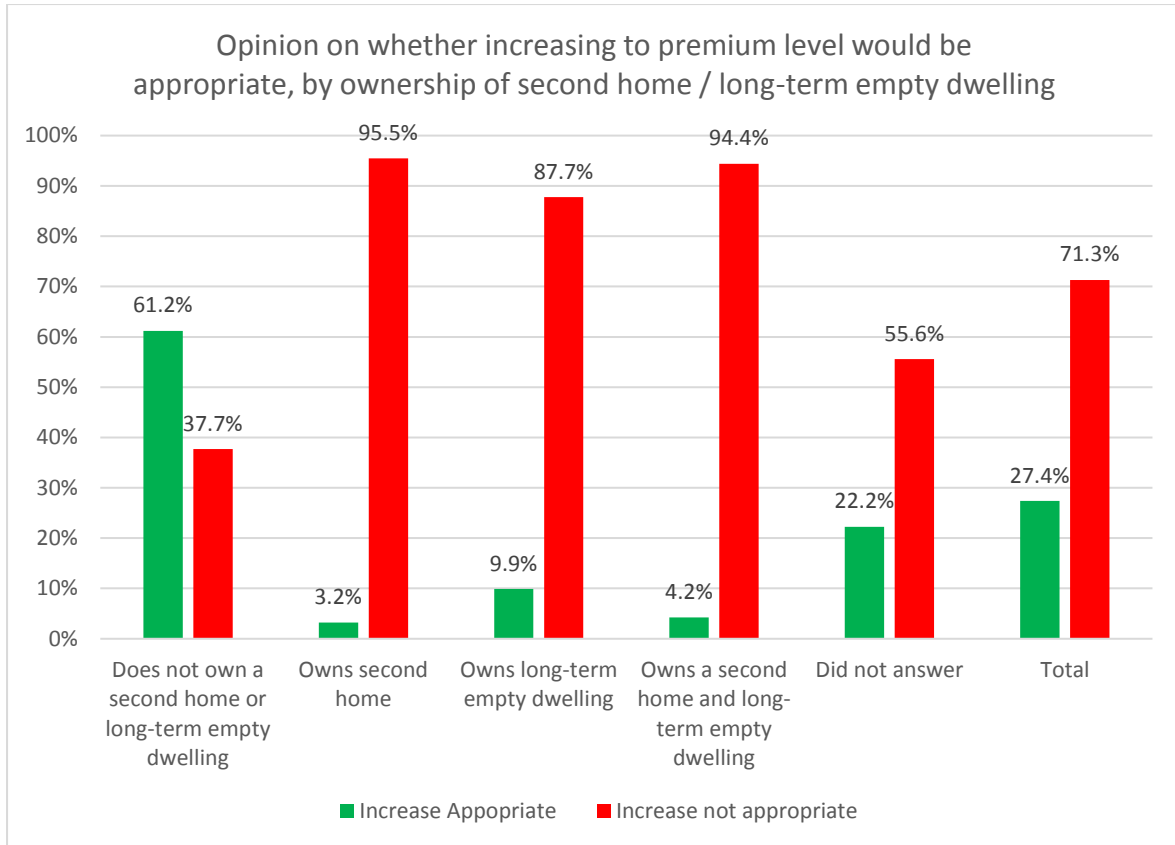


Chart not showing the small number of respondents who did not answer the question

No additional comments question

In your opinion, would increasing the Council Tax Premium on long-term empty dwellings or second homes have an effect on the Welsh language?

It is seen that 71.9% (N=4,480) of respondents felt that increasing the level of Council Tax Premium on long-term empty dwellings or second homes in Gwynedd would not have an impact on the Welsh language, while just over a quarter (25.8%, N=1,605) thought it would.

Differences were seen among respondents who own a long-term empty dwelling or second home or not. The view of respondents who do not own a long-term empty dwelling or second home is split, with 51.9% (N=1,329) of them feeling that it would not have an impact on the Welsh language, and 46.4% (N=1,187) feeling that it would have an impact on the Welsh language while 87.5% (N=2,909) of respondents who own a second home felt that increasing the level of council tax premium on long-term empty dwellings and second homes would not have an impact on the Welsh language. Just over a quarter (27.3%, N=69) of respondents who own a long-term empty dwelling think it would have an impact on the Welsh language while 68.8% (N=174) of them do not.

	Yes		No		Did not answer		Total	
	No.	%age	No.	%age	No.	%age	No.	%age
Does not own a second home or long-term empty dwelling	1,187	46.4%	1,329	51.9%	43	1.7%	2,559	100%
Second Home Owner	335	10.1%	2,909	87.5%	82	2.5%	3,326	100%
Long-term empty dwelling Owner	69	27.3%	174	68.8%	10	4.0%	253	100%
Long-term empty home and Second home owner	12	16.9%	57	80.3%	2	2.8%	71	100%
No answer	2	11.1%	11	61.1%	5	27.8%	18	100%
Total	1,605	25.8%	4,480	71.9%	142	2.3%	6,227	100%

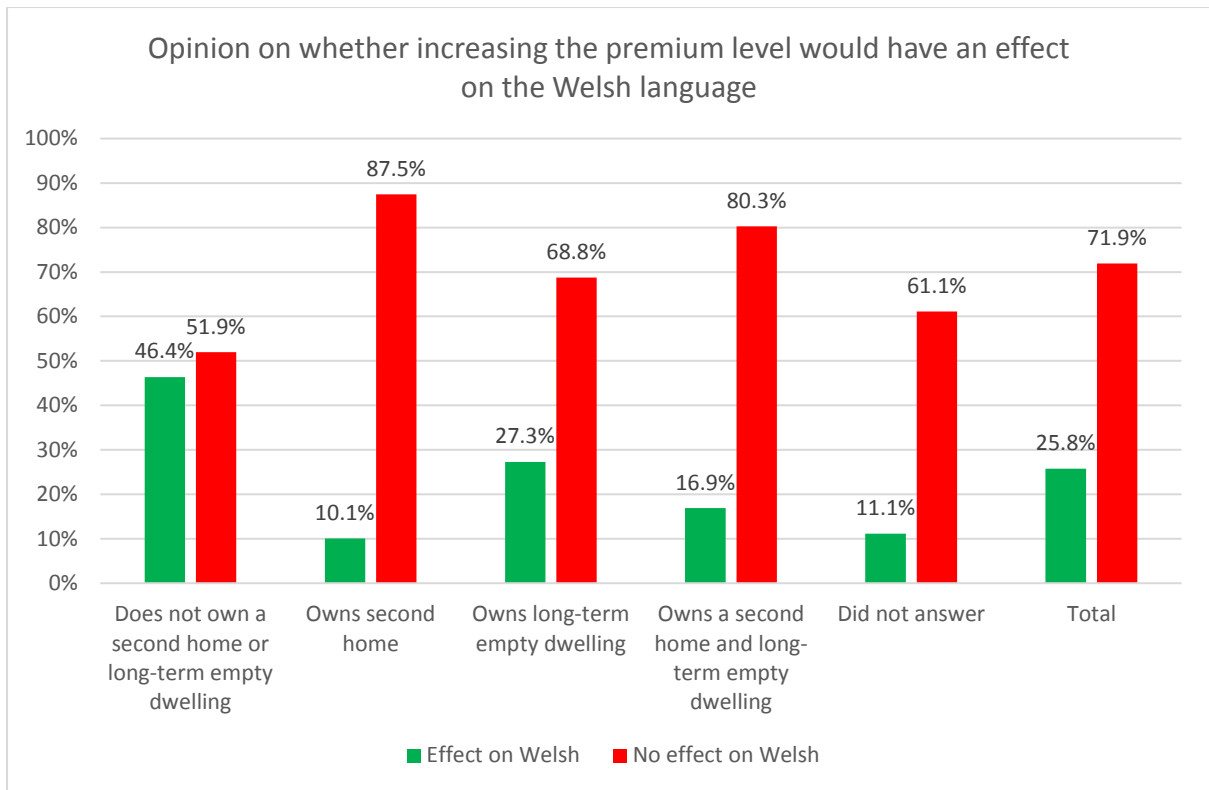


Chart not showing the small number of respondents who did not answer the question

Here are examples of the additional comments that were being noted :

Yes:

“Yes I believe it would have a detrimental effect on the Welsh language, as we would have less jobs in tourism and our young will simply move away to where they can find better jobs. I have several friends and family members who were first language Welsh speakers who have already moved away and will not return because the partners they have now met do not speak Welsh and job opportunities for them are limited.”

“Negative impact on the language as raising the premium level will take the premium out of the reach of local people and more into the hands of the people you are trying to prevent to buy the property as it is. The cost is not an impact for some people.”

“It really would. As I have already indicated, this would keep Welsh speakers in the communities and an opportunity for them to raise families there in Welsh for the future. Also a boost to Welsh language activities and traditions such as YFC, Urdd or eisteddfodau - more people to participate and continue these activities.”

“I feel if local people or people who aren’t local but want to live here permanent and become part of the community this will keep the Welsh language going . People here in their “second homes” are not going to bother learning the language and of a community a has many second homes the language will go”

No:

“The damage has already been done by decades of lack of forward planning .”

“Why does this need to involve the Welsh language? There are many Welsh people who have second homes which either they rent out as a commercial holiday let to give them an income in a area of low paid employment and there are also Welsh people living throughout Wales who can afford and enjoy a second home in Wales. Again this question is irrelevant and biased”

“The growth in the use of the Welsh language over the most recent years demonstrates that second homes have no effect.”

“Absolutely not. We are currently learning Welsh.”

“Not sure. It depends on the level of premium – I suspect that a 100% increase will make little difference, as owners of second homes and holiday accommodation have sufficient income to afford this .”

If the level of the Council Tax Premium on long-term empty dwellings or second homes were to be increased, the number of second homes within Gwynedd would...

The responses to this question are split, with almost half (47.5%, N=2,959) thinking that the number of second homes will decrease, and almost half (46.5%, N= 2,895) thinking that the number of second homes would remain the same. The views of people who own second homes reflect the above, while slightly more people who do not own second homes or long-term empty dwellings think that the number of second homes will decrease (53.8%, N=1,377). A higher percentage of respondents who own a long-term empty dwelling think the number of second homes will remain the same (67.6%, N=171).

	Increase		Stay the same		Decrease		Did not answer		Total	
	No.	%age	No.	%age	No.	%age	No.	%age	No.	%age
Does not own a second home or long-term empty dwelling	126	4.9%	1,027	40.1%	1,377	53.8%	29	1.1%	2,559	100%
Second Home Owner	110	3.3%	1,651	49.6%	1,497	45.0%	68	2.0%	3,326	100%
Long-term empty dwelling Owner	24	9.5%	171	67.6%	51	20.2%	7	2.8%	253	100%
Long-term empty home and Second home owner	3	4.2%	38	53.5%	29	40.8%	1	1.4%	71	100%
No answer	0	0.0%	8	44.4%	5	27.8%	5	27.8%	18	100%
Total	263	4.2%	2,895	46.5%	2,959	47.5%	110	1.8%	6,227	100%

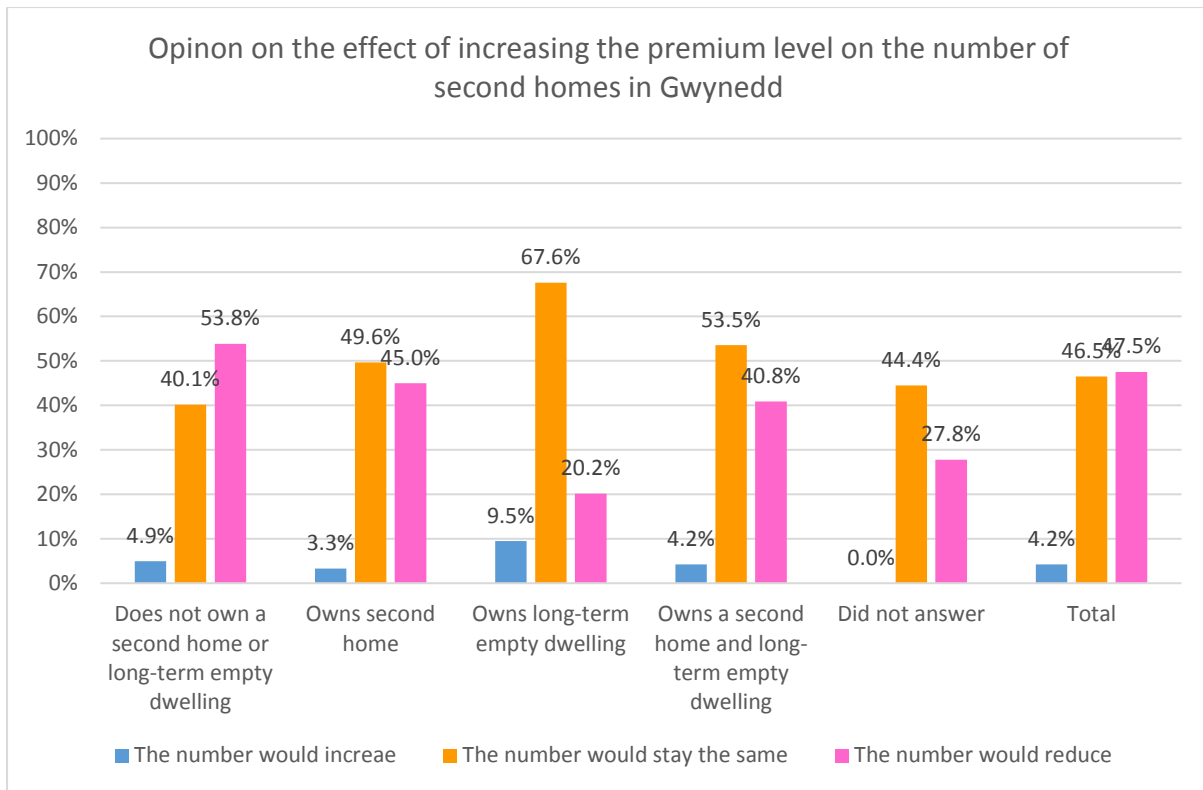


Chart not showing the small number of respondents who did not answer the question

Here are examples of the additional comments that were noted :

Increase:

“I think there will still be more people willing to buy second homes, but they will be from a richer section of the general public, and not necessarily those who are sympathetic to the area of have historical links there. Having a second home will just be a more elite activity.”

Stay the same:

“It will have no impact on second home ownership and and will certainly have zero positive impact on the Welsh Language. It will however just drive division between the permanent residents and the second home owners and ultimately lead to a more fragmented society.”

“You have to accept that the vast majority of people who have second homes have them because they have been successful. Those people will protect their investments in any way possible. Whilst 50% uplift hurts financially 100% would tip the balance and many will seek to avoid paying it by fair means or foul, that is just the reality.”

“If people can afford a second home they will pay council tax.”

“You will end up with even more holiday lets!”

“This would result in some of these houses being sold to sole home owners. Perhaps for some locals but it is possible that new immigrants from England will take the vast majority! With the advent of Covid thousands have discovered that it is very easy to work from home, 'I suspect that some residents of English towns will find the idea of working from home in a rural area ideal. It will also result in those houses being converted into business premises with a large loss in council tax profits. I will do that or sell.”

“Due to the negative attitude of Gwynedd council to long term second home owners in for example Fairbourne where they have positively ensured the houses have nil value with enabling any reduction in rateable value the owners even if they wanted to are unable to get out”

Decrease:

“People may sell and buy second home elsewhere, which doesn’t charge tourists a premium.”

“The councils will be sending a clear message to second home owners that they are not welcome in Wales and would be encouraging any such local feelings rather than attempting to move on to more appropriate 21st century agenda.”

“There would be far more incentive to treat the 2nd home as a holiday let, thereby reducing the council tax income. There is a tipping point at which the tax saved is sufficient to compensate for the added burden of letting the property.”

“Some second homeowners would sell, which would benefit local communities .”

“While the employment disparity between the cities of England and rural Gwynedd is going to continue then away homebuyers will continue to be able to pay a council tax premium in Gwynedd. But raising the tax on them would at least bring some financial advantage to the Council to help local people get housing.”

If the level of the Council Tax Premium on long-term empty dwellings or second homes were to be increased, the number of long-term empty dwellings within Gwynedd would ...

The responses were seen to be split here also, with a slightly higher percentage (43.9%, N=2,735) thinking that the number of empty dwellings in Gwynedd will fall, while 38.3%, (N=2,384) think that the number of long-term empty dwellings will remain the same. The views of respondents who own a long-term empty dwelling differ from other respondents, with 62.1% (N=157) of them feeling that if the level of Council Tax Premium increased, the number of empty dwellings in Gwynedd would remain the same. Slightly fewer people who do not own a second home than a long-term empty dwelling (31.1%, N=797) and those who own a second home (41.6%, N=1,385) are of this opinion. 57.8% (N=1,478) of respondents who do not own a second or long-term empty dwelling believe that the number of long-term empty dwellings would decrease, which is much higher than what respondents who own a long-term empty dwelling (22.1%, N=56) and respondents who own second homes (35.3%, N=1,175) think.

	Increase		Stay the same		Decrease		Did not answer		Total	
	No.	%age	No.	%age	No.	%age	No.	%age	No.	%age
Does not own a second home or long-term empty dwelling	228	8.9%	797	31.1%	1,478	57.8%	56	2.2%	2,559	100%
Second Home Owner	610	18.3%	1,385	41.6%	1,175	35.3%	156	4.7%	3,326	100%
Long-term empty dwelling Owner	33	13.0%	157	62.1%	56	22.1%	7	2.8%	253	100%
Long-term empty home and Second home owner	9	12.7%	39	54.9%	21	29.6%	2	2.8%	71	100%
No answer	0	0.0%	6	33.3%	5	27.8%	7	38.9%	18	100%
Total	880	14.1%	2,384	38.3%	2,735	43.9%	228	3.7%	6,227	100%

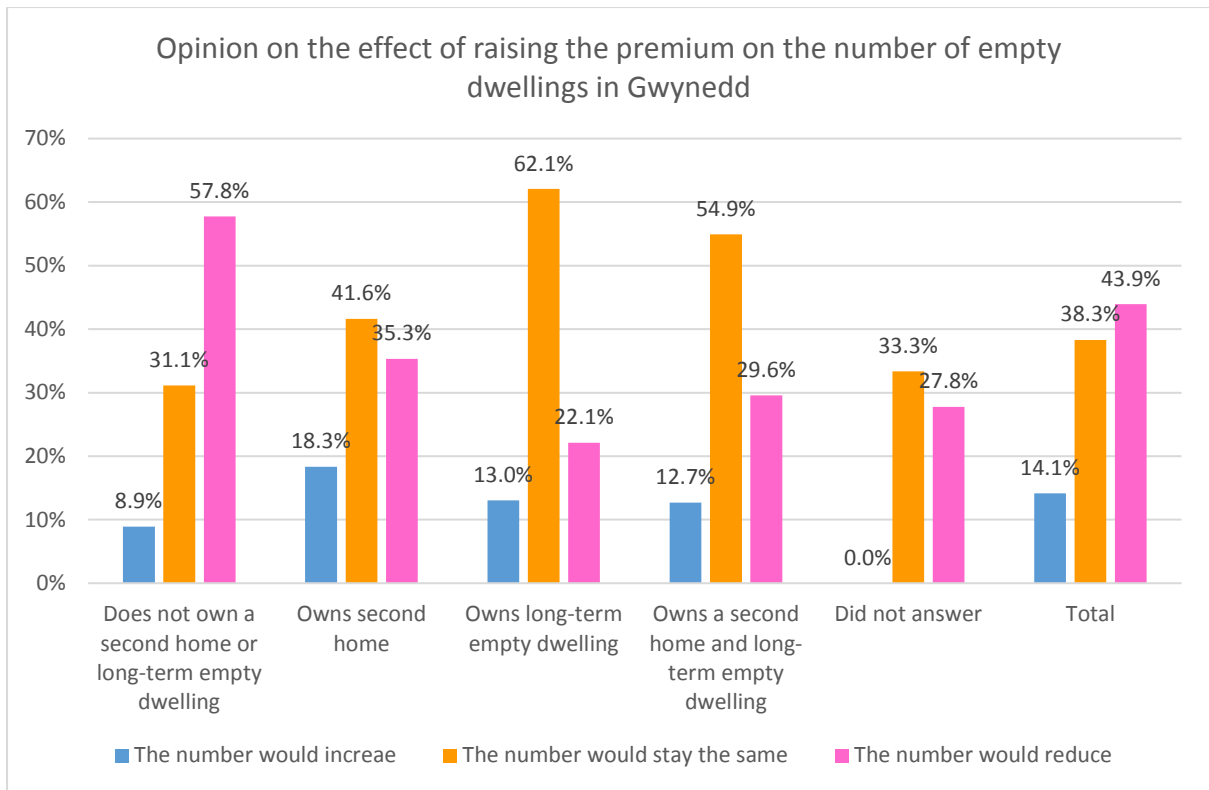


Chart not showing the small number of respondents who did not answer the question

Here are examples of the additional comments that were noted :

Increase:

“Unfurnished properties will eventually become run-down and be an eye-sore for the council as well as local residents.”

“There seems to be insufficient local people to buy up the ones that would come onto the market.”

Stay the same:

“It seems unlikely that the reasons for a home being long term empty are affected by Council Tax.”

“Homes are empty for all sorts of reasons most people understand that a dwelling has intrinsic value for sale or rent and to leave long term empty is not a judicious use of the resource. The reality is that they are probably empty for a myriad of different often intractable and difficult to resolve reasons. I used to work for a housing association and this was looked at as away of trying to increase rental stock - it did not get far.”

“I believe that many of Gwynedd's empty Homes are in the hands of local people, and it is either waiting to be renovated or they have been inherited. If so this premium would only put pressure on the owners to sell or renovate.”

“Increasing the council tax premium might force people to sell empty properties and thus release them back into the local housing stock but they would still potentially be at an unaffordable level for the local communities who the council are indicating cannot afford to buy such properties at the present

time. So unless Gwynedd Council plan on buying such empty properties to augment their council housing stock there would not be any benefit."

Decrease:

"I think its obvious that people would sell up rather than pay double on an empty property that's making no money, and I think it's right that people should not be allowed to sit on empty properties that could be used by the local communities."

"Local people can hopefully buy local houses Local people can hopefully buy local houses."

"If there are houses that are not used at all, I hope that owners would sell them or let them to tenants."

"I think this increase would focus the attention of owners who leave a property empty. I have heard people admit they only bought it for their pension and may live here eventually. Meanwhile our shopworkers, bus drivers and nurses cant find a home to live in because someone from England thinks it's ok to use Gwynedd and Wales as a pension pot and to hell with the locals."

If the level of the Council Tax Premium were to be increased, the availability of affordable housing within Gwynedd will ...

64.5% (N=4,016) of respondents think that the availability of affordable housing would remain the same in Gwynedd if the level of Council Tax Premium increased, while 22.2% (N=1,384) thought that it would increase and 10.5% (N=655) thought that it would decrease.

There are significant differences of opinion in the type of respondents depending on whether they have a second house or a long-term empty dwelling or not. The views of respondents who do not have a second or long-term empty dwelling have split, with 46.5% (N=1,190) of them thinking that the availability of affordable housing will increase and 43.6% (N=1,117) thinking that it would remain the same. A much higher percentage of respondents who owned a second home thought that the availability of affordable housing would remain the same (80.3%, N=2,670) while 11.7% (N=388) of them thought it would decrease and 4.9% (N=163) of them thought it would increase. 68.8% (N=174) of respondents who owned a long-term empty dwelling thought that the availability of affordable housing would remain the same, while a higher percentage of them compared to the other respondents thought that the availability of affordable housing would decrease (19.4%, N=49).

	Increase		Stay the same		Decrease		Did not answer		Total	
	No.	%age	No.	%age	No.	%age	No.	%age	No.	%age
Does not own a second home or long-term empty dwelling	1,190	46.5%	1,117	43.7%	201	7.9%	50	2.0%	2,558	100%
Second Home Owner	163	4.9%	2,670	80.4%	388	11.7%	100	3.0%	3,321	100%
Long-term empty dwelling Owner	21	8.3%	174	68.8%	49	19.4%	9	3.6%	253	100%
Long-term empty home and Second home owner	7	9.9%	47	66.2%	15	21.1%	2	2.8%	71	100%
No answer	3	12.5%	8	33.3%	2	8.3%	11	45.8%	24	100%
Total	1,384	22.2%	4,016	64.5%	655	10.5%	172	2.8%	6,227	100%

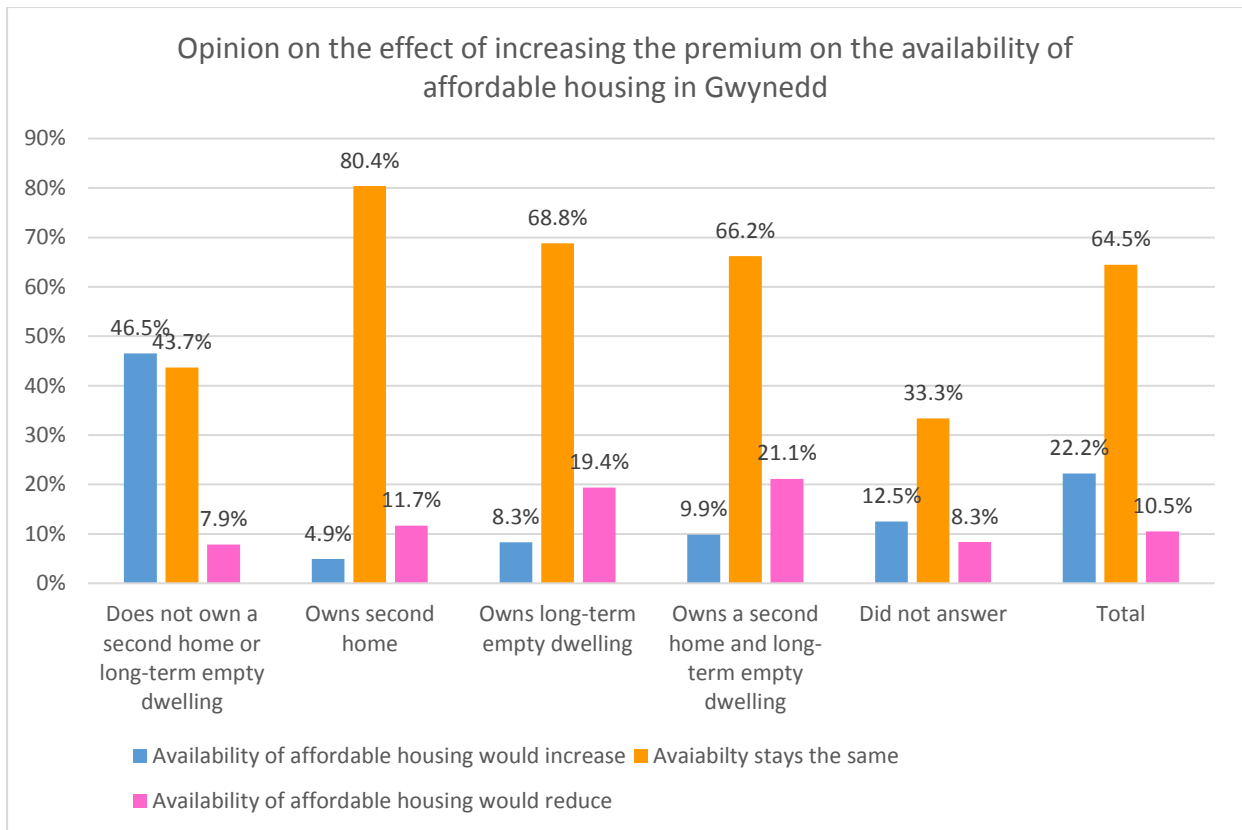


Chart not showing the small number of respondents who did not answer the question

Here are examples of the additional comments that were noted :

Increase:

“If the extra council tax is pigeon holed and used specifically to increase the local supply of affordable housing for local people, I would see that as a good thing. It is very difficult for young people to get on the housing ladder because of house prices, but that doesn't just apply in Wales.”

“Hoping that the increase will reduce the number of people living and buying second houses I would on an ansar reduce house prices in Gwynedd ”

Stay the same:

“It depends on the area. The median property price for Abersoch is high. An increase in the Council tax premium will not drive property prices down. It will have the opposite effect: either owners will be forced to sell at the very high market rate, or will have to increase rentals in order to pay.”

“I don't believe his would have much affect on affordable housing. Our second home would not fall into the category of affordable housing. The authority's strategy should be to build more affordable and efficient homes going forward. This has been lacking since the 70's.”

“IF there are no local jobs, people will not buy in the area regardless of the availability of properties. If current second homer owners leave, the impact of lost trade on local businesses will exacerbate this.”

“There is no guarantee that the availability of affordable housing in Gwynedd would improve because of raising the tax. It does not provide an assurance that they would not be bought by aliens because the financial ability to buy is higher beyond Wales – raising the tax would not be a barrier to them.”

“Penalising people who have done nothing wrong will not make more housing available. Policies to promote new building of affordable homes for local people and to restrict sales of existing homes to local people are acceptable: punishing innocent people is not.”

“Housing costs have already increased so it's too late! Prosperous jobs to keep young people in their areas who want and a better rural planning system .”

Decrease:

“I understand that the taxes in Gwynedd are relatively high anyway, and as wages locally are generally low, it is likely to have a Negative impact on the ability of local people to pay for a home. I can't see housing market prices falling to the extent that housing is more affordable for the local population.”

“Affordable housing is often provided as part of a larger development. Developers may be put off from Gwynedd if they would find it difficult to sell homes due to the Council Tax Premium. If the developments don't go ahead nor will the affordable housing.”

If the level of the Council Tax Premium were to be increased, the effect on the local community will be ...

Just over half (53.4%, N=3,327) of respondents think that increasing the level of council tax premium would have a Negative impact on the community. Just under a quarter (23.4%, N=1,455) thought it would have a Positive impact on the local community, and one in five respondents (20.9%, N=1,302) thought it would have a neutral effect.

Again, there are differences in the type of respondents whether or not they own a second or long-term empty dwelling. Just over half of respondents who do not own a second or long-term empty dwelling (52.8%, N=1,350) thought that raising the level of council tax premium would have a positive impact on the local community which is much higher compared to respondents of second home owners (2.3%, N=76) and long-term empty dwelling owners (8.3%, N=21). A much higher percentage of respondents who owned second homes (72.1%, N=2,398) thought that the impact on the local community would be negative compared to just over half of respondents who did not own a long-term empty dwelling (53.4%, N=135) and 29.0% (N=742) of respondents who did not own a second home or a long-term empty dwelling.

	Positive		Neutral		Negative		Did not answer		Total	
	No.	%age	No.	%age	No.	%age	No.	%age	No.	%age
Does not own a second home or long-term empty dwelling	1,350	52.8%	424	16.6%	742	29.0%	43	1.7%	2,559	100%
Second Home Owner	76	2.3%	769	23.1%	2,398	72.1%	83	2.5%	3,326	100%
Long-term empty dwelling Owner	21	8.3%	85	33.6%	135	53.4%	12	4.7%	253	100%
Long-term empty home and Second home owner	5	7.0%	21	29.6%	44	62.0%	1	1.4%	71	100%
No answer	3	16.7%	3	16.7%	8	44.4%	4	22.2%	18	100%
Total	1,455	23.4%	1,302	20.9%	3,327	53.4%	143	2.3%	6,227	500%

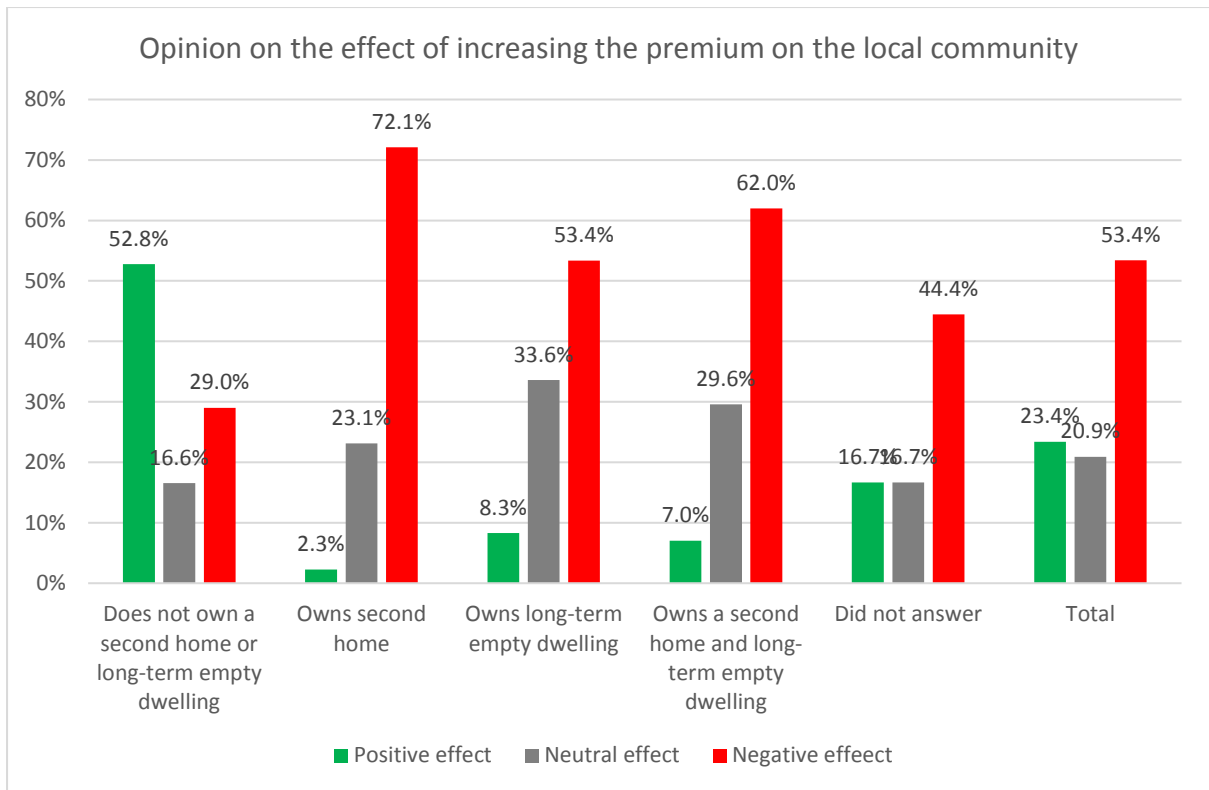


Chart not showing the small number of respondents who did not answer the question

Here are examples of the additional comments that were noted :

Positive:

“Hopefully more properties for local people to buy or rent , towns and villages in southern Gwynedd would have more families living and using schools etc”

“People would at least feel that second home owners are contributing towards the local economy, offsetting costs to local people”

“Second homes are a serious problem in an increasing number of communities in Gwynedd. They contribute to undermining their social structure and fabric and weakening Welsh as a community language and creating a situation of social injustice. Second homes are reducing the housing stock and contributing to rising house prices, with local people unable to compete in the housing market because of relatively low wages that remain static. Raising the second home tax premium to 100% would increase the fund that the county council has to secure housing for local people.”

Neutral:

“I believe that each second house application needs to be considered individually as there are worthy cases to be needed if it is to be released into the rental market or renewed before living in it .”

“The situation will not change in my view, only the Council will benefit not the community ”

Negative:

“COVID has caused some resentment in communities over the economic divide that exists and this would only highlight this further. Providing more opportunities for second home owners to engage

with local charity work, support scholarship schemes, interact with annual community events would be a better use of effort, resource and time. I also believe this would bring more enjoyment for all, including the reinvigoration of a tourism industry post-COVID."

"Most of the second homes are a vehicle for many visitors to come to the area for holidays and spend extensively. Their loss would damage the economy of the area and would be a financial loss to the businesses of the area particularly restaurant and hotel shops"

"Most local communities thrive economically where second home owners are more prevalent. Second home owners are most likely to spend lots of money on their properties with renovations and they are also more likely to spend lots of money in the local economy. Second home owners help bring work, more jobs, and a desire to spend money in Wales."

"Retail spend and hospitality spend would almost certainly decrease, threatening jobs."

"I think it will be sad for communities to lose people who have shown real commitment to their neighbours and who have become their long-term friends. This is what will happen if you suddenly force people like us to move away, something that will also reduce community diversity. Those who are able to stay will have less disposable income to spend locally or to give more widely to Welsh tourism."

If the level of the Council Tax Premium were to be increased, the effect on tourism will be ...

Just over half of respondents (57.5%, N=3, 582) indicated that raising the level of council tax premium would have a Negative impact on tourism while a third of respondents (33.0%, N=2,056) indicated that it would have a Neutral effect and 7.4% (N=458) indicated that it would have a positive impact.

Again, there are differences in the views of the different types of respondents. Just over half of respondents who did not own a second home or long-term empty dwelling (51.8%, N=1,325) thought it would have a Neutral effect on tourism, with just under a third (31.7%, N=810) thinking it would have a Negative effect and 15.1% (N=387) thinking it would have a positive impact. Just over three-quarters of respondents who owned a second home (77.7%, N=2,585) thought it would have a Negative impact on tourism and almost one in five thought it would have a Neutral effect (18.5%, N=615).. Only 1.5% (N=50) of these respondents thought it would have a positive impact on tourism. Almost half (48.6%, N=123) of respondents who owned a long-term empty dwelling thought it would have a Negative impact on tourism while 39.5% (N=100) of them thought it would have a Neutral effect and 7.1% (N=18) of them thought it would have a positive impact..

	Positive		Neutral		Negative		Did not answer		Total	
	No.	%age	No.	%age	No.	%age	No.	%age	No.	%age
Does not own a second home or long-term empty dwelling	387	15.1%	1,325	51.8%	810	31.7%	37	1.5%	2,559	100%
Second Home Owner	50	1.5%	615	18.5%	2,585	77.7%	76	2.3%	3,326	100%
Long-term empty dwelling Owner	18	7.1%	100	39.5%	123	48.6%	12	4.7%	253	100%
Long-term empty home and Second home owner	2	2.8%	13	18.3%	55	77.5%	1	1.4%	71	100%
No answer	1	5.6%	3	16.7%	9	50.0%	5	27.8%	18	100%
Total	458	7.4%	2,056	33.0%	3,582	57.5%	131	2.1%	6,227	100%

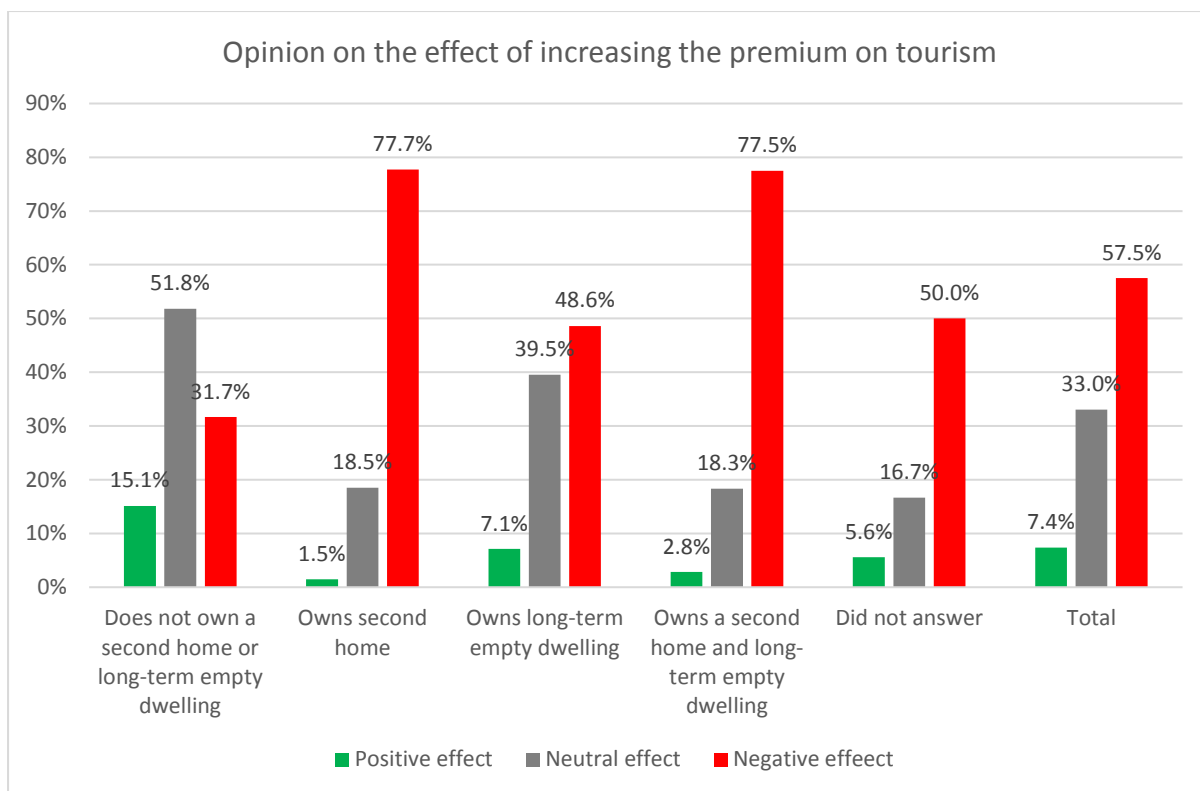


Chart not showing the small number of respondents who did not answer the question

Here are examples of the additional comments that were noted

Positive:

“The lettings businesses draw customers away from hotels, camping areas etc which bring £££ into the economi, by buying food from local suppliers, paying wages etc this creates sustainable tourism. We value welcoming visitors who value this experience. NOT those who come here and pay nothing to the economy, create a bad feeling, and create a plethora of visitors that don't give anyone a good experience.”

“Villages and towns would be vibrant all year round and retail businesses would be available all year round rather just the tourist season, it would extend the tourist season rather than just the peak summer months”

Neutral:

“Possibly a short term increase during the 12 -16 week holiday season but overall probably balance out over the year to much the same. Many second home owners stay longer than the busy summer months and spend throughout the year. Thus business have income and can operate throughout the year rather than just for the holiday season.”

“Tourists won't be interested in levels of Council Tax being paid in the area unless it affects the prices they are charged for accommodation.”

“The beauty of the area attracts tourism. They stay wherever space is available. Tourism does not rely entirely on second homes .”

"May increase number of people who switch to categorise their property as self catering and therefore more tourists."

Negative:

"If the result of this will be fewer holiday homes and no change in the local tourism framework and there is no hotel in our community then the reduction of the number of people who will come here to stay on holiday and spend in the small shops and restaurants will be, but perhaps stay in another larger town and spend more in large towns in Gwynedd etc again creating favour and not cascading wealth sufficiently across the Authority. There is a need to understand the type of people who are staying in holiday houses rather than hotels or caravan parks for example. Is there a study into the tendency of holidaymakers to spend the pound locally? Will it be departments from Gwynedd that will benefit from tourism in this way? Is there a tendency for people staying in hotels to buy Food locally in the hotel rather than in other areas of Gwynedd?"

"As tourism is the main income of many people in rural Gwynedd it is difficult to understand how putting difficulties in this way is going to help."

"No one wants to visit a ghost area, people make Gwynedd the fantastic place it is. When I moved to Gwynedd some 11 years ago a lot of the local houses had been left to go to rack and ruin. My house in particular had been on the market for 6 years and needed a lot of money spending on it to bring it back to a living standard."

"Gwynedd is a lovely part of the Country which depends so much on welcoming and maintaining visitors. If Council Tax is increased by another 50% this would without doubt reduce the number of second home owners who would probably move to another part of the UK and therefore not spending money in Wales".

"This proposal wouldn't be attractive to holidaymakers and the worry is tourists would consider the sentiment to be hostile or at best, a bit unwelcoming. Though the vast majority of holidaymakers wouldn't be aware of the changes if they were implemented I'd imagine."

If the level of the Council Tax Premium were to be increased, the effect on local economy will be ...

59.9% (N=3,731) of respondents thought that increasing the level of council tax premium would have a Negative impact on the economy, while 20.6% (N=1,281) thought it would have a Neutral effect and 17.1% (N=1,063) thought it would have a positive impact .

Again, differences are seen in respondents' views dependent on whether or not they owned a second or long-term empty dwelling. There was a fairly equal opinion between the three options in respondents who did not own a second home or long-term empty property with 37.7% (N=966) of them thinking it would have a positive impact on the economy, 32.2% (N=824) thinking it would have a Negative impact and 28.3% (N=724) thinking it would have a Neutral effect. The opinions of respondents who owned a second home were much stronger with a higher percentage thinking it would have a Negative impact on the economy (81.1%, N=2,697). 13.9% (N=463) of these respondents thought it would have a Neutral effect on the economy, and 2.3% (N=77) thought it would have a positive impact. Just over half of respondents who owned a long-term empty dwelling (57.3%, N=145) thought it would have a Negative effect while 30.4% (N=76) of them thought it would have a Neutral effect and 6.7% (N=17) thought it would have a positive impact.

	Positive		Neutral		Negative		Did not answer		Total	
	No.	%age	No.	%age	No.	%age	No.	%age	No.	%age
Does not own a second home or long-term empty dwelling	966	37.7%	724	28.3%	824	32.2%	45	1.8%	2,559	100%
Second Home Owner	77	2.3%	463	13.9%	2,697	81.1%	89	2.7%	3,326	100%
Long-term empty dwelling Owner	17	6.7%	78	30.8%	145	57.3%	13	5.1%	253	100%
Long-term empty home and Second home owner	2	2.8%	12	16.9%	56	78.9%	1	1.4%	71	100%
No answer	1	5.6%	4	22.2%	9	50.0%	4	22.2%	18	100%
Total	1,063	17.1%	1,281	20.6%	3,731	59.9%	152	2.4%	6,227	100%

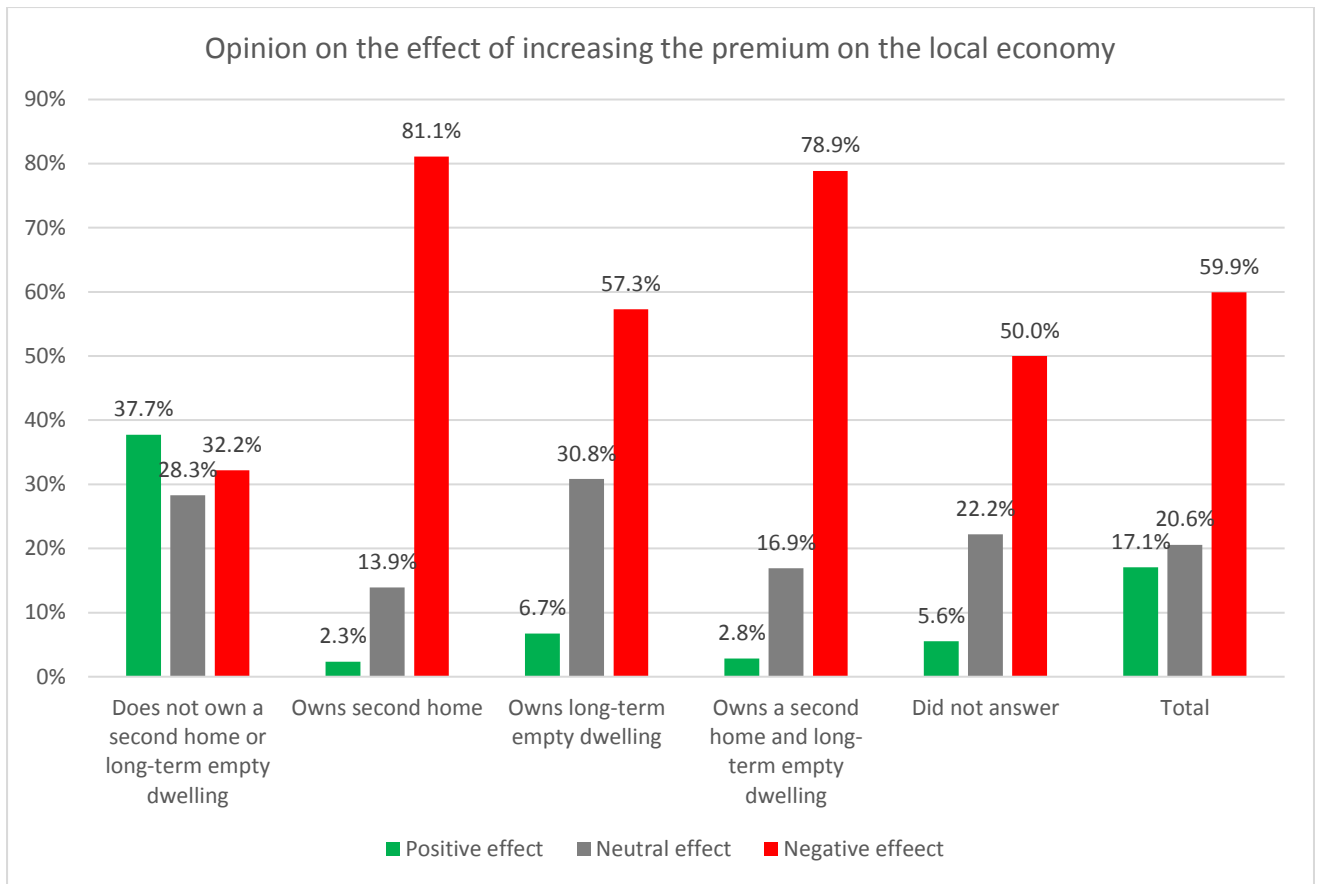


Chart not showing the small number of respondents who did not answer the question

Here are examples of the additional comments that were noted:

Positive:

“There would be more 'local' people in the communities and therefore greater use of local services and suppliers.”

“Fewer empty homes. More people living in the area more money for the local economy - rather than waiting for the tourist season.”

Neutral:

“Second homeowners bring funds into the community which they spend on local building services, restaurants, shops etc. They are both homeowners and tourists. If a Council Tax increase resulted in fewer second homes it is possible that the permanent residents would not spend as much.”

“If you wish to raise the tax to support the Housing Plan and will ring-fence the money, then this will benefit the local situation. There is no evidence that raising the tax will reduce the number roof holiday homes, or increase the amount of affordable housing available”.

Negative:

“As tourism is the main income of many people in rural Gwynedd it is difficult to understand how putting difficulties in this way is going to help.”

“Less money from people to contribute to local businesses.”

“I think many of the shops and restaurants rely on holiday makers especially the ones that make repeated visits because they have 2nd homes in Gwynedd.”

“Purely in terms of more spent on tax, less money spent in the local area, unless each council has a strict promise to increase local services using this additional tax. The worst case scenario is that second home become empty homes awaiting sale, which has the effect of making villages and towns look like areas in decline, rather than areas sought after.”

“Any impact on tourism is going to impact the local economy. Gwynedd is heavily dependent on the tourist industry and that is not going to change on the short to medium term. Any change to this is not going to be brought about by limiting tourism, but rather by encouraging economic diversification, and pro-actively building the appropriate infrastructure that will enable a greater range of jobs into the area. Including the provision of high speed broadband to enable people work remotely.”

We welcome any other comments you may have:

Here are examples of the comments received, set out up by categories whether or not they own a long-term empty dwelling or a second home in Gwynedd.

Not owning a long-term empty dwelling or second home in Gwynedd:

A cap needs to be put in place like places in Northumberland, Channel islands and many more that only allows something like 20% of an area to be second homes. Whether used for business or part time living.

I think the Council Tax should be increased, but I don't think it will be enough on it's own to solve the problem. As a resident in a village with about 75% second homes, I can't see it having much effect on how many second homes we have in the village, though that many homes would provide a sizeable income for Gwynedd Council to spend building affordable housing or buying back properties to be let to locals.

Planning permission is needed to turn a house into a business to make it impossible for people to avoid the additional payment.

I feel that Gwynedd Council should secure the future of our Welsh-speaking communities by using any possible powers to prevent this fragile situation escalating. If there is no major change in the near future the Welsh language will have been lost as the area's first language in a generation.

In my view, building housing estates for local families is not the answer. There are hundreds of second homes that are empty most of the year and are bought at prices out of the grasp of Gwynedd residents who work hard locally. These houses are registered as businesses so don't pay taxes at all, and the income from these houses goes out of the area. Grants to buy the houses from the market stock would be better than building estates of small houses that 'will do for the residents'. The council should re-buy council houses back rather than being bought as second homes, or create an affordable purchase plan for local people.

This is a cynical and unjust way of trying to raise tax which will have a negative effect on local business, the economy and the Welsh language. I feel it is just a political agenda to gain votes. It will also have a negative effect on local owner's house prices, so presumably there will be a council tax re valuation and the bands will decrease. I look forward to that.

As an individual... living in Pen Llŷn since I was born, it is becoming more clear every day that we will not be able to afford to buy a good quality and quantity house locally. Not enough jobs are paying enough, but more importantly, house prices are rising extremely sharply. I have accepted a job away from the local area that would pay better, with the hope of buying a house in a few years' time with the earned brass - this is not an option available to everyone. It is essential that Gwynedd Council, in conjunction with the Welsh Government deals with the second housing "crisis" in areas such as Llŷn in more robust ways than raising council tax of a small size. A permit or quota system is needed, to

enable local residents to live at home. Not just a terraced/estate housing, but houses of all kinds across the area.

If there were well-paid jobs in the countryside there would be more competition for housing. Everyone's wages have to more than double to compete with the immigrants

Please abolish the business rates relief on furnished holiday lets operated as a business. There are so many of these and they contribute nothing to the local council. There is no logic to allowing these businesses to avoid paying business rates.

A high percentage of second homes are owned and run as a business by local and on the whole Welsh people. Why can't this area and in particular the local councils realise that tourism and outdoor activities are two of the few viable industries in the area, unlike farming that only exists due to subsidies and grants. Stop trying to drive visitors away but welcome them and prosper from them.

Please don't do this. First, I fear for the relationships and the very nature of our communities. Second home owners have paid the extra this year but have not been able to visit as often they already feel they have been doubly penalised for buying a home and supporting our local economy. Secondly, what happens if you want to sell your property (first home or second) and you cannot. You leave to live somewhere in a flat, sheltered accommodation etc but the house remains on the market but empty. Will this result in double council tax being charged? Why should someone unable to sell their home have to pay double council tax? It makes no sense at all as they are not using council facilities

This is a political tax. Affordable housing should be created by other means. Second homes generally do not use council services as much as full time residents.

This is a move which, I presume is aimed at trying to make property available and cheaper for local people to buy. Why not tackle this issue from the other end. Encourage business and commerce to improve the pathetically low wage economy so that people can afford to buy a home. The house next to me took over a year to sell last year, I didn't see queues of local people trying to buy it and the price in comparison to other parts of the uk was very low. At best this move has the right intentions but will have the wrong effect. At worst it is petty and vindictive and will stir up more resentment on both sides of the argument. Don't do it

Please stop putting the Welsh language before every other important issue - economy; health; services; welfare. People can choose whether to speak Welsh or not, stop trying to say it is a bigger subject than the essential ones. You don't need affordable homes, there is no market whatsoever for them. You cannot get a mortgage on a Sec 106 affordable, so how do you buy it then? The housing crisis relates to those who are not professional or educated and are on low wages. Build them housing association or council houses. Problem solved. Let the housing market work as it always has, same everywhere. OR any new houses built can only be bought by locals, but leave existing housing stock alone. Again, problem solved.

I don't think GC can do anything about this problem without changes from the Welsh Government.

The main problem with dwellings used as second homes is that a large number of owners avoid the current premium by noting that the property is commercial, and therefore do not pay any tax on the basis of the discount/exemption for small businesses. If the premium is increased, I am sure that more second home owners will decide to do the same, which would lead to a reduction in public income, which will eventually have a Negative impact on spending on housing and local people's services. I am (very) supportive of the principle of charging a premium, but the problem of defining a dwelling must be tackled so that council tax on a second home is unavoidable. If evidence has to be submitted that a dwelling had been granted planning permission to be a holiday unit, not a dwelling, before it could be considered as a business property so that (i) the planning department could have an influence on the number of holiday units in areas where there is an excess; (ii) preventing the owners of second homes from avoiding council tax; and (iii) create a natural barrier for people to convert a dwelling into a holiday house as mortgage companies do not borrow against properties that are not entitled to be regarded as a dwelling. It would be wrong to charge a higher premium without coming to grips with this problem, which would raise resentment, and lead to a real reduction in the tax released by such dwellings.

Many second homes have belonged to families for generations. It seems unfair to penalise these people when properties bought as a business proposition or even 'supposed' businesses pay only business tax. Perhaps this is an area that should be looked at. Short term lets add little to local life and culture. I feel that this is all very political and has a feeling of discrimination.

I live in Dolgellau where the number of second-homes is substantial. In my experience, the majority are occupied on a regular basis, and the owners contribute to the local economy by shopping locally and frequently employing local trades people such as, for example, builders, window-cleaners, carpet-fitters etc. They also contribute a significant amount of money through tourist activities. I believe many of these second-home owners would seriously consider selling their properties and possibly look to buy a second-home in an area where there would not be penalised by higher council tax charges. Several of my near neighbours have already told me they would follow this course of action. I believe this would have a negative impact on the area. I don't see a shortage of affordable housing in the area at present and I believe this would simply lead to more empty properties and the loss of valuable income for the local economy.

I feel that cases should be looked at individually - yes there need to be restrictions in place to make people think twice before buying a second house, but we don't want to penalise local people who own houses either. I know of many cases where someone has lost a parent and inherited a house but is not in the position to move there/pay to do work on it so that it is suitable enough to let it at the moment. People shouldn't feel cornered and forced to let a house because they can't afford the premium. What about plans to help people who have inherited a house but don't want to live there to let it in the long term to local people? In that way a house will be owned by a local person and not sold to outsiders. A set of criteria is needed, so that local people who want to keep in touch with the area are supported rather than cornered.

Owns a second home in Gwynedd

i feel strongly that there shouldnt be a blanket rise of Council Tax across all 'second home' as there are so many different sorts eg caravan/mansion. The difference between owning a house which is rented out as a business compared to chalet/caravan the stayed by a family and their friends. Why

should someone who can not be somewhere all the time pay more service charge ie council tax that a permanent dweller. very unfair.. perhaps more legislation through planning is required

Gwynedd is an area of astounding natural beauty and a wealth of nature and unspoilt land this is a huge asset to the council and should be exploited in a way that continues to bring investment to the area and improves local economy without penalising people who have invested their pension and ultimately their end of life and retirement plans to live in such an area of beauty for short term taxation goals. I would employ the council to look at Cornwall and Devon and Yorkshire counterparts to understand how they have struck a balance with the tourism sector and that of second homes within these areas and work with second home owners who bring people into the area through high occupancy let's which provide commercial value to areas of low commercial value yet high natural beauty. I would ask to penalise or ask more from vacant home owners who do not bring commercial value to the area by not letting their property to pay more as these type of second home owners do not support the local economy in any way proportionally to those that run them as a business.

This proposal may have some honourable intentions but is ill-conceived. Has there been any study of the economic benefits (or otherwise) of outsiders investing in Gwynedd (eg through their use of local shops, services, tradespeople, etc)? Has there been any proper study of the cultural benefits of outsiders valuing Welsh language and local cultural aspects? I have looked for but not found any such research. There seems to be an assumption that the investment of outsiders in Gwynedd is, of itself, a bad thing. I believe this is a seriously under-nuanced position. The reasons why properties lie empty are complex; the reasons why Welsh language is showing both encouraging signs but also attracting survival worries are also complicated; and similarly complicated to fully evaluate are the economic and other benefits or otherwise of outsiders like ourselves who chose to live a significant part of our lives as contributing members of the local community. This seems to be a financial grab dressed up as socially-minded activism. I strongly recommend a more nuanced approach to these complicated issues.

My property is in regular use, by me and several of my friends, as accommodation whilst we are offering our services voluntarily on one of the Great Little Trains of Wales. We share the cost of running the house, and we regularly use local shops and hospitality outlets. We are therefore ensuring that our railway is able to continue to contribute significantly to the tourism economy of Gwynedd, and as individuals we are also spending money in local shops and hospitality outlets. A further Premium charge on Council Tax is in effect a kick in the teeth for Heritage Railways in Gwynedd - one of the major tourist attractions of the area, and a business which cannot operate sustainably without a large number of regular volunteers.

It is more important to get the Council Tax from the people who own second homes and are now not paying the tax because they say they are businesses just because they let them for a few weeks in the year. These second homes should be paying more rather than none.

We genuinely have a second home in Wales, not a holiday home nor a holiday let and live 50% of our time in Gwynedd. Although we love England we also love Wales and its people and ask you not to penalise us for being fortunate to just about being able to afford a home in Wales. HOME not house, dwelling or abode. We have a small house in England and a very small house in Wales whose sum value is less than many single properties both in England and Gwynedd please do not make it difficult for us to enjoy both countries. We do contribute to the local economy and community of Wales and enjoy trying to speak welsh and engage in the richness of both cultures.

As a welsh person that owns a second home in a village which my family originated from, I find it sad that there seems to be such a strong view that second home owners are an issue and are degrading the welsh culture and language. I understand there is an affordable housing issue in rural Wales, but this is the same in rural England and Scotland. However, I don't see any support by local government to address this issues by building communities and housing estates. I believe people with second home do provide a boost in the local economy and would be interested to see the change in local income as a result of the covid restrictions. No all second home owners are rich people from the south or Cheshire that take advantage as people seem to believe, most second home owners I know, try to embed them selves in the communities and support where possible

In my case personally the house is a family home although we have necessarily had to move to follow work. The family are very keen to keep the property within the family and are reluctant to sell it. To meet the tax increase the house had to be set short term to cover the additional cost. While fully sympathetic to the dire situation and respecting and appreciating the council's willingness to tackle the problem I fear we are caught in a rather vicious circle. There is no intention to sell the property, but it must be set to maintain the tax.

I understand the problem you are trying to solve here but I think you have to target the sale of local houses to people away more directly. Raising the tax premium alone would penalise people from the area who live away too much I think. In addition, you should also try to control the sale of local houses to people who do not intend to live in them.

Depopulation in rural areas is an old problem and of course applies to hundreds of areas around the world. We need to focus on a long-term strategy to make our areas places for small businesses to prosper, the modern technology make it even more attractive to live in such areas and in the middle of that strategy is people and young families. They are our future. This motion may be part of that strategy; all things must be looked at as a way of offering new opportunities to such peoples and perhaps less at preventing people from taking advantage of the situation as it is. It is gradual change that will bring the results we want.

I own a one-bedroom cottage that I inherited in an area in the area of my birth that I do not let to anyone and often used myself before the covid restrictions. If the Council Tax Premium increases, consideration will have to be given to putting it on the market, and because of its size, it is very likely that it would have to be sold to people from outside the area such as a second home. This may run

counter to the principles that the Council promotes in the first place. Would it be possible for the Council to consider not penalising owners who have their main home in Gwynedd.

I would be interested to see how the income generated from an increase in second home council tax is going to be used to help with building stock, reduce house prices. help with welsh culture. Has the council looked at where other places have used this approach and the effect it has had on housing stock etc and prices.

I am a Welsh speaking Welshman who has a second home in an area in which my family are from. I cannot live fulltime in Gwynedd as I am unable to perform my work in Gwynedd... I have seen the movement in Wales from an economy dependant on heavy industry to Tourism. I have witnessed the benefits to the local community and surrounds to tourism. Wales seems more "Welsh" now and I view tourism as having a positive impact on being Welsh, being proud to be Welsh, the quality of the local buildings/environment and also to the promotion of the Welsh language.

Owns a long-term empty dwelling in Gwynedd

Understand the need to raise the premium, but because of this, local families are also penalised. We have had to pay a premium as we have bought an empty house that required significant renovation (rewired, central heating, new floors, roof, etc.). As we can't live in the house with 2 small children, we get a huge tax bill until the work is complete. Covid, on top of this, has pushed the project back almost a year, and we are being penalised because of this. This doesn't make people want to take on renovations. The situation needs to be consoled before the premium is raised.

Raising taxes will not make a difference to the fact that affluent immigrants buy second houses in Gwynedd. These moneyed people have plenty of means to pay the tax without feeling a hole in their pockets! Their astute lawyers in England won't long find a way to avoid paying the tax in full either! We have a farmhouse, which has been an empty property for 3 years as it requires significant work. (We can't afford to make it up at the moment) The house has been part of our farm for decades and we hope to retain ownership of the house for the family. We already pay the extra 50% tax on the empty house. If council tax rises to 100% on empty homes/second homes we will have to consider selling the property – and the new owners will probably be immigrants. I am sure that many local people/countryside will be in the same situation if this proposed addition to the tax comes into force. I would like you to consider that a tax increase could prevent local people from taking risks and generating income for the local area. Tourism is not all bad. We must be vigilant as local Welsh people that we do not shoot ourselves in our feet! Will raising taxes solve the problem? Not in my opinion. Should not the rural planning department be more innovative in promoting sustainable development?

... we were hoping to get new tenants asap. But we have been unable to get trades in to do work. We would not have been able to afford higher tax. Any higher tax would be incorporated in rent for the next tenant.

As someone who grew up in the property, and my parents had lived there for over 50 years, I feel we are being punished for inheriting the house... we are paying the council tax but receiving none of the benefits e.g. rubbish collection etc. If I was deriving income from the house, I would have no issue with paying the premium, but I am now paying council tax on a property that I cannot empty due to the Covid restrictions. My late Mother ran a B & B business at the property... and so contributed hugely to the local economy during that time. It is certainly not a second home in my view.

...we are first time home buyers and can't be any more local. Our house is only empty because we are physically unable to live in it due to renovations. It's shameful that local young first time buyers will be penalised due to the county's attempt to cash in on holiday lets.

Not fair that long-term empty dwellings have to pay an additional premium, bought a house and farm four years ago and renovation work on the house, work is going ahead on waiting for a pre-lined right and so on

We need better paid jobs and more council houses or small bungalows suitable for older people which would lead to bigger family houses in need of renovation coming on the market.

The refurbishment has taken much longer than expected . Solving the problem of dampness is proving very frustrating. Raising the premium can force me to sell and is likely to be bought as a second home.

In my case & no doubt others, the six months grace for developing empty properties is not sufficient due to physical restrictions & cash flow. Any increase in tax would lengthen the time to bring the property to market. Even the 50% Premium has a slowing effect on renovation. A 100% Premium would not encourage renovation of properties, particularly older ones of historic value to the local community.

Owns a long-term empty dwelling and a second home in Gwynedd

Please don't lump all empty properties into a single category of long term empty... I have properties that are sometimes empty for more than a few months due to lack of demand not a lack of desire on my part to let it to a local person. Please think about the effect on affordable housing of over taxing the landlords, some of whom are trying to help the local community.

Some people seem to have the impression that all second home owners are rich. From my experience most of them have worked hard for many years to buy a second home. Some may have inherited from a family member where it has not been possible to live and find work within the community and they have had to move away but want to keep a contact with their heritage. Most of the second home owners I know have fond memories of holidays in Wales long before they became second home owners here and most of them want to contribute to their local community as best they can.

how can it possibly be fair to put the council tax up when we have not been able to come to our property, due to covid restrictions enforced by your government??? you should be reducing it not increasing it!!!!!!

If this is to take effect I think it should only be effective for new purchases so persons are aware before buying. This decision could have a devastating impact on existing owners who have pushed themselves to their limit to purchase the property they have. This could severely impact on so many peoples lives

Encouraging empty homes back into use would be a positive thing for everyone whereas increasing tax on second homes would not help the community and would give the impression of an anti English campaign!

This is not the time for this increase, people are tired and weary of the financial effect of the pandemic. Review it again later. Even business and 2nd home owners have to manage financial constraints.

I feel that the Authority should distinguish between houses purchased for long-term empty dwellings and houses inherited from Welsh-speaking Wales. In such situations we keep these houses in the hand of Wales and pass it on from one generation to the next. If I were to sell these dwellings then there would be a Negative impact on local communities.

By having a one cap fits all policy you will hurt financially people who have second properties as a means of income. People who want holiday homes in Wales will pay a premium but will spend less locally to compensate.

Equality Impact Assessment

For help to complete this form see the *How to Undertake an Equality Impact Assessment* leaflet. You are also welcome to contact Delyth Gadlys Williams, Policy and Equality Officer on ext. 32708 or DelythGadlysWilliams@gwynedd.llyw.cymru for further assistance.

The Council's is required (under the Equality Act 2010) to consider the effect any change in policy or procedure (or the creation of a new policy or procedure), has on people with protected equality characteristics. The Council also has a general duty to ensure fairness and foster good relations. A timely Equality Impact Assessment must be undertaken before making any decision on any relevant change (i.e. which has an effect on people with protected characteristics).

I Details

I.1. What is the name of the policy / service in question?

Council Tax Premium on Long-term Empty Dwellings and Second Homes

I.2 What is the purpose of the policy / service that is being created or amended? What changes are being considered?

Since April 2018 the Council has charged a premium of 50% on the Council Tax of second homes and long-term empty dwellings. A report was presented to the Council meeting on 3 December 2020 recommending that the Premium level be kept at 50% for the 2021/22 financial year. An amendment to this proposal, for the Cabinet to consider consulting on increasing the level of the premium to up to 100%, was tabled and passed. At its meeting on 15 December 2020, the Cabinet agreed to hold a public consultation on the proposal to increase the Premium on Second Homes and Long-term Empty Properties up to 100% for the 2021/22 financial year.

I.3 Who is responsible for this assessment?

Dewi Morgan, Assistant Head of Finance (Revenues and Risk)

1.4 When did you commence the assessment? Which version is this?

15 December 2020. This assessment began after Cabinet decided that it would undertake a public consultation to ascertain public opinion on the proposal to change the Premium rate.

2) Action

2.1 Who are the partners you need to work with to undertake this assessment?

The Council has the power under the Local Government Finance Act 1992 (as amended) to adjust the Level of Premium by up to 100%. However, it is an explicit expectation that we should consult with the public and key stakeholders. A public consultation was held, with attention given in the local press and on social websites, and the Council wrote to owners of properties subject to the Premium.

The partners and key stakeholders were:

Gwynedd Residents
Taxpayers on empty properties and second homes

There was collaboration with several internal partners, e.g.:

Finance Department
Corporate Support Department
Gwynedd Council Cabinet Members
Full Council

2.2 What measures have you taken to engage with people with equality characteristics?

We have endeavoured to identify individuals with protected characteristics as the public consultation asks respondents to inform us of any protected characteristics so that these can be taken into account in the development of the policy.

The consultation was public and the questionnaire was available to anyone to complete online. Two press releases raising awareness of it were issued, and social media was used to raise awareness.

The Council wrote to all households subject to the Premium with a letter drawing their attention to the consultation. Where the different correspondence address was recorded in the Council Tax system, this was used. The letter referred to the Council's website and the opportunity to complete the questionnaire there, but the Council's website stated that anyone could contact the Council if they wished to receive a paper copy of the consultation.

2.3 What was the result of the engagement?

A public consultation was held between 22 December 2020 and 1 February 2021. 6,213 responses were received on the formal questionnaire, as well as around 100 separate letters and messages expressing dissatisfaction with the proposal.

The views of those who responded were divided, but over 70% of respondents were against. In general, second home owners in particular were opposed to the proposed raising of any premium, while another significant proportion supported charging a premium of up to 100%.

Respondents' comments were sought on the impact of the Premium on a number of aspects of social issues. A number of those who opposed the increase indicated that they had owned their property in Gwynedd for several years, and were very fond of the area. On the other hand, some of those responding claimed that there was a racist motive behind the intention to increase the Premium as the Council is against people from outside Gwynedd and that it is racist. No evidence was submitted to support this view.

There are two different categories of properties subject to the Premium, namely second homes and long-term empty properties.

Very few people want to pay more tax, and there was vehement opposition from second home owners in particular. It stands to reason that increasing the level of premium would have a financial impact on these individuals, but there was no evidence that any protected group would be affected. However, a number of those who have responded to the enquiry claim that the policy of raising the Premium is racist, anti-English, although no discrimination exists when setting the premium.

2.4 On the basis of what other evidence are you operating?

The Equality Act 2010 allows the Council to act positively towards some cohorts if there is evidence of need ("take action to meet the needs of people from protected groups where these differ from the needs of others"). Several studies by the Council have identified that there is a problem with the availability of housing for young families in Gwynedd, so we have identified a problem and are taking steps to deal with that. Young people have been priced out of the local housing market.

On 25 November 2020, there were:

- 4,718 dwellings subject to the Premium on second homes (Class B)
- 165 further second homes in Class B but not paying the Premium as they were subject to one of the statutory exemptions
- 811 properties within Class A where the occupation is prohibited for a period of at least 28 days in the relevant year and no Premium may be charged.

At the same time, 1,130 properties were subject to the Premium on long-term empty properties

Study on the Effect of Holiday Homes

A key consideration by the Council in voting on the amendment to postpone the decision on charging a premium in 2021/22 was the detailed report Holiday Homes Research Work that was submitted to the Cabinet meeting on 15 December 2020:

<https://democracy.gwynedd.llyw.cymru/documents/s27960/Item%208%20-%20Report%20Holiday%20Homes.pdf>

This follows a similar study carried out in 2013.

This report shows that the total number of holiday homes (second homes and self-catering holiday units) within Gwynedd continues to increase, and asks for the Cabinet's commitment to take decisive action to address the situation.

The study is the result of detailed research that has been undertaken over recent months, and highlights that there are a number of factors that influence Gwynedd's housing stock. It builds on studies that have been undertaken in the past and highlights that there are pressing issues that continue to need attention, and that the situation within Gwynedd communities, particularly those that attract visitors, is intensifying.

Whilst the scope of the study also extends to planning issues, leading attention is given to the financial incentive that exists of owning a holiday home as well as the taxation advantage that exists of meeting the legal thresholds for transferring property to the non-domestic rates regime (these properties are not subject to the premium).

Property Values

Second home Council Tax bands are generally higher than Gwynedd properties as a whole. In December 2020, 33.9% of Gwynedd's second homes were in Council Tax Band E or above, compared with 21.5% of Gwynedd properties overall. On the other hand, long-term empty property bands are lower. Only 17.8% of these properties are in band E or above.

One of the themes emerging from the consultation was that a number of second homes were a family home that had been inherited and retained by the family, or that the property had been owned by the family as a second home for a number of years.

2.5 Are there any gaps in the evidence that needs to be collected?

Apart from the sense of some respondents that Gwynedd Council is generally racist about considering raising the Premium and then increasing it, no evidence has been received to support that as studies have been undertaken suggesting that action is needed to address housing problems in rural areas of Gwynedd.

The consultation included an equality questionnaire. This suggested that a higher proportion of second home owners than the general population are older people.

3) Identifying the Impact

3.1 The Council has to give due regard to the effect any changes will have on people with the equality characteristics noted below. What impact will the new policy/service or the proposed changes in the policy or service have on people with these characteristics? You are welcome to any other characteristics if you wish.

Characteristics	What type of impact?*	In what way? What is the evidence?
Race (including nationality)	Positive	<p>The policy of charging a premium is intended to address the situation that housing is not available to local people, and the impact is positive on this cohort.</p> <p>The policy will affect people from outside Gwynedd and some respondents to the public consultation claim that the Policy would be racist as it targets people from outside Wales. However, there is no consideration of the race of the property owners when a premium is charged on second homes and long-term empty properties.</p> <p>The Premium is charged on all second homes and long-term empty properties without in any way discriminating on where the owners live or what their race or nationality is.</p>
The Welsh language	Positive	<p>There will be an indirect impact on the language as the purpose of charging a premium is to encourage owners of long-term empty properties and second homes to return the property to the local housing stock, or to pay additional Council Tax. Premium yield to date have been used to meet local housing needs. Supporting the Welsh language is, therefore, a core part of this policy.</p> <p>In particular, there will be a positive impact on the balance of communities as premium products fund the Housing Action Plan which supports local families to buy an affordable home.</p>
Disability	Insignificant	<p>There is a small possibility of differentiation indirectly on the grounds of disability if someone with a disability keeps an adapted property in Gwynedd as they cannot have a holiday elsewhere.</p>
Sex	None	No impact has been identified

Age	Positive	<p>A 2013 study showed that the demographic makeup of communities with high proportions of second homes was different; in general, the resident population is 'older'. This affects the balance of communities and will have an impact on the future resilience and sustainability of these areas.</p> <p>It went on to note that the profiles of second home owners themselves suggested that they were generally middle-aged or retired, and richer than the national average. Shelter (2011) (<i>Taking Stock, an assessment of under-utilisation of housing stock in England</i>) estimated that 60% of second home owners nationally were aged between 45 and 60 compared with 40% across all owner-occupied in this age group. The responses from the current public consultation have suggested the same.</p> <p>Therefore, there is evidence that the financial losers are older, but it is expected that older people living in the relevant areas throughout the year will benefit as local society will be more resilient and sustainable.</p> <p>However, the policy will have a positive impact as it helps young families to have a home. This will then have a more positive than negative impact on community balance.</p>
Sexual orientation	None	No impact has been identified
Religion or belief (or non-belief)	None	No impact has been identified
Gender reassignment	None	No impact has been identified
Pregnancy and maternity	None	No impact has been identified
Marriage and civil partnership	None	No impact has been identified

3.2 The Council has a duty under the 2010 Equality Act to contribute positively to a fairer society by promoting equality and good relations in its activities regarding the following characteristics – age, gender, sexual orientation, religion, race, gender reassignment, disability and pregnancy and maternity. The Council must give due attention to the way any change affects these duties.

General Duties of the Equality Act	Does it have an impact?*	In what way? What is the evidence?
Abolishing illegal discrimination, harassment and victimisation	No	
Promoting equal opportunities	Yes	This will provide equal opportunity for local people who are currently unable to afford a home. The current housing situation is unequal and the decision is intended to stabilise and rectify this situation.
Encouraging good relationships	Yes	<p>The policy of charging a Premium can promote good relationships with people within the communities of Gwynedd if the Policy gives them the opportunity to have a better home, or a first home. The need for action now has been identified so that the needs of our communities can be identified.</p> <p>Some second home owners have claimed in their consultation response that increasing the level of the Premium will cause community ill feeling, but there is no evidence to support this claim. The current disparity is more likely to create resentment.</p>

4) Analysing the results

4.1 Is the policy therefore likely to have a significant, positive impact on any of the equality characteristics or the General Duty and what is the reason for this?

One of the main outcomes of the Premium is the funding of the Housing Action Plan. This scheme will address social disparity within Gwynedd. The Equality Impact Assessment completed during the preparation of the Housing Action Plan sets out the very positive steps that will result from the implementation of the Scheme, with the financial support of the Premium:

<https://democracy.gwynedd.llyw.cymru/documents/s27958/Item%206%20-%20Appendix%20B%20-%20Equality%20Impact%20Reprt.pdf>

The Premium is intended to aim to reduce inequality within the communities of Gwynedd, and contributes to that by funding specific projects.

Details of an assessment of the Well-being of Future Generations Act can be found in the body of the Cabinet report.

4.2 Is the policy therefore likely to have a significant, negative impact on any of the equality characteristics or the General Duty and what is the reason for this?

The premium will be subject to two specific cohorts of the population, namely second home owners, and owners of long-term empty homes. That is not considered to affect any of the protected characteristics disproportionately.

However, it should be noted that consultation responses, together with national studies strongly suggest that second home owners tend to be older people. A number of the consultation responses suggest that some of these older owners are "asset rich / cash poor". That is, they have bought the property for several years or inherited it, but their income is not necessarily high. This ultimately raises a very small amount of doubt if the Council is fulfilling its statutory duties, but that must be weighed against the poverty, unemployment and homelessness in rural Gwynedd. According to the Housing Action Plan, 59% of Gwynedd residents have been priced out of the market in Gwynedd.

A number of the responses to the public consultation have stated that this Policy is racist as it targets individuals living outside Wales. However, the Premium is charged to all properties that are second or long-term empty properties without any discrimination. The negative impact on race, if it exists at all, is not significant.

4.3 What should be done?

Choose one of the following:

Continue with the policy / service as it is robust	
Adapt the policy to delete any barriers	
Suspend and delete the policy as the detrimental impacts are too big	
Continue with the policy as any detrimental impact can be justified	✓

4.4 What steps will you take to reduce or mitigate any negative impacts?

There is no evidence that increasing the premium on long-term empty properties would have any negative impact on any of the groups with protected characteristics.

There is very little evidence that increasing the premium on second homes would be discriminate against a protected group, although data suggests that second home owners tend to be older people. The policy in relation to Council Tax Premium is intended to recognise that long-term empty properties and second homes increase some of Gwynedd's social problems, and the owners should make a financial contribution to alleviate some of the disadvantages they cause.

There is a claim that the policy of raising the Premium is racist because of where second home owners live, but a number of those who have answered the consultation note that Welsh people own a property in Gwynedd while their main home is outside Wales. The Premium will be charged based on the characteristics of the property, not the characteristics of the owner, so there is no evidence to support the allegation of racism. On the other hand, there will be a potential impact if local families can afford to buy a property in their local area rather than having to move away to get a home.

Individuals who are for and against raising the Premium have expressed dissatisfaction with the same question on the impact of the Premium on the economy (claiming to be "leading"), which suggests that the balance of questions is correct.

4.5 If you are not taking any further action to delete or reduce the negative impacts, explain why here.

The level of premium is ultimately a political issue, taken on the basis of the evidence available. Elected members will reach a decision on the appropriate balance between the additional cost to owners of second homes and long-term empty properties and the associated incentive of bringing properties back into use, against the social well-being that would result from the ability to realise specific schemes to address social disparity.

5) Monitoring

5.1 What steps will you take to monitor the impact and effectiveness of the policy or service (action plan)?

The setting of the Premium level will require the annual approval of the full Council. The Finance Department will continue to keep track of changes to the status of long-term empty properties and second homes, and act as necessary to assess if there are equality issues behind transfer to non-domestic rating.