

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

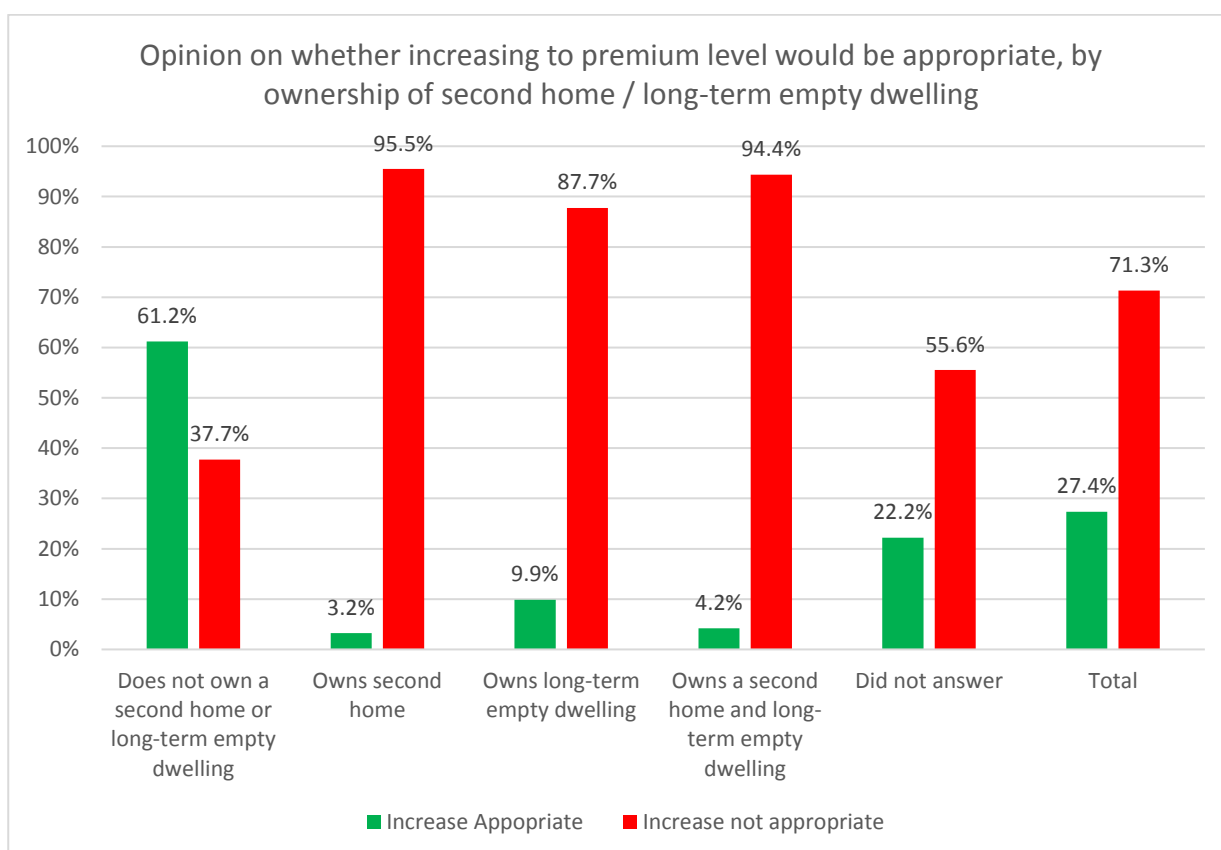
5.13. The Research and Information Team has made considerable efforts since the consultation closing date on 1 February to analyse the results. The outcome of their work can be found in Appendix 2.

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").

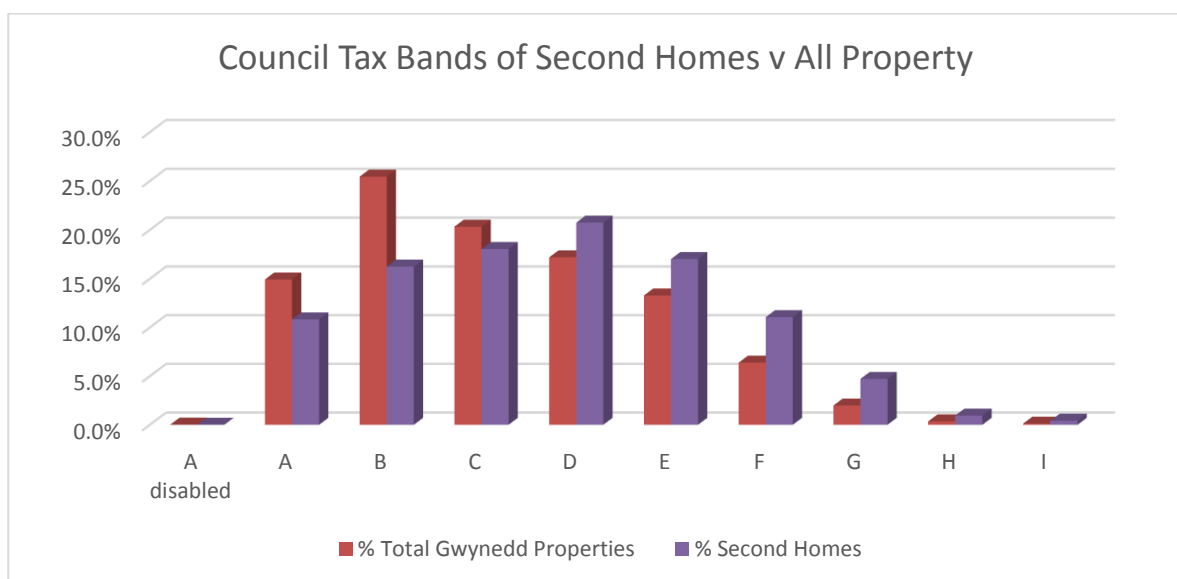
5.15. However, looking at the results in more depth, it is seen that there is a clear difference between the views of respondents who own second homes and those who do not. Almost 4 in 5 (78.9%) of respondents who own a second home think that second homes are currently having a positive impact on local 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:



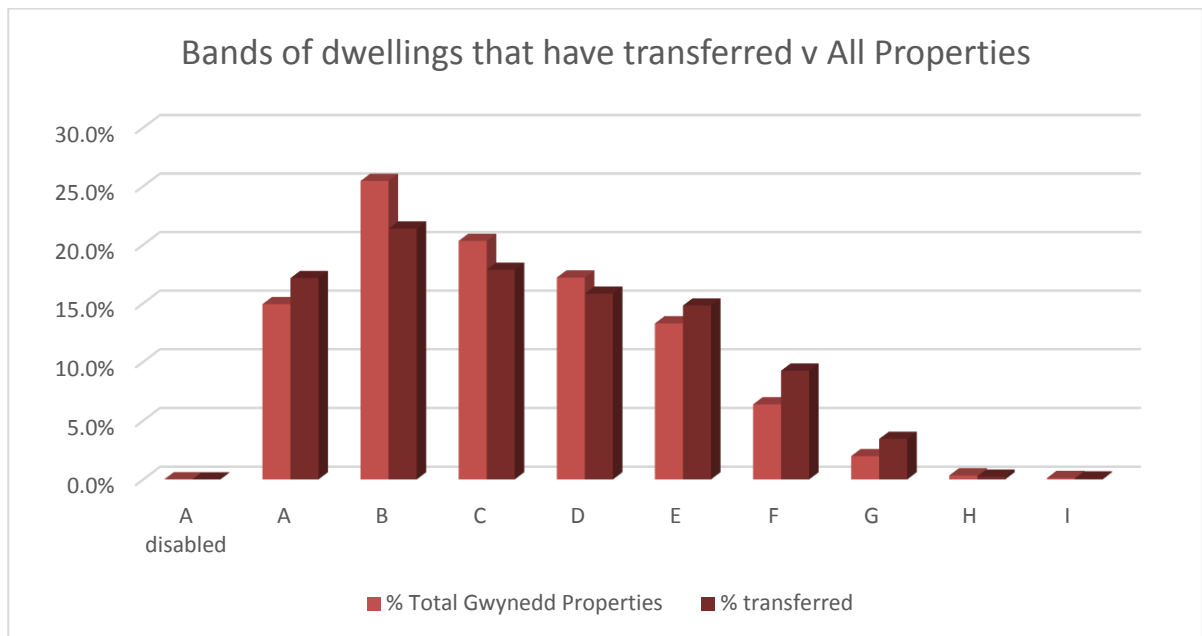
6. TRANSFER OF SELF-CATERING HOLIDAY UNITS

- 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:

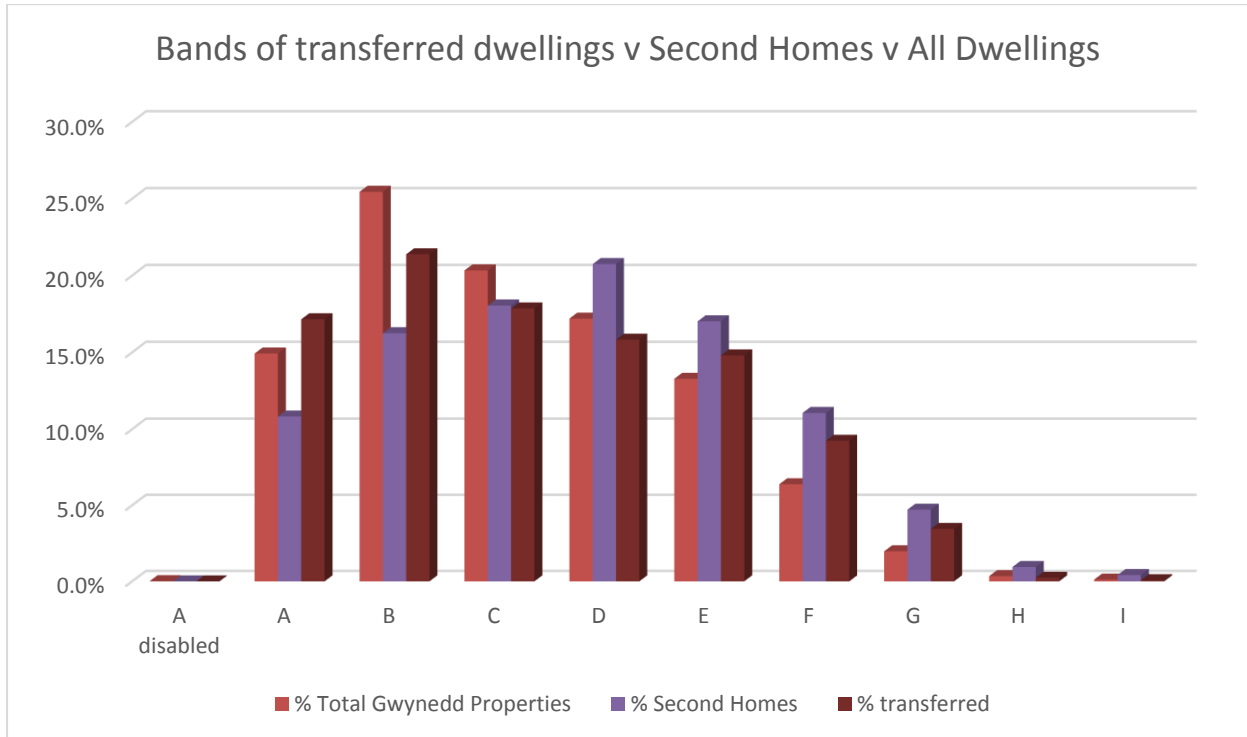
Financial Year	Number of transfers
2020-21 (to 31/01/2021)	419
2019-20	397
2018-19	454
2017-18	282
2016-17	199
2015-16	167
2014-15	188
Total	2,106

- 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.

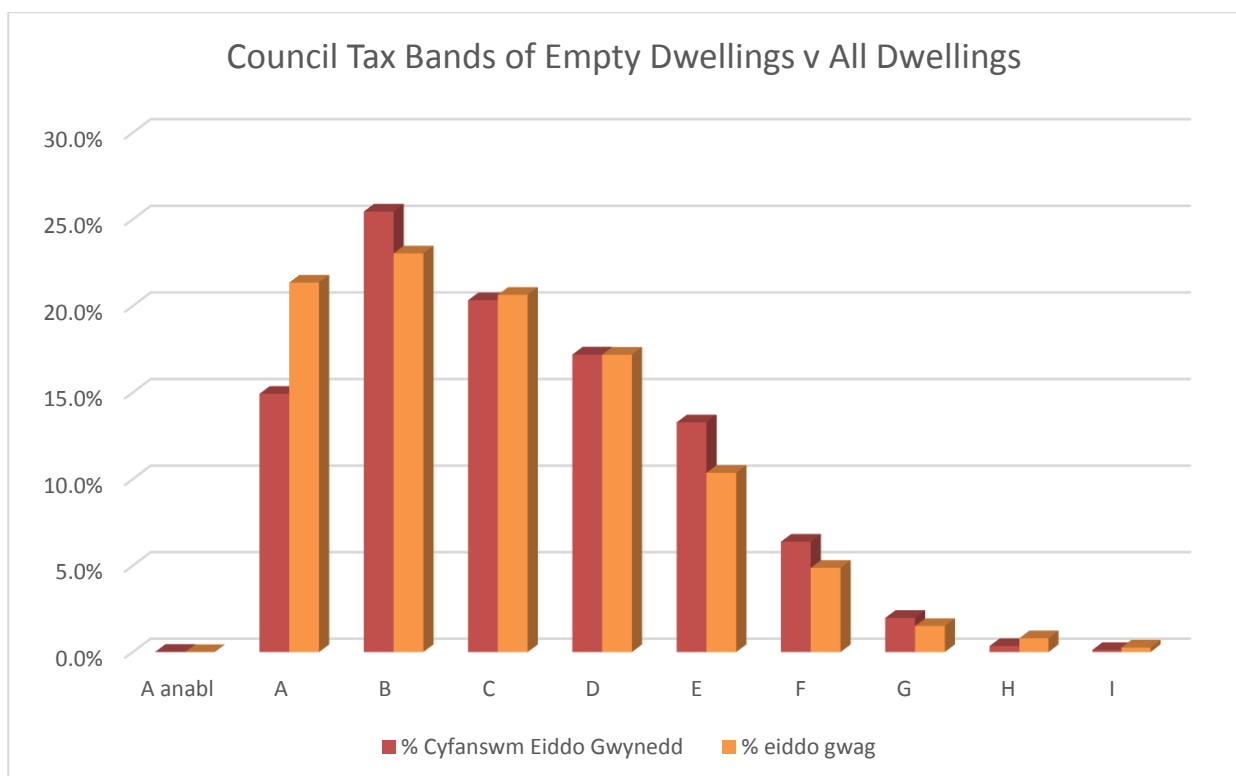


6.9. Since 1 April 2018, an average of over 400 properties a year have been lost from the Council Tax bands to non-domestic rates. Gwynedd Council's Band D Council Tax 2020/21 is approximately £1,430 which means that the annual Premium (at 50%) is £715. Every 400 properties transferring, based on current 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.