

There is currently an exemption from Council Tax for up to six months for properties that are unoccupied and unfurnished. Welsh Government proposes to retain the 6 month exemption and for local authorities to retain discretionary discount to offer a further discount or charge up to the full rate council tax after six months.

There is no intention to change the discretionary discount scheme, but local authorities will also have the power to charge a premium of up to an additional 100% of the Council Tax for properties which have remained unoccupied and unfurnished for at least one year.

Should the six-month exemption period be retained for unoccupied and substantially unfurnished dwellings?

Recommended Response

Yes. The Council welcomes proposals that retain current exemption but would effectively allow a tiered charging approach for unoccupied and unfurnished properties, i.e. no charge for month 1-6, full charge for month 6-12, potential double charge after month 12

There is currently an exemption from Council Tax for up to twelve months for properties requiring or undergoing major repair work to render them capable for habitation.

The Welsh Government does not want to unfairly penalise an owner of an empty property is undertaking major repair work only to become liable for the Council Tax premium after 12 months. WG propose that these properties would only become liable for the premium if they remain unoccupied and unfurnished after 18 months

Do you think an exemption to the premium for properties undergoing major repair work is required? If so, is 18 months a reasonable length of time for major repair or structural alteration to be completed and for the property to be brought back into use?

Recommended Response

Yes, the Council again welcomes proposals that would effectively allow a tiered charging approach for properties that are undergoing repair, i.e. no charge for month 1-12, full charge for month 12-18, and potential double charge after month 18.

Unoccupied properties, which have become vacant due to the death of the owner or tenant, are exempt from Council Tax until probate is granted. This exemption even continues for a further six months after probate has been granted. After that, properties become liable for the full rate in line with current Council policy.

Welsh Government recognise that it may be some time to determine the future use or disposal of a property once probate has been granted. As a result, WG proposes to exempt these properties from the premium for 12 months after the grant of probate, but local authorities will still be able to charge the full rate after six months of probate being granted.

Should these properties be given an exemption from the premium until 12 months after probate or letters of administration have been granted?

Recommended Response

Yes

There is already special provision for armed forces accommodation under the Council Tax system. WG proposes that the Council Tax premium should not apply to members of the armed forces who own a property which is unoccupied and unfurnished while they are living in accommodation provided by the armed forces.

Should Armed Forces personnel who own a property which is unoccupied and unfurnished be exempt from the Council Tax premium on long-term empty homes?

Recommended Response

Yes, the Council recognise the important role of the armed forces and steps to exempt this type of empty property from the premium would be welcomed by the Council

Annexes attached to another property are treated as separate properties for Council Tax and annexes are exempt altogether when they are occupied for a dependant relative of pensionable age or who is disabled. An unoccupied annex is also exempt when it forms part of another property and may not be let separately from the other dwelling without a breach of planning control.

It is recognised by WG that there are circumstances where owners might have adapted their homes to provide accommodation for a dependent relative, but the annexe is no longer required for this purpose. WG propose exemption for these type of properties should they become unoccupied and unfurnished which have previously been used by a dependant relative.

Should there be an additional exemption from the Council Tax premium for unoccupied and substantially unfurnished annexes which are treated as part of the main dwelling?

Recommended Response

Yes

WG propose that where an owner of a long term empty property (i.e. usually a property left empty for six months or longer) is taking genuine steps to bring their property back into use by marketing it for sale or renting out, the property should be exempt from the Council Tax premium for a period of 2 years from the date the property first became unoccupied. This means the premium would only apply if at the end of the two year period a property which is for sale and still empty could attract a Council Tax premium.

Should owners of properties actively being marketed for sale or let be exempt from the Council Tax premium on long-term empty homes? If so, what evidence should owners be required to show to prove their property is actively being marketed for sale or let?

Do you think an exemption from the premium for two years for properties being marketed for sale or let is a reasonable period to enable the owners to bring them back into use?

Would it be more appropriate to provide guidance to Local Authorities on the application of this exemption rather than setting out its application in legislation?

Recommended Response

Yes, the Council would support the introduction of an additional safeguard of a two year exemption period to support owners who are genuinely looking to dispose of a property.

The Council would recommend that owners must be expected to demonstrate they are actively marketing the property for sale or let at a reasonable local market rate, when compared to comparable property being advertised in the locality.

Evidence would need to be submitted to the Council showing the property is being continuously marketed throughout the duration of the exemption period and such evidence should also prove the property is actively marketed by an accredited property/sale or letting website.

In order to retain some flexibility around the application of this exemption, it would be better to allow each local authority to determine whether a property is genuinely being marketed for sale. The development of a simple guidance document by WG would be useful to ensure that each local authority is administering this exemption in the same way.

Appendix 2 – Responses to the Welsh Government Consultation on Exemptions to the Council Tax Premium on Long Term Empty Homes

Are there any other exemptions to the Council Tax premium on long-term empty homes which should be considered?

Recommended Response

No

Should any other existing exemptions to Council Tax be reviewed in light of the introduction of the premium?

Recommended Response

No

To assist with the fair and consistent implementation of this policy, WG aim to provide guidance to local authorities which they must have regard to when developing local policy. This guidance will be issued before local authorities consider whether or not to implement the premium. It is intended that guidance will include information to support all administration of the premium and the application of proposed exemptions including the evidence that would normally be used to consider whether a property is being actively marketed for sale or let.

Do you think guidance should cover these areas? Are there any other areas which should be covered in guidance for Local Authorities?

Recommended Response

Yes, guidance should cover all aspects of exemptions.