

APPENDIX 1

Draft Responses to the Welsh Government Consultation Document Discretionary Powers for Local Authorities to Increase Council Tax on Second Homes

Q1 *Should Local Authorities in Wales have discretion to charge more than the standard full rate of council tax on second homes?*

Yes – The discretion to charge additional rates of Council Tax would increase revenue, with the potential of encouraging 2nd home owners to consider renting / selling the properties which would increase housing availability.

Q2 *What benefits or disadvantages do you think charging additional council tax on second homes might have for local communities or for Wales as a whole?*

The Benefits / disadvantages would be dependant on the composition of the areas. In areas where there is a high concentration of second or holiday homes, there would be the benefits of higher revenue to support local services and the potential of increasing rental availability with the resultant increase in the local economy supporting the retail sector.

Q3 *What do you think the maximum level of additional council tax on second homes should be?*

This should be the same level as Welsh Government proposals for long term empty properties, (i.e. up to 200% of the normal Council Tax rate. This would ensure transparency and ensure there is not a financial advantage to switch 2nd homes into empty properties.

Q4 *Do you think the maximum level of council tax should be the same for second homes and long-term empty properties?*

As Question 3

Q5 *Do you think the additional tax should be set at the same level across the whole of a Local Authority's area?*

Yes, but there should be discretion at a local level to assess the concentration and impact of 2nd homes in community areas.

Q6 *Should the additional tax apply to particular types of second home only?*

Yes- see question 7

Q7 *Should certain types of second home be exempt from the additional charge?*

Due to the Council Tax regulations definition of sole or main residence, there are instances which are not generally considered as second homes but would

be included. Therefore there should be either statutory or discretionary exemptions available in cases such as:-

Specialist Workers who are based and live in County area during working days but have a family home (main residence) elsewhere, in this instance these workers contribute to the community by sharing their expertise and can be resident for 5 days per week.

Inherited properties which are unable to be sold due to market conditions

Q8 *How might any additional funds raised be used to support local communities which have larger numbers of second homes?*

Q9 *Do you have any other points you wish to raise which are not already covered in this consultation document?*

The identification of second homes in many cases will be difficult as it will be dependant on the home owner advising the Authority that it is a second home and therefore liable for higher levels of Council Tax.

In instances where properties are currently identified as second homes it would be expected that these homes would then be “occupied” as the main home.