

Council Tax Premium on Long Term Empty Homes & Second Homes

Wellbeing Impact Assessment Report

This report summarises the likely impact of a proposal on the social, economic, environmental and cultural well-being of Denbighshire, Wales and the world.

Assessment Number:	142
Brief description:	<p>Welsh Government legislation (Housing (Wales) Act 2014) means that Local Authorities in Wales can now charge an additional Council Tax premium of up to 100% on Long Term Empty Homes and Second Homes. ie up to 200% would be payable. Welsh Government intend this 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</p> <p>Following these intentions Denbighshire County Council is considering the adoption of this premium and the rate to apply. A premium of 50% on Long Term Empty Homes and 50% on Second homes is proposed.</p>
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Completed by:	Rachel Thomas
Responsible Service:	Finance
Localities affected by the proposal:	Whole County,

IMPACT ASSESSMENT SUMMARY AND CONCLUSION

Before we look in detail at the contribution and impact of the proposal, it is important to consider how the proposal is applying the sustainable development principle. This means that we must act "in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs."

Score for the sustainability of the approach

Could some small changes in your thinking produce a better result?



(3 out of 4 stars)

Actual score : 18 / 24.

Summary of impact

Wellbeing Goals



A prosperous Denbighshire	Positive
A resilient Denbighshire	Positive
A healthier Denbighshire	Positive
A more equal Denbighshire	Positive
A Denbighshire of cohesive communities	Positive
A Denbighshire of vibrant culture and thriving Welsh language	Positive
A globally responsible Denbighshire	Positive

Main conclusions

Welsh Government have given Local Authorities in Wales the power to charge a premium on Council Tax on Long Term Empty Homes and Second Homes. This 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 Denbighshire County Council is now considering the adoption of this policy and has undertaken a public consultation which ran from 16th November to 14th December 2016. The results of the consultation have fed into this assessment. The overall findings are that to implement a Council Tax premium on these properties would achieve Welsh Government's intentions which in turn would have a positive impact for individuals finding local housing, and more collectively on local economies and local communities both in urban and rural areas of Denbighshire.

THE LIKELY IMPACT ON DENBIGHSHIRE, WALES AND THE WORLD

A prosperous Denbighshire

Overall Impact	Positive
Justification for impact	In line with the intentions of Welsh Government, adopting a Council Tax Premium on these type of properties to be put back into the supply of affordable housing for purchase and the rental sector. Those residents in turn will then be able to contribute to the local economy, improving the sustainability of local communities in Denbighshire both rural and urban.

Positive consequences identified:

Bringing long term empty homes and second homes back into the supply of affordable housing will enhance the sustainability of local communities. It will contribute to regeneration and contribute positively to the vitality and viability of both rural areas and town centres in Denbighshire.

Unintended negative consequences identified:

In our consultation the overall impact was felt to be positive although some responses suggested that a premium on second homes may reduce tourism. However having properties in full time use is arguably a better economic contribution to a locality.

Mitigating actions:

We have proposed to set the additional council tax levy at 50% for Second Homes rather than the maximum 100% to try and mitigate the impact on tourism within Denbighshire.

A resilient Denbighshire

Overall Impact	Positive
Justification for impact	Long term empty properties and occasionally second homes can sometimes be neglected and fall into disrepair to the detriment of the physical locality. By encouraging these properties to be brought back into use will have a positive impact on the built environment.

Positive consequences identified:

Long term empty properties particularly but also some second homes can sometimes be neglected and fall into disrepair to the detriment of the physical locality. By encouraging these properties to be brought back into use will have a positive impact on the built environment.

Unintended negative consequences identified:

50% levy on Long Term Empty properties may not be a significant enough financial incentive to bring properties back into circulation thus not supporting the corporate housing priorities.

Mitigating actions:

On whether 50% is sufficient incentive, we will review the proposed 50% levy for Second Homes and Long term Empty Homes to ensure it is having the desired effect.

A healthier Denbighshire

Overall Impact	Positive
Justification for impact	Bringing these properties back into use will improve the social and physical environment and thereby improve the well being of those who live or spend time in these localities.

Positive consequences identified:

Long term empty properties and occasionally second homes can sometimes be empty for long periods, possibly neglected and falling into disrepair. This can impact negatively on the social and physical environment. By encouraging these properties to be brought back into use will have a positive impact in improving the 'look and feel' of the locality.

Unintended negative consequences identified:

Mitigating actions:

No action required

A more equal Denbighshire

Overall Impact	Positive
Justification for impact	An increase in supply may drive down house prices which would be positive for buyers although it is noted that this may have a negative financial impact on those selling. However the overall impact is viewed as positive as bringing properties back into the market place will increase the supply for the benefit of those needing housing.

Positive consequences identified:

Bringing properties back into the market place will increase the supply for the benefit of those needing housing. Also an increase in supply may bring down prices which would be positive for those buying.

Unintended negative consequences identified:

An increase in supply may bring down house prices which is a negative consequence for those selling.

Mitigating actions:

No action required

A Denbighshire of cohesive communities

Overall Impact	Positive
Justification for impact	More affordable housing will bring in additional residents to communities and they can contribute social and economically to that community. Long term empty properties themselves are likely to be in a better state of repair once brought back use.

Positive consequences identified:

Instead of having empty properties or second properties where people stay short term, these properties would be occupied by people who are more likely to be part of the local community. Bringing properties back into the market place will improve the properties which in turn will have a positive impact on the attractiveness of the area.

Unintended negative consequences identified:

Mitigating actions:

No action required

A Denbighshire of vibrant culture and thriving Welsh language

Overall Impact	Positive
Justification for impact	Whilst lower house prices may attract those from outside Wales it is anticipated that local people are more likely to purchase these properties. For this reason it is felt that the overall impact would be positive on the Welsh language.

Positive consequences identified:

A response to our consultation suggested having more homes available for local people would mean more able to retain Welsh speakers.

Unintended negative consequences identified:

If house prices are lower this may attract buyers from further afield including outside Wales, who are likely to be non Welsh speaking.

Mitigating actions:

No action required

A globally responsible Denbighshire

Overall Impact	Positive
Justification for impact	Homes in full time use are much more likely to contribute to the local economy.

Positive consequences identified:

Homes in full time use are much more likely to contribute to the local economy.

Unintended negative consequences identified:

The reduction in second homes may impact on tourism which will have a negative impact on local chains but the positive impact of homes in full time use outweighs this consequence.

Mitigating actions:

No action required