

Report to	Cabinet Briefing
Date of meeting	7 th October 2024
Lead Member / Officer	Cllr Gwyneth Ellis Lead Member for Finance, Performance and Strategic Assets/ Head of Finance and Audit
Report author	Principal Revenues, Benefits and Contract Manager / Quality & Performance Manager // Service Delivery Manager
Title	Second Home / Long-term Empty Council Tax Premium

1. What is the report about?

- 1.1 The council's policy for council tax premium charging on second homes and long term empty properties, including preparations for reviewing the policy so that any amendments can take place at the start of the 2026/27 financial year.

2. What is the reason for making this report?

- 2.1 In September 2023 the council set a charging policy that covered financial years 2024/25 and 2025/26. This report seeks your endorsement to the policy in readiness for the new financial year (2025/26).
- 2.2 To seek approval from Cabinet to review the charging policy for 2026/27 with proposed timescales set out in 4.5

3. What are the Recommendations?

- 3.1 To note and endorse the council's charging policy for 1st April 2025 as set out in para 4.1.

- 3.2 To consider and approve the proposed timeline set out within this paper to review the policy for 2026/27.

4. Report details

- 4.1 On the 5th September 2023 at Full Council, the Long Term Empty and Second Home Premium charging policy was approved for 2024/25 and 2025/26. The charges agreed were confirmed:

From 1 April 2024

- 100% over the standard Council Tax charge from April 2024 for all Second Homes and Long-Term Empty properties, that have been empty for less than 5 years and;
- An additional 50% on properties that have been unoccupied and unfurnished for 5 years or more

From 1st April 2025

- 150% over the standard Council Tax charge from April 2025 for all Second Homes and Long-Term Empty properties, that have been empty for less than 5 years and;
- An additional 50% on properties that have been unoccupied and unfurnished for 5 years or more;

The decision to develop a two-year charging policy was intended to provide those tax payers impacted by the premium with an element of financial certainty.

- 4.2 The policy did not cover financial year 2026/27 onwards and it is therefore necessary to begin planning a review to understand the impact of current policy to inform future decisions.
- 4.3 We are proposing to analyse management information and compare data and policy with regional and national partners. This will include reviewing any feedback received and discretionary policies/exemptions that have been developed elsewhere to support certain groups e.g. First-Time Buyers.

4.4 We have developed an operational plan with key milestones aligned to the timelines in section 4.5. This will allow enough time to gather nine months of data on the impact of the 2024/25 premium increase for Cabinet review.

4.5 Communication to Members will be made prior to the commencement of the Public Consultation.

Timescales:	
3 rd March 2025	Present outcome of 2024/25 data analysis and proposals to Cabinet briefing.
26 th March 2025	Advance notice of public consultation to SLT/Cllrs/Members/Key Partners
28 th March	Press Release/ Social Media/ Comms to identified Long Term Empty & Second Home Owners.
3 rd April to 2 nd May 2025	Public consultation.
26 th June 2025	Present proposals and outcome of public consultation to Communities Scrutiny Committee.
7 th July 2025	Present outcome report and Wellbeing Impact Assessment to Cabinet Briefing.
29 th July 2025	Present outcome report and Wellbeing Impact Assessment to Cabinet.
9 th September 2025	Present outcome & proposal report for 2026/27 and going forward to Full Council.

Please note, that at full Council in September 2023 the following resolution was passed in relation to income generated by the premium -

(vi) the extra funding generated by this proposal is allocated for local communities, amenities and to tackle homelessness

5. How does the decision contribute to the Corporate Priorities?

5.1. The purpose of the premium charge is to increase affordable housing within Denbighshire and to maintain and grow sustainable communities. The scheme has a neutral effect on the Council becoming Net Carbon Zero and ecologically positive by 2030.

6. What will it cost and how will it affect other services?

6.1 Increasing the premium will impact staff resources, leading to higher customer engagement and appeals for the council tax team. The property inspector will need to conduct more visits to minimise fraud and tax avoidance. However, raising the premium percentage will generate additional revenue, supporting the Empty Homes Team's goal to reduce long-term empty properties and positively affecting Homeless Prevention efforts. Any additional resource needs for the Revenues team will be addressed in the Spring 2025 report.

7. What are the main conclusions of the Well-being Impact Assessment?

7.1 A wellbeing impact assessment was carried out as part of the previous consultation in July 2023. It is proposed that another will be undertaken before this is taken back to cabinet in June 2025

8. What consultations have been carried out with Scrutiny and others?

8.1. The authority previously undertook a public consultation in May 2023 and would propose to repeat this in April 2025. We have plans to engage with the scrutiny process in June 2025.

9. Chief Finance Officer Statement

9.1 It is appropriate that the council reconfirms the position with regard to council tax premiums on second homes and long-term empty properties for 2025/26. This will raise awareness with residents and those affected. It is necessary to begin planning to review the policy going forward based on evidence on the impact the policy has had in terms of changing behaviours etc to date.

10. What risks are there and is there anything we can do to reduce them?

10.1 A risk of varying the rate of premium at this stage before a full evaluation of the current increase could have potential negative impact on the authority, tourism industry, and detrimental financial impact to individuals.

11. Power to make the decision

- *Housing (Wales) Act 2014.*
- *The Council Tax (Exceptions from Higher Amount) Wales Regulations 2015.*
- *The Council Tax (Long-term Empty Dwellings and Dwellings Occupied Periodically (Wales) Regulations 2022.*