

Report

Council

Part 1

Date: 23 January 2024

Subject **Council Tax Premiums for Long Term Empty Properties and Second Homes**

Purpose This report provides Council with Cabinet's recommendations on the introduction of council tax premiums for long term empty properties and second homes.

Author Head of Finance and Benefits Manager

Ward All

Summary Cabinet at its meeting on 10 January 2024 looked at the options available for charging council tax premiums for long term empty properties and second homes as a way to encourage owners to bring properties back into use and reduce the number of unoccupied and underused properties across the city.

Cabinet decided to recommend introducing council tax premiums and this report sets out the full proposal for Council to consider.

Proposal **To consider Cabinet's recommendation to introduce council tax premiums for long term empty properties.**

To move a recommendation to introduce Council Tax premiums in line with paragraph 3.1 from 1st April 2024 for long-term empty homes and 1st April 2025 for second homes at a rate of 100%.

Action by Head of Finance and Revenues and Benefits Manager.

Timetable Effective from 1 April 2024 for long term empty properties and 1 April 2025 for second homes.

This report was prepared after consultation with:

- Head of Finance
- Head of Law & Regulation
- Head of People Policy and Transformation

Signed

1. Background

- 1.1 Since the pandemic Newport has seen a 114 per cent rise in demand for temporary accommodation. In March 2023, there were over 450 households placed in temporary accommodation under the council's statutory housing duties. There are currently over 9,000 people on the Common Housing Register for social housing in the city. In 21/22 there were 686 new letting of social housing of which 302 went to homeless households.
- 1.2 As a council we are committed to transforming our housing service to meet current pressures, improve outcomes for citizens and to ensure that homelessness becomes rare, brief and unrepeated in the city. To achieve this we must increase the supply of good quality and affordable accommodation by making best use of all available housing stock, including empty properties. There are currently high numbers of empty properties that despite efforts to encourage owners to bring them back into use, remain empty, often for many years. There are also a small number of second homes in the city that are kept furnished and ready for use but are not used as anyone's sole or main residence.
- 1.3 There are currently 2,565 empty dwellings in the city, of which 1,440 are exempt from paying council tax. Of the remaining 1,125, many of those, around 830 are long term empty properties, having been continuously vacant for a year or more. There are currently 15 second homes.
- 1.4 From April 2019, Newport City Council removed the discretionary 50% discount on empty homes and no reductions are available other than the statutory exemptions when a property first becomes empty and unfurnished.
- 1.5 In the case of empty properties, they are initially exempt for 6 months, or 12 months if major work is required. Following the expiration of the exemption period, council tax is charged at the full standard rate. If introduced, a premium would apply after a property has been empty and unfurnished for a period of at least 12 months which includes the exemption period.
- 1.6 The Housing (Wales) Act 2014 gives local authorities in Wales the discretion to charge a premium on top of the standard rate of council tax on long-term empty dwellings and second homes. Most Welsh councils have now adopted premiums and Newport City Council is one of only a handful of authorities yet to do so.
- 1.7 The Council can choose any percentage for the premium up to a maximum of 300% of the standard council tax. A premium of 100% effectively doubles the amount due, a premium of 300% would see four times the standard council tax being charged.
- 1.8 The intention of charging a premium is to encourage property owners to bring them back into use as soon as possible to avoid having to pay a premium. Should they remain unused the additional income raised from the premium can be used by the Council.
- 1.9 The Council can retain the full amount of council tax premium collected without its share of RSG being adversely affected. The Council is encouraged to use the additional funds for housing related expenditure, though this is not mandatory. Housing services costs have increased very significantly over the last 2-3 years as housing demand outstrips supply and the cost of short-term temporary placements is unrecoverable due to Housing Benefit Subsidy regulations. The Council invested £2.7m in housing budgets over the last 2 years and demand continues to exceed budget levels.
- 1.10 Whether to charge a premium on second homes or long-term empty properties (or both) is, therefore a decision to be made by each Council. The Act also provides regulations which make exceptions to the premiums and these are set out in the Council Tax (Exceptions to Higher Amounts) (Wales) Regulations 2015.

- 1.11 The report to Cabinet on 15 November 2023 set out the conditions when a premium could be charged and Cabinet agreed that a consultation exercise should be carried out to gauge public opinion on the matter. The consultation has now concluded.

At its meeting on 10 January 2024 Cabinet considered the results of the public consultation and decided to recommend that the Council considers introducing council tax premiums for long term empty properties and second homes.

2. Consultation Summary

- 2.1 An online consultation exercise was undertaken, and respondents asked for their views on a number of key points around long-term empty properties and second homes premiums.

The consultation was open for 4 weeks and 470 responses were received during that time.

The detailed analysis of the consultation responses is shown in appendix 1 and is summarised below.

Long Term Empty Properties

- The responses showed that most respondents 66%, consider that empty homes are detrimental to the neighbourhood.
 - The responses received highlighted the anti-social behaviour that often accompanies long term empty homes and this was mentioned in the comments numerous times.
 - From the survey responses there is strong support for the Council to take steps to reduce the number of empty homes in the city, with 76% in favour of the Council doing more to reduce the number of long-term empty homes.
 - Empty home premiums are broadly supported with 57% agreeing with the introduction of a premium, compared to 34% that disagreed.
 - A majority of respondents 64% believe that the introduction of a long-term empty premium would result in decrease in the number of empty homes.
 - Opinion was spread on the percentage that an empty home premium should be set at to be effective however the most popular choice saw 26% choosing 100% as the preferred level.
- 2.2 The Consultation also sought views on any exceptions, other than the statutory ones that could be provided for if premiums for long-term empty properties are introduced.

It was evident from the comments received that there are a multitude of reasons why a property is left empty, however the following were circumstances most mentioned where respondents felt that a premium should not be charged:

- Where building work is taking place to make empty homes habitable.
 - Where the empty property is attached to and accessed via a business premises and does not have a separate entrance, for example a flat over a shop where access to the flat is through the shop.
 - Where a new owner buys a long-term empty property and must pay a premium straight away without any allowance given to get the property ready for occupation.
- 2.3 For cases that do not fall into one of the statutory exception classes the Council can, should it wish to do so, include its own classes of exception to a premium. Owners with properties that do not fall into either the statutory or Newport specific exception classes may submit an appeal against a premium using the existing process for consideration under the Council's discretionary relief policy.

Second Homes

- Second homes were seen as less detrimental to the neighbourhood than empty properties, with the most respondents 48% seeing them as having a neutral effect on local neighbourhoods.
- There was no clear view on whether steps should be taken to reduce the number of second homes with 47% agreeing that steps should be taken to reduce the number, compared to 52% that do not want action taken.
- The question on whether the Council should introduce a premium for second homes saw 47% for the introduction of a second home premium and 38% against.
- On the question of the effect on the number of empty homes if a second home premium was introduced, 61% of respondents believe the number would decrease whilst 34% thought it would have no effect.
- The question of the percentage that second home premium should be set at to be effective saw the largest number 30% choosing 100% as the preferred level.
- The introduction of a second home premium was seen by most respondents, 57% as likely to have a neutral effect on the Welsh Language.

2.4 The Consultation also sought views on any exceptions, other than the statutory ones that should be allowed for if premiums for second homes are introduced.

Unlike long term empty homes there was less consensus on additional exceptions for second homes however the following circumstances were mentioned by several respondents:

- Second homes being used by commuters.
- Short term lets as they bring economic benefits to the city.
- Probate and family disputes connected to inheritance or the estate of a deceased person.

2.5 As well as the consultation exercise Council officers have participated in a number of meetings facilitated by Welsh Government to enable the experiences of those that have already introduced premiums to be shared.

These meetings have highlighted the following:

- The statutory exceptions to premiums are too narrow leading to high numbers of appeals.
- Many councils are considering introducing additional exceptions due to the time taken to deal with appeals and the additional resources required to do so.

The main issues identified are:

- Those purchasing a long-term empty property having to pay a premium from day 1 of ownership, even if the intention is to live there.
- Those purchasing a long-term empty property having to pay a premium from day 1 of ownership, where the intention is to carry out building work to make it habitable.
- Properties attached to business premises without a separate entrance that cannot be sold or let independently.

2.6 Should it choose to do so the Council can include its own classes of exceptions to a premium if a case does not fall into one of the statutory or Newport specific exceptions an appeal would need to be made and considered under the existing discretionary relief policy.

Comments Received

2.7 The consultation also allowed for respondents to register their comments and a selection are shown in appendix 1 to this report.

3. Recommendations for Newport City Council

3.1 Based on the consultation responses and the experiences of other Welsh councils that have already introduced council tax premiums, and the need to bring empty properties back into use, Council are asked to consider and implement:

- Introducing from 1 April 2024 a council tax premium of 100% long-term empty properties and from 1 April 2025 a council tax premium of 100% for second homes.
- Allowing for specific additional exceptions to a premium in certain cases, namely:
 - A period of up to 3 months without a premium for new owners who would otherwise be subject to a premium from day one of ownership, and up to 6 months for new owners where major building work is being carried out.
 - No premium to be charged on properties attached to a business where there is no separate entrance.

Where a registered social landlord has strategic empty properties that are earmarked for future large scale development, the Council will develop a policy that balances the need for homes and future development.

4. Financial Summary (Capital and Revenue)

4.1 There are no capital implications.

From a revenue perspective, the implementation of a premium will result in additional Council Tax being due, in line with the relevant level of premium adopted and the number of eligible properties. The level of premium due across all eligible properties will be reflected in the Council's annual tax base calculation. For example, should a premium of 100% be implemented, an eligible property would effectively be worth double the standard rate of Council Tax at the relevant banding. As a result, when setting the annual revenue budget for the year, the Council would budget for the additional Council Tax likely to be generated, less the appropriate allowance for non-collection.

It is important to note that Council Tax premiums are discounted from the tax base figure that features in the Welsh Government's annual Local Government Settlement calculation. Therefore, the introduction of a premium will not impact upon the level of Revenue Support Grant received by the local authority.

As well as the additional income that is generated, it will be necessary to consider the resources required within the Revenues team to administer the scheme. This cost is something that will need to be reflected as a pressure in the Council's Medium Term Financial Plan and will, in overall terms, reduce the level of additional income that can be budgeted for.

Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
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Eligible properties are lower than the Council anticipated leading to lower income levels.	H	M	A survey of empty properties and targeted inspections will be undertaken in advance of premiums being introduced to refine the estimates for chargeable premiums.	Head of Finance
Collection rates of premiums are lower than budgeted.	M	M	Recovery action will be taken promptly and where necessary a charge to secure the council tax debt will be placed on the property.	Revenues & Benefits Manager.
Large volume of queries/appeals are received.	H	H	Additional staff resources will be required to handle the additional correspondence and property inspections. Specifying NCC specific exceptions will reduce the number of potential appeals and protracted correspondence.	Revenues & Benefits Manager.

Links to Council Policies and Priorities

Addressing homelessness and increasing the availability of affordable housing is set out within the Council's Corporate Plan and the Housing and Communities Service Plan. This report provides proposals on how introducing Council Tax premiums could impact upon available premises and support Council financial management processes by bringing empty properties back into use.

One of the principles for delivery of our Corporate Plan is to be a listening council and for the views of communities, service users, and partners to shape the services we deliver, and the places people live in. Should cabinet progress with this proposal, a public consultation will be undertaken and will inform any decision making.

Options Available and considered

Options 1 - Introduce a second home and long-term empty home premium at 100%

The consultation showed that there is strong support for the Council to take steps to reduce the number of long-term empty homes in the city with a majority in favour of introducing a council tax premium for long term empty properties. Should Council agree to the introduction of a long term-empty property premium and second home premium the earliest it could be effective is from 1 April 2024 in the case of long-term empty properties and 1 April 2025 for second homes.

There was less consensus on the level that any premium should be set at, the consultation showed that a premium level of 100% was most popular, and given that introducing premiums would be a significant change to the administration of council tax a higher level than 100% could cause difficulties given the

tight timescales before implementation and the lack of data regarding all the individual reasons why a property is vacant. It would therefore be sensible to introduce a premium at 100% given all these factors.

Whilst the consultation showed that there was less support for a second home premium to be introduced it is fair that all homes that are not used as someone's main residence are treated in a similar way and introducing a second home premium would achieve this. The Council would be required to agree to a second home premium before 31 March 2024 for charges to be made from 1 April 2025 due to the time limits in the regulations.

Option 2 - Do not introduce a second home and long-term empty property premium.

Nothing will change if Cabinet decide not to recommend introducing a second home and long-term empty property premium and owners will continue to be liable for just the standard rate of council tax.

Given the fact that the number of empty homes across the city has remained stubbornly high for many years it is unlikely that this will change should the opportunity to introduce premiums not be taken.

Preferred Option and Why

The recommendation of this report is that option 1 is taken and Council adopt the **Newport City Council – Council Tax Premium Scheme** shown in appendix 2, and a council tax premium of 100% is introduced for long term empty properties from 1st April 2024, and for second homes from the 1st April 2025, for all relevant properties that do not fall into one of the statutory exceptions or one of the additional categories detailed in the scheme.

Comments of Chief Financial Officer

The introduction of a Council Tax premium will hopefully result in homes being back into use across the city. The income generated from this should therefore, if the policy objective is successful, reduce over time and will need to be carefully monitored.

If approved by full Council, the initial financial impact will be based on a realistic number of houses which would be subject to a premium and make allowance for resources to collect this income and achieve the policy objective. This will be factored into the Council's MTFP and be reviewed annually thereafter.

Comments of Monitoring Officer

The Council has the power to raise the Council Tax charge on empty dwellings as set out in the report. The legal provisions and considerations relating to this are summarised and set out full within the embedded guidance document produced by the Welsh Government.

Prior to implementing the change, the Council has entered into a consultation process as agreed by Cabinet on 15th November 2023. The responses received have been largely positive in terms of introducing premiums for empty properties and second homes, with the preferred option being the introduction of a 100% premium for these properties.

In addition to the consultation process a Fairness and Equality Impact Assessment has been undertaken in accordance with the Equality Act 2010 and the Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011. The results are summarised within the report and demonstrate that the recommended decision will achieve a positive impact on those with protected characteristics. The Council must ensure that the outcomes from the consultation process and the FEIA set out in this report are taken into

account and are considered prior to making any final decision on the matter. Any decision to implement a change to Council Tax charges must be taken by full Council.

Comments of Head of People, Policy and Transformation

This report proposes the use of Council Tax premiums as a way to encourage more dwellings to be brought back into use, and increase the long-term availability of safe, secure housing within the city. A consultation exercise was undertaken which indicated strong support for the introduction of premiums in the case of empty homes, but less so for second homes, of which there are a relatively small number in Newport. A Fairness and Equalities Impact Assessment has been completed and is summarised in this report. There are no direct HR implications.

Scrutiny Committees

none

Fairness and Equality Impact Assessment:

- **Wellbeing of Future Generation (Wales) Act**
- **Equality Act 2010**
- **Socio-economic Duty**
- **Welsh Language (Wales) Measure 2011**

The Well-being of Future Generations (Wales) Act seeks to improve the social, economic environmental and cultural well-being of Wales. Public bodies should ensure that decisions consider the impact they could have on people living in Wales in the future. The Council has always sought to engage with residents before taking any decision which may impact upon the delivery of any public service in accordance with the principles of fairness and legitimate expectation. The sustainable development principle and 5 ways of working set out in the Wellbeing of Future Generations Act have been considered as outlined below:-

- **Long term:** the importance of balancing short- term needs with the need to safeguard the ability to also meet long-term needs: The consultation exercise that was carried out gathered opinion on the use of premiums as a way to encourage more dwellings to be brought back into use and increase the long-term supply of available housing within the city.

There was strong support amongst those that responded for the Council to take action to bring empty properties back into use.

- **Prevention:** How acting to prevent problems occurring or getting worse may help us meet our objectives. If more homes are made available because of the introduction of premiums it will help reduce reliance on temporary and emergency housing.

- **Integration:** Consider how the proposals will impact on our wellbeing objectives, our wellbeing goals, other objectives, or those of other public bodies. This proposal supports the following wellbeing objectives:

To improve skills, education and employment opportunities – insecure housing leads to adverse outcomes for the education of children and maintaining employment, the provision of stable quality affordable housing is required to ensure that education and employment opportunities are not diminished.

To enable people to be healthy, independent and resilient – to achieve this people require safe, secure and accessible housing, by introducing council tax premiums the Council is demonstrating its commitment to using all available options to increase available housing across the city.

To build cohesive and sustainable communities – cohesive communities are those that have secure stable housing enabling residents to put down roots and feel part of the local community, by introducing council tax premiums the Council is therefore demonstrating its commitment building cohesive and sustainable communities.

- **Collaboration:** Acting in collaboration with any other person (or different parts of NCC) that could help us meet our well-being objectives. Should council tax premiums be introduced the Revenues Team will be working closely with the empty homes team to identify properties where a premium may be applicable and also to offer solutions to the owners who may require assistance in bringing their properties into a useable condition.

- **Involvement:** The importance of involving people with an interest in achieving the wellbeing goals and ensuring that those people reflect the diversity of the city we serve. The Council engaged with the local community related to the proposal by way of a public consultation.

A Fairness and Equality Impact Assessment (FEIA) has been carried out, and is summarised below:

The council has a number of legislative responsibilities to assess the impact of any strategic decision, proposal or policy on people that may experience disadvantage or inequality. This has been carried out as follows:

- A public consultation exercise was undertaken to gather views on the proposal to introduce council tax premiums. The outcome of the consultation is summarised in the report and full analysis of the data can be found in Appendix 1. The recommendations of this report take account of the feedback, including local exemptions to the Newport scheme.
- The key stakeholders are the owners of empty properties and second homes, they have all been directly contacted and invited to take part in the consultation and ensure that their views are recorded. As noted above, their feedback has been noted and informed the recommendations in this report.
- No negative impacts on any groups with protected characteristics have been identified through the FEIA process.
- The FEIA details the positive impact that bringing properties back into use will have on homelessness within the city.

Consultation

A full consultation exercise has been undertaken on the proposal and the full results are shown in Appendix 1 to this report.

Background Papers



WG Guidance
Council Tax on Emp

Dated: 29 December 2023

Appendix 1

Consultation on the Introduction of Second Home and Long Term Empty Council Tax Premiums

This report presents the findings of the Empty Properties and Second Home consultation with regard to the proposed introduction of a Council Tax Premium.

The consultation was conducted in-house in the form of an online survey.

The consultation period ran from the 17 November 2023 and ended on the 15 December 2023.

Views were sought on proposals to;

- Reduce the numbers of empty homes and second homes in the city.
- Introduce a Council Tax Premium on long-term empty properties and second homes.
- The level of premium to be most effective.
- The effect a premium may have the number of available properties.
- Additional exceptions when a premium should not be applied.
- The effect that introducing a premium on long-term empty properties and second homes would have on the Welsh language.

The following methods were used to consult with stakeholders;

- A letter or email was sent to all empty property and second home owners.
- An online questionnaire was available on the Newport CC website.
- Promotion of the consultation on the Council's website/social media and in the residents newsletter.
- A link to the online survey was emailed to over 33,000 people who are registered for the Council's online services that have indicated they are happy to be contacted.

In total 470 responses were received to the consultation.

Who Responded?

Local residents	377
Local businesses	15
Public Sector/Voluntary organisations	5
Other/no answer	73

Newport Residents	422
Live Elsewhere	47
Did not answer	2

Pay council tax to NCC	380
Do not pay council to NCC	88

Did not answer	2
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Own an empty property in Newport	106
Do not own an empty property	363
Did not answer	1
Own a second home in Newport (some respondents may have classified an empty property as a second home and ticked both boxes)	59

Respondents provided their comments on the proposals via the facility to free type their comments.

A large number of comments were from owners of empty properties and second homes and in disagreement with the proposals.

A common concern expressed was that a blanket policy of higher rates will unfairly impact people with individual circumstances beyond their control. Circumstances described included;

- increased costs of renovation work,
- difficulties in finding tradesmen/source supplies and planning delays;
- collapsed sales or longer than expected time spent on the sales or letting markets;
- inherited property.
- being unable to meet the costs of selling or letting a property.
- having ties to the local area but being unable to live here at present.
- and a number of other individual situations.

A number of respondents have let/ currently let/ intend to let properties but state that they are unable to afford or complete necessary works to bring properties up to legislative standards. Causes included:

- damage by former tenants.
- unexpected redundancy or ill-health.
- Cost of renovations.

Results

Question	Options	No. of Responses	%
What effect do empty homes have on the neighbourhood?	Negative Neutral Positive No Answer	310 130 20 10	66% 28% 4% 2%
Should NCC put measures in place to reduce the number of empty homes?	Yes No No answer	359 108 2	76% 23% 1%
To What extent to you agree with introduction of an empty home premium?	Strongly Agree/Agree Neutral Strongly Disagree/Disagree No answer	270 39 159 2	57% 8% 34% 1%

What effect would an empty home premium have on the number of empty homes?	Decrease significantly/moderately Stay the same Increase moderately/significantly? No answer	303 145 20 2	64% 31% 4% 1%
To be effective at what level should an empty property premium be set?	100% 200% 300% Other No Answer	121 76 45 186 42	26% 16% 10% 40% 8%
What effect would the introduction of an empty home premium have on Welsh language?	Positive Neutral Negative Did not answer	110 258 93 9	23% 55% 20% 2%

Second Homes

Question	Options	No. of Responses	%
What effect do second homes have on the neighbourhood?	Negative Neutral Positive No Answer	173 225 65 7	37% 48% 14% 1%
Should NCC put measures in place to reduce the number of second homes?	Yes No No Answer	222 242 6	47% 52% 1%
To What extent to you agree with introduction of a premium for second homes?	Strongly Agree/Agree Neutral Strongly Disagree/Disagree No Answer	219 68 177 6	47% 14% 38% 1%
What effect would a second home premium have on the number of empty homes?	Decrease significantly/moderately Stay the same Increase moderately/significantly? No answer	285 160 18 7	61% 34% 4% 1%
To be effective at what level should a second home premium be set?	100% 200% 300% Other No answer	142 48 68 143 69	30% 10% 14% 30% 16%
What effect would a second home premiums have on Welsh?	Positive Neutral Negative No answer	84 268 97 21	18% 57% 21% 4%

Comments Received

The consultation invited respondents to add their comments throughout the consultation.

On the question of empty homes and the effect on neighbourhoods:

'It can't be right for 800 homes to be left empty when so many people need places to live.'

'Empty homes attract squatters and vandals and are often a magnet for vermin. They also tend to be unkempt and make a neighbourhood look run down and generally spoil the look and feel of the street.'

'It makes an area look run down and neglected, it also adds to ASB'

'There are many homeless people in Newport. Empty houses are adding insult to injury.'

'If these were on the market, rent and house prices should go down'

'No-one living there the local economy doesn't benefit'

'Very bad for the homes located around the property and local area'

'An increasing premium dependent on how long a property remains empty. It is completely unacceptable to have people in Newport struggling to find a home when so many places are sitting empty.'

'Current housing pressures require innovative solutions.'

A number of comments reflected the view that help should be made available to owners to bring empty properties back into use:

'Why not work with property owners. Why is the property empty and what can be done to help'

'You should encourage owners with other schemes to try and get the empty houses occupied rather than charge owners more council tax.'

'Compulsory purchase - at a reduced rate due to lack of use and maintenance.'

A number of comments were received disagreeing with the introduction of a premium for long term empty properties:

'If the empty houses don't use your services they shouldn't pay anything.'

'none is just another money grabbing scheme (sic)'

'This consultation smacks of political cowardice. If someone owns a second home and decides to leave it empty, that is their business and none of yours. It's private property and not the council's business to be trying to penalise them for a legitimate and lawful choice.'

'Empty homes are a result of financial difficulties. increasing council tax just adds to the difficulty and debt'

'If you're not living there you shouldn't pay. Stealth tax. People are already struggling.'

'There cannot be a blanket policy as there are circumstances beyond a person's control which is not recognised by the council.'

'I don't think this should be charged. Charging additional council tax I don't think will encourage owners like myself back into use. It is just an additional cost that I will incur while completing the renovations.'

Comments received in relation to whether second homes have a positive or negative effect on neighbourhoods:

'Unfair if not in use.'

'second homes contribute very little other than to the owner.'

'houses are not used for living and this is a waste.'

'Attracts tourism in summer/Xmas but needs a strong tourism attraction/series of attractions to be beneficial. Otherwise, it's generally negative.'

'Second homes in a place like Newport are so unlikely that I have no idea why this is even a question. It's hardly the seaside, is it?'

'For the time the property is occupied during the season. Why not make use of these empty properties to house homeless people revenue is being spent locally- thus helping the community. But for the 'closed' season it is just another empty property.'

Comments received on the introduction of a premium for second homes:

'It reduces tourism in the area which is not a good thing.'

'Second Homes are not a problem in Newport.'

'People should be entitled to own a second home if they wish, so shouldn't be stopped, but they should pay a premium so they help the economy in other ways.'

'Discourages investment brought to city'

'If people can afford a second home through their hard work then why penalise them. People make choices in life, some good, some bad.'

'It depends why there are second homes if they are being let to people that can not afford to purchase them what is the choice.'

Appendix 2

Council Tax Premiums for Long Term Empty Properties and Second Homes

Newport City Council – Council Tax Premium Scheme

Long Term Empty Properties

Effective from 1 April 2024 all long-term empty properties, as defined in the Council Tax (Long Term Empty Dwellings and Dwellings Occupied Periodically) (Wales) Regulations 2022, shall be charged a premium of 100% unless they fall into one of the statutory exceptions as specified in the Council Tax (Exceptions to Higher Amounts) (Wales) Regulations 2015.

In addition, no premium in respect of a long-term empty property shall apply in the following circumstances:

Local Exception A

Where an empty property does not have a separate entrance and can only be accessed through an existing business premises and it is not possible to create a separate entrance, for example, by blocking-up or unblocking a doorway.

The exception will be granted annually and will be reviewed and inspected periodically.

This category will not apply if the building is altered to remove an existing separate entrance.

This exception will end if a separate entrance is created.

Local Exception B

Where a premium is payable on a long-term empty property that is sold, the new owner will not be charged a premium for the first 3 months following the date of purchase.

To qualify the property sale must be evidenced by registration with the Land Registry or by the solicitors acting for the parties.

No premium shall apply until 3 months after the completion of the sale.

If a premium falls due within in the first three months of new ownership, an exception will be granted that is equivalent to no premium being due until 3 months after the date of purchase.

The exception will end when the time limit is reached.

Local Exception C

Where a premium is payable on a long-term empty property that is sold, the new owner will not be charged a premium for up to 6 months while major building work is being carried out with the intention of bringing the property back into use.

This exception will only be awarded following an inspection and a detailed schedule of works being provided.

To qualify:

- The application must be made within 12 months of the change of ownership and the property sale must be evidenced by registration with the Land Registry or by the solicitors acting for the parties.
- Works being carried out must be structural and substantial, this exception will not apply to minor works for example replacement windows or the renewal of a bathroom or kitchen.
- The owner may be entitled to claim a council tax exemption if this has not already been awarded to a previous owner. Should a class an exemption apply the owner will receive this exception only in cases where less than 6 months exemption can be awarded, the owner will receive an exception that is equivalent to no premium being charged for 6 months.
- Regardless of circumstances the maximum exception that will be awarded to a new owner is 6 months and in the event that the new owner has already received exception B above, and then commences structural work, only a further 3 month exception under exception C will be awarded.
- Exception C will end when the work is completed, the property is occupied or the time limit as detailed above is reached.

Second Homes

Effective from 1 April 2025 all second homes, as defined in Council Tax (Long Term Empty Dwellings and Dwellings Occupied Periodically) (Wales) Regulations 2022 shall be charged a premium of 100% unless they fall into one of the statutory exceptions as specified in the Council Tax (Exceptions to Higher Amounts) (Wales) Regulations 2015.

The premium shall apply to any second home that falls into class 12A or 12B of the regulations unless an exception applies.