



Llywodraeth Cymru  
Welsh Government

**Number: WG46893**

Welsh Government  
Consultation – summary of responses

## Council Tax Premiums on Long-Term Empty Homes and Second Homes in Wales

**Draft guidance on the implementation, administration and enforcement**

**February 2023**

Mae'r ddogfen yma hefyd ar gael yn Gymraeg.  
This document is also available in Welsh.

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## **Overview**

The Welsh Government undertook a consultation on revised guidance on the implementation, administration and enforcement of council tax premiums for long-term empty dwellings and second homes. This document provides a summary of the responses received.

## **Action Required**

This document is for information only.

## **Further information and related documents**

Large print, Braille and alternative language versions of this document are available on request.

## **Contact details**

For further information:

Council Tax Policy Branch  
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## **Additional copies**

This summary of response and copies of all the consultation documentation are published in electronic form only and can be accessed on the Welsh Government's website.

Link to the consultation documentation:

[Council tax premiums for long-term empty and second homes: guidance for local authorities | GOV.WALES](#)

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## **Introduction**

Since the *Guidance on the Implementation of the Council Tax Premiums on Long-Term Empty Homes and Second Homes in Wales* was first published in 2016, a number of changes to council tax policy have been implemented and revised draft guidance has been proposed.

Powers for local authorities to increase council tax premiums to up to 300% are provided in the Council Tax (Long-term Empty Dwellings and Dwellings Occupied Periodically) (Wales) Regulations 2022 and apply to financial years from 1 April 2023 onwards.

The Welsh Government has also amended the letting criteria which determine whether self-catering accommodation is classified as non-domestic property. These changes are made in the Non-Domestic Rating (Amendment of Definition of Domestic Property) (Wales) Order 2022 which also apply from 1 April 2023. From that date, if a self-catering property does not meet the new letting criteria, it will be classified as a domestic property and will be liable for council tax. Where the local authority has determined to apply a premium to second homes, a second home owner will also be liable to pay the additional charge unless their property falls within an exception.

The revised guidance reflects these legislative changes and includes new sections on the administration and enforcement of the council tax premiums and also confirms the discretion available to local authorities in the event that self-catering accommodation fail to meet the new letting criteria. It also updates Class 6 of the exceptions to premium to include the proposed additional exceptions for properties that have planning conditions which specifies use as a holiday let only or prevents occupancy as a person's sole or main residence.

This document provides an overview of the responses to the consultation on the draft guidance for local authorities on implementing, administering and enforcing council tax premiums which ran from 11 November to 22 December 2022.

The consultation sought the views of stakeholders on the clarity of new guidance for the implementation, administration and enforcement of council tax premiums to replace the guidance that was previously issued in 2016. The policies reflected in the guidance have been the subject of previous consultations.

## **The Consultation**

Views were invited as part of a 6-week consultation period which began on 11 November 2022 and ended on 22 December 2022. The consultation was published on the consultation pages of the Welsh Government's website.

Respondents were able to submit their views and comments on paper, by email or online, and in Welsh or English. The link to the consultation was emailed to a range of stakeholders including local authorities, representative organisations and professional bodies for the relevant sectors.

Stakeholders were not invited to respond to specific questions but were instead asked to provide their views and comments about any aspect of the draft Guidance.

The consultation received a total of 95 responses reflecting a wide spectrum of interests and views.

This document aims to present the broad views and themes that were provided in responses to the consultation, rather than to summarise every individual response.

The consultation applied to Wales only.

**Who responded to the consultation?**

The consultation received a total of 92 responses, including those received up to seven days after the deadline. All these responses have been considered and analysed. The respondents represented a range of interest groups, as follows.

Type	Number
Local Authority	3
Long term empty property owner	2
Member of the public	11
Professional body / Representative body	7
Provider of self-catering accommodation	51
Second Homeowner	11
Second Homeowner with a planning condition on the property	2
Town/Community Council	2
Other	3
<b>Total</b>	<b>92</b>

Where respondents have not provided the name of an organisation, it is assumed that they responded in a personal capacity and are categorised as a member of the public.

A list of respondents other than those who requested anonymity is at Annex A. Where respondents asked for their details to be withheld, they are identified as ‘Anonymous’ in order to comply with the General Data Protection Regulation.

**Question 1**

**Do you have any comments on the proposed draft guidance?**

Given the open nature of this question respondents provided a wide range of views and comments, 21 of the 92 responses were related to the draft guidance.

There were four specific comments which broadly agreed the guidance. For example, one local authority commented “... *I think the draft guidance is well worded and clear.*”

Several responses provided views on the discretionary powers of local authorities. Some views suggested that the guidance lacks clarity on how local authorities should apply their discretionary powers to reduce council tax under section 13A of the Local Government Finance Act 1992. Respondents wished the Welsh Government to make it a requirement for authorities to use their powers for the illustrative examples given in the guidance.

One response suggested there should be no discretion for local authorities and all councils should apply the same premium exceptions.

One local authority suggested it would only consider using its discretionary powers where there is proven hardship and would be in the interests of all other taxpayers. Another local authority suggested use of the discretionary powers would result in inconsistent approaches to premiums across authorities.

There were a small number of views about empty properties and suggested changes to the guidance. One response suggested that another area that local authorities should be encouraged to use their discretion was in relation to listed buildings that have fallen into serious state of disrepair and may take longer than 12 months to repair.

Several responses highlighted that there is no requirement for a local authority to make its first determination to apply a long-term empty property premium 12 months before the beginning of the financial year to which the premium relates. This only applies to a first determination to implement a premium on second homes.

### **Wider comments**

The majority of the respondents to this question requested the Welsh Government to consider exceptions for further categories of properties, for example: properties within the curtilage of the owner's main residence; farm diversifications; registered charities providing respite for carers; owners who donate nights for fund-raisers; and self-catering accommodation businesses run by local or Welsh-speaking owners. They also commented that exceptions should not be at the discretion of local authorities.

Some responses reflected views from self-catering operators and second homeowners on the policy decisions to increase the letting criteria for self-catering properties to be classified as non-domestic, and to increase the maximum council tax premium that can be charged from 1 April 2023.

### **Question 2 and Question 3**

**The Welsh Government would like to know your views on the effect the draft guidance would have on the Welsh language, specifically on**

- **opportunities for people to use Welsh**
- **on treating the Welsh language no less favourably than English**

**What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated?**

**Please also explain how you believe the draft guidance could be formulated or changed so as to have**

- **positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language**
- **no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language**

There was a total of 141 responses to these questions. Most of the responses (75%) to Questions 2 and 3 were unrelated to the question; gave personal views and use of the Welsh language rather than the impact of the proposals; or commented on wider Welsh language policy consideration which are beyond the scope of local taxation and this consultation.

Some respondents (18%) were of the view there would be no impact.

Other respondents (7%) commented they did not understand the relevance of the question.

## **Welsh Government Response**

The Welsh Government is grateful to everyone who has participated in this consultation and in particular everyone who has submitted a response. As a summary document, not all issues outlined in responses may have been reflected fully, but each response has been considered carefully. The absence of issues or suggestions in this summary does not mean they have been disregarded. Many issues may remain relevant to the wider programme of work as part of the Welsh Government's [three-pronged approach](#) to address issues of affordability and the impact of second homes and holiday lets on communities and the Welsh language.

On the points raised about the discretion of local authorities: the decision to implement council tax premiums is a matter for each local authority. The powers to apply council tax premiums were introduced as discretionary powers to enable each authority to tailor their use to local circumstances, reflecting the wide range in the numbers of second homes and long-term empty properties across Wales and the different issues this presents in different authorities. Exercising these powers is an important part of the process of local democracy and authorities are accountable to their local residents for these decisions. For the Welsh Government to instruct local authorities to exercise these powers in a particular way would not be compatible with the concept of discretion.

The guidance has been amended to clarify the references to the calculation of the tax-base and the setting of local authority budgets. It has also been amended to reflect that the Welsh Government recommends that a first determination to apply a premium to long-term empty dwellings should be made at least six months before the beginning of the financial year to which a premium relates.

## **Next steps**

The Minister for Finance and Local Government issued a Written Statement alongside this summary of responses. The revised guidance will be published and will apply for practical purposes with immediate effect.



## **Annex A – List of respondents to the consultation**

Bwthyn y Ddôl  
Cardiff Council  
Castle Square Apartments Limited  
Chepstow Town Council  
Clydey Cottages  
Clyne Farm Centre  
Dolau Afon Holidays  
Faircroft  
Head Outdoors Ltd  
Little Meadow Park Ltd  
Llainfran Holidays  
Mega Tyres Ltd  
Morgan and Company  
North Wales Cottages  
Pen y Bont  
Penrice Community Council  
Portskewett Community Council  
Rosemoor Country Cottages  
The Bothy at Tyddyn Du  
The Neuadd  
Tregynon Cottages  
Wye View Limited  
Y Bwthyn, Brenig Cottage Escapes  
Private individuals x 23  
Anonymous x 46