

Appendix 3 - Possible Mitigation of Certain Issues Raised in the Responses to the Council Tax Premia Consultation.

1. The consultation ran between Friday 12th July and Friday 9th August. The survey was made available online and hard copies were made available at all libraries and the contact centre in the Civic Centre. The Council wrote to all Council Tax payers that could be identified as potentially being affected by the proposals, 4223 homeowners, to invite them to take part by using the online survey and also offering the opportunity to ask for a paper copy of the form to be issued.
 - 567 responses were received to the consultation using the online or paper consultation forms although not all questions were answered by every respondent.
 - 29 people also decided to send in a response (or to add additional information to what they had given in the survey) by letter or email.

A variety of issues were raised in respect of Council Tax Premia and by looking at the broad sentiments of the responses, this document seeks to identify where mitigation of the various issues is possible.

However, it is important to note that in most cases, if the Council is in possession of all relevant information and a property has been correctly determined to be a second home or a long term empty property, the premium will remain payable.

For clarity, any actions mentioned in respect of these mitigating measures will be taken only if the Council decides to charge Council Tax premiums.

2. Exceptions to Council Tax Premiums

- 2.1 A number of comments were made by Council Tax payers in which they outlined personal circumstances which could mean that their dwelling might potentially fall into one of the excepted categories meaning a Council Tax premium could not be charged for the property.
- 2.2 The Council will be writing to those Council Tax payers liable for properties on which it appears a premium would be levied to ensure that the circumstances around the property/owner have not changed and to make clear the circumstances when a premium cannot be charged. Tax payers will be invited to notify us if they believe it is not appropriate for the Council to charge a premium. We will then ask for supporting evidence or investigate further (including possible inspection of the property) where appropriate to determine if an exception should apply.
- 2.3 Details of the exceptions are given overleaf:

Classes of Dwellings	Definition	Application
Class 1	Dwellings being marketed for sale – time limited for one year.	Allowable for Second Homes and Long-Term Empty Properties
Class 2	Dwellings being marketed for let – time limited for one year	
Class 3	Annexes forming part of, or being treated as part of the main dwelling	
Class 4	Dwellings which would be someone's sole or main residence if they were not residing in armed forces accommodation	
Class 5	Occupied caravan pitches and boat moorings	Allowable for Second Homes
Class 6	Seasonal homes where year-round occupation is prohibited	
Class 7	Job-related dwellings	

2.4 It would be hoped that the Council would already be aware that the property/person satisfies the criteria for these exceptions to be awarded although it seems likely that there will be cases where we may not be aware particularly where properties are being marketed for sale/let. Entitlement to an exception might be identified during the preparatory period in the run up to any implementation date (during which we will be highlighting the availability of such exemptions to our taxpayers) or even after a Council Tax bill which includes a premium has been issued. Satisfactory evidence of eligibility for an exception will need to be provided if not held already.

3. Existing Council Tax Exemptions

3.1 A variety of Council Tax exemptions already exist for unoccupied but furnished properties and again, some of the comments made imply that properties/people might satisfy the necessary criteria possibly removing the Council Tax charge completely. These include properties that are left empty:

- By someone who has gone to prison.
- By someone who has moved to receive personal care in a hospital or a home, or elsewhere.
- By someone who has moved out to provide personal care to another person.
- Because it is waiting to be occupied by a minister of religion.

3.2 Again, it would be hoped that the Council would already be aware that the property/person satisfies the criteria for these exemptions to be awarded but if not, we would expect them to be identified during the preparatory period in the run up to any implementation date during which we will be highlighting the availability of such exemptions to our taxpayers. Satisfactory evidence of eligibility for an exemption will need to be provided if not held already.

4. Long Term Empty Properties

- 4.1 A number of comments were made that owners did not have sufficient funds to complete renovations to make empty properties habitable again. The authority (via its empty property officer) can offer advice and support, including some financial support, to owners in such a position and various loans are available to help.
- 4.2 The Revenues section already works with the empty properties officer in such circumstances but would develop a more formal arrangement as this issue is likely to be raised more often.

Effective arrangements to 'hand off' taxpayers in difficulty will need to be made, awareness training for staff etc. Information about the support that is currently available can be found here <https://www.swansea.gov.uk/emptyproperties>

5. Section 13A of the Local Government Finance Act 1992

- 5.1 Under this legislation, a billing authority has discretionary powers to reduce Council Tax liability to such extent as it thinks fit. Including down to nil if appropriate. The power can be exercised in particular cases or by determining a class or case. The power may be used to reduce Council Tax liability in circumstances where a local authority may otherwise charge a premium.
- 5.2 Illustrative examples (some provided by Welsh Government) of where a local authority might consider using these powers in relation to premiums would include:
- Where there are good reasons why the dwelling could not be lived in.
 - Where there are reasons why a dwelling could not be sold or let.
 - Where an offer has been accepted on a property but the sale has not yet been completed and the exception period has run out.
 - Where charging a premium might cause hardship.
 - Where renovation work is almost complete and the owner is short of funds.
- 5.3 The above list is not exhaustive and as a billing authority Swansea will consider all relevant factors in line with its Council Tax Discretionary Relief Policy. This policy requires the taxpayer to provide evidence of financial hardship or personal circumstances that justifies a reduction in their Council Tax liability. The taxpayer must also satisfy the Council that all reasonable steps have been taken to resolve their situation prior to application. It would seem likely therefore that in most cases, although not all, owners of second homes would have difficulty in proving financial hardship exists to the point where their liability could be reduced.
- 5.3 It is a matter for a local authority as to whether the discretionary 13A powers are used to reduce council tax liability and the authority will consider each case on its merits having taken into account the circumstances of the case. We expect applications under this provision to increase. The authority bears the cost of these reductions.

6. Transferring from liability for domestic Council Tax to Non-Domestic Rates (Business Rates)

- 6.1 If a holiday property...
- Will be available as a short term holiday letting for 140 days in the next 12 months AND
 - Has been available as a short term holiday letting for 140 days in the last 12 months AND
 - Has actually been let for at least 70 days in the last 12 months...

It can be rated for business purposes and Non-Domestic Rates will be levied on it instead of Council Tax.

- 6.2 It should be noted that decisions on whether a property should be subject to non-domestic rates are made by the Valuation Office Agency (VOA). If an owner fails to provide evidence the VOA needs to make its decision or the VOA decides that the property should remain subject to Council Tax, the Council Tax due, including any premium charged, will remain payable.

7. Appeals

- 7.1 If a person is aggrieved by a calculation made by the local authority of the amount of their council tax liability including their liability to pay a premium, they must, in the first instance, make an appeal to their local authority.
- 7.2 If they are aggrieved by the decision taken by their local authority or if the local authority does not provide a decision within the required timescales, they can appeal to the Valuation Tribunal for Wales but only after they have exhausted the local authority's appeals process.

8. No mitigation possible

- 8.1 As would be expected, various circumstances were also outlined by respondents which without further enquiries, do not offer an opportunity for mitigation. As already stated, in most cases, if the Council is in possession of all relevant information and a property has been correctly determined to be a second home or empty on a long term basis, the premium will remain payable.

For example:

- Although my property is considered a second/holiday home, it is for sole use of my family only. As we are not permanently resident we do not use significant amounts of Council services but are already paying full Council Tax which I believe is sufficient.
- I am keeping my second home in readiness for possible retirement back to Swansea.
- Second homes are sometimes occupied at least 50 percent of the time, to help care for elderly or sick relatives living nearby.
- People with second homes here spend money in local shops and restaurants. Swansea is reliant on tourism and visitors should be encouraged not discouraged. They bring revenue and support to local businesses and growth to Swansea. Swansea should welcome visitors.
- Many so-called 'second homes' have been inherited from their families; these should not be penalised with any increase in council tax. These people are locals, have been at school or worked in the area. A differentiation needs to be made between people who've inherited their homes and property developers who have bought properties as a business.