



Llywodraeth Cymru
Welsh Government

WRITTEN STATEMENT

BY

THE WELSH GOVERNMENT

TITLE Consultation on Discretionary Powers for Local Authorities to Increase Council Tax on Second Homes

DATE 16 September 2013

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On 21 May 2012, the Minister for Housing, Regeneration and Heritage published, for public consultation, the Housing White Paper, *A White Paper for Better Lives and Communities*. It outlined the Welsh Government's commitment to ensure the provision of good quality, affordable homes for everyone in Wales, including a commitment to modernise the private-rented sector by introducing measures to improve standards of management and property condition.

One priority for action was tackling empty properties. Over and above the introduction of the successful *Houses into Homes* national empty homes initiative as another incentive for owners to bring their properties back into use, the White Paper included proposals for a discretionary power to allow Local Authorities to charge a higher rate of council tax on long-term empty properties. We have noted the responses to the consultation and we have also taken into account other comments made as part of those responses. Some responses referred to charging additional council tax on "second homes". Given this, and in order to obtain more views, the Welsh Government is consulting on the topic of charging additional council tax on second homes.

The objectives of charging higher council tax on long-term empty properties are clear. Empty homes are a housing resource that should be brought back into use, particularly at a time when more affordable homes are needed. They can also be a magnet for anti-social behaviour and can have an adverse

effect on the environment and can lead to a spiral of decline in certain communities.

The same issues do not apply to second homes. However, communities which have larger numbers of second homes, some of which may be used as holiday homes, may face different issues. These might include, for example, the sustainability of public transport and other local services and facilities. The Government, therefore, wishes to consult on this matter.

Today, we are launching this consultation to invite views on providing a discretionary power for Local Authorities to charge additional council tax on second homes as a potential means of helping Authorities to address the availability of affordable housing and to sustain communities and the public services on which they rely.

The consultation will run for a period of six weeks. Responses are requested by 28 October 2013. The consultation paper is being issued to Local Authorities, housing associations, advice agencies and other relevant organisations with an interest in local taxation, housing and citizen welfare in Wales. It will also be published online and will be available to everyone via the following link:

<http://wales.gov.uk/consultations/localgovernment/council-tax-second-homes/?lang=en>

This statement is being issued during recess in order to keep members informed. Should members wish me to make a further statement or to answer questions on this when the Assembly returns I would be happy to do so.