

P-05-975 Reconsider second home council tax uplift while illegal to travel to second homes, Correspondence – Petitioner to Committee, 05.07.20

Submission:

The Welsh Government, totally appropriately, asked second home owners not to use their second homes from March to July.

This was to avoid the risk of increasing transmission of coronavirus, and to reduce the risk of overwhelming local NHS facilities, should there be an increase of patients with Covid-19. This was the correct decision, and second home owners have respected that.

It was illegal to travel more than five miles away from your home in Wales. People were turned back by the police, and some I understand it were fined and possible prosecution discussed. The five mile travel rule was also a totally reasonable action by the Welsh Government, again in order to contain and manage this pandemic.

Making it illegal to travel to a second home effectively made it illegal to use a second home. It is unlikely that a second home owner would live within 5 miles of their second home.

In those months when second home owners could not visit, they were required to continue to pay the 50% uplift on council tax. Councils need base level council tax to maintain all their services. This petition is not about the cessation of council tax payments for that period but for consideration of the 50% uplift, at a time when owners simply could not use their second homes.

I would ask the Petitions Committee to consider whether the fact that it was illegal to travel to your second home effectively made it illegal to use your second home.

General Comments and Observations:

The monies from the uplift were intended, as from the correspondence from Rebecca Evans AS/MS, to address issues around local housing supply and bringing unused homes back into supply, and not as a revenue raising measure (in your notes). I have no issue with that approach and concur with the need to support an increase in social housing through the whole of Wales.

Pembrokeshire County Council uses 50% of the uplift (Appendix 1) to aid with local housing, and the other 50% to enhance community activities through the Enhancing Pembrokeshire Grant.(Appendix 2) . Local societies and organisations bid for this money annually. For this round into 2020 this is £974,950. The projects are varied, and range from supporting community booklets to refurbishing buildings for multipurpose use, and indeed repairing

broken fences. The suggestion is that because of the volume of second homes the community is adversely affected, and the community should be “compensated”. The issues that are addressed are issues that are common to communities country wide – rural isolation, and broken fences exist throughout Wales.

How this money is used is possibly irrelevant to this petition, but for second home owners who are unable to use their properties, it has been interesting to read about exactly how this money is used.

Pembrokeshire is ranked 8th in Wales for average house prices in Wales,(appendix 3) despite the perception that second home owners push up property prices. Locals sell their houses at a premium, and contribute to the increasing costs for local people. However key workers in Pembrokeshire are paid the same as key workers in the Vales of Glamorgan, but property on average in Pembrokeshire remains much less expensive in Pembrokeshire than in the Vale, and six other counties in Wales, so Pembrokeshire remains much more affordable than many other areas of Wales

There are numbers of affordable properties empty in Pembrokeshire.

It is entirely likely that second home owners will increase their philanthropy in the direction of Pembrokeshire if, as a matter of principle, the 50% uplift is reconsidered for this period.

[Appendix 1](#)

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Authority says second home Council Tax premium will stay

Newsroom

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Pembrokeshire County Council has justified its decision to continue to charge a 50 per cent Council Tax premium on second homes.

The Authority has faced criticism from some second home owners who claim the extra charge should not be levied as they are unable to use their properties in Pembrokeshire because of the coronavirus travelling restrictions.

But the Council say that the Covid-19 outbreak has no bearing on the reason for introducing the premium in the first place three years ago.

“It was brought in simply to help increase the supply of affordable homes, particularly in our rural areas” said the Council Cabinet Member for Finance, Bob Kilmister.

“It is a fact that second homes can reduce the amount of housing available for local people. A holiday home in a village can mean one less property available for occupation by

a local family. That we are in the middle of this terrible pandemic does not alter that.”

There are around 3,600 second homes in Pembrokeshire.

Councillor Kilmister also pointed out that the extra cash generated by the Council Tax premium was being put to good use.

“Half of the proceeds go towards the provision of affordable housing and the remainder funds the Enhancing Pembrokeshire Grant which gives money to help pay for community projects” he explained.

“To date we have paid out in excess of half a million pounds to scores of local projects which are making a huge difference in the day-to-day life of our communities.”

“Without the 50 per cent Council Tax premium, that money would not be forthcoming.”

Council Tax is collected on domestic properties and the money is raised to part-fund local services, such as the local authority, the police, and town and community councils.

Prior to the premium being introduced, the Authority’s policy was not to award any discounts to owners of second homes and they were liable for 100 per cent Council Tax, namely the standard rate.

The powers to apply council tax premiums on second homes and long-term empty dwellings were introduced as a tool to help local authorities in Wales in bringing underused homes back into use and in managing issues affecting local housing supply. They were not introduced as a revenue-raising measure. The Welsh Government has no plans to alter the discretionary nature of these powers.

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Appendix 2

The Enhancing Pembrokeshire Grant

The Enhancing Pembrokeshire Grant, using funds raised via the Second Homes Tax is available to provide funding for new projects that help address the negative impact of second homes and in doing so adds value to our communities.

Outcomes are structured around five Well-being objectives:

- Raising overall standards of achievement
 - Healthy communities: Communities supported by affordable and appropriate housing; improving social care
 - Increase the economy's productivity and address regeneration issues
 - Safeguarding our environment
 - Self-sustained and vibrant communities
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- Appendix 3
 - <https://www.gov.uk/government/publications/uk-house-price-index-wales-january-2019/uk-house-price-index-wales-january-2019>