

Mr Antony Cartwright

Notes: Tribunal 7th March 2024 Regarding Council Tax Premiums

Background

Complaint relates to “second home” council tax, premiums, discounts and exemptions.

A guidance document from the Welsh Government that I use as a basis for argument can be found here: <https://www.gov.wales/council-tax-empty-and-second-homes-html>

This document states: ***Since 2017, LAs have been able to charge premiums on "second homes".***

It continues: ***“The powers given to local authorities are discretionary so whether to charge a premium on long-term empty properties... is, therefore, a decision to be made by each local authority.”***

My concern relates to this provision and is directed mostly to Flintshire County Council, but secondarily to the Welsh Government.

What’s the aim of the law?

It’s a tool to help:

1. **Bring long-term empty properties back into use**
 2. **Increasing the supply of affordable housing**
- A type of financial punishment to ones holding multiple properties.
 - The hope is that people won’t enjoy being punished and therefore release the properties.

This helps to free properties up, makes them more available and discourages ones from holding onto properties. I imagine it works.

We now split off into one of two different camps:

1. A second home
2. A long term empty property

If the sold property is a second home, I’m not aware of any issues. **If, however, the property is long term empty - I’m aware of an unfortunate adverse effect, and this is the type of case that I’d like to present.**

An assumption; long term empty properties are probably in a state of disrepair. Nobody has lived there for some time. Why?

Consider this situation - A developer sees the property and decides to purchase it.

- The investor now becomes liable for council tax.
- An investor is probably not using the property as a second home.

The investor takes on the property and it's liabilities. He/she puts in time and money.

The developer and the LA both have very similar goals regarding the property:

LA	Developer
Bring the property to useable state (for free)	Bring the property to useable state (for good value)
Get it brought to the market to be lived in - rent or sale.	Get it brought to the market to be lived in - rent or sale.
For it to be affordable (they want it sold cheaply)	For it to be affordable (they also want some reward)

If the goals are the same, why should the LA seek to punish the developer by way of premiums?

Bearing in mind that a house is being brought to market with zero cost or effort from the LA, why should the LA seek to punish the developer by way of premiums?

1. Does the premium deter me from holding onto the property? (I have no intention of holding it)
2. Does it encourage me to do the property up and sell it? (It's discouraging)
3. Does it make the property more affordable? (It makes it more expensive)
4. Do you want to pay £3,200 for an unfair CT bill, or pay for a kitchen?
5. Does the council/WG wish to rethink?

What's even more damaging in my opinion - Who is going to devote their personal time and money into doing it up in the face of adversity?

We have the same goals - Help us! - I put it to you that the WG and LA should help and encourage investment in my local area, not repel it.

Exemptions:

There are exemptions to premiums and exemptions to council tax:

A previous owner was granted an exemption named Class A exemption. This is a suspension of CT due to major repairs needing to take place. **This exemption is tied to a property and in my case was used up with a previous owner.**

- **One person pays £0 CT and doesn't complete the property.**
- **Another person pays CT + Premium and completes the property.**

Does the council think this fair?

An exception to the premium is Class 1 - which is a premium exemption due to property being for sale. I currently use this exemption now, since September, but for several months, it was not in place, and FCC are charging a premium for that period.

I should have put it for sale on day 1, but it's a ridiculous technicality. FCC saw photos but still think it's a "home"?

According to the **Local Government Finance Act 1992**, sections 12A and 12B state that LAs do have the authority to create classes to represent different types of cases - they have done this to a large extent.

Furthermore, the guide states that *"In addition, under section 13A of the 1992 Act, billing authorities have discretionary powers to reduce council tax liability to such extent as the billing authority thinks fit."*

The guide goes on to state *"The power may be used to reduce council tax liability by any amount, including in circumstances where a local authority may otherwise charge a premium."*

Also *"Local authorities may use these powers for example to reduce or disapply a premium, and potentially as a means to target the use of premiums."*

The guide then offers some illustrative examples of where a local authority might consider using its powers include:

- where there are reasons why the dwelling could not be lived in as a permanent residence. (Show photos)
- where there are reasons why a dwelling could not be sold or let (Is this reasonable?)
- where the owner's use of a property is restricted by circumstances not covered by an exception from the premium (My use of the property is one of these - buy to do up!)
- where charging a premium might cause hardship (It does!)

The guide then suggests “The above list is not exhaustive and billing authorities will want to consider all factors they think are relevant when deciding to reduce the council tax liability for a particular property or class of properties and to make an assessment of the potential impact.”

“As with the monitoring and enforcement of existing council tax exemptions and discounts, it is expected that local authorities will take steps to verify the evidence provided in support of an application for an exception. **A local authority may also conduct regular inspections or site visits to verify continued eligibility.**” Come! Assess it!

What I want:

To be treated fairly and to be given a fair and reasonable bill.

Waive all premiums for me and other investors - you should not punish me and others for doing good. Other people would be asked to be treated fairly I’m sure, and have no CT at all.

People who buy investment properties and do them up should get incentives.

Antony Cartwright

Council Tax on empty and second homes

9th March 2023

<https://www.gov.wales/council-tax-empty-and-second-homes-html>

Council Tax Premium Scheme for Second Homes and Long-term Empty Properties

13th December 2022

<https://cyfarfodyddpwyllgor.sirymfflint.gov.uk/documents/s73690/Council%20Tax%20Premium%20Scheme%20for%20Second%20Homes%20and%20Long-term%20Empty%20Properties.pdf>

Flintshire’s Overview of CT handling

<https://www.flintshire.gov.uk/en/Resident/Council-Tax-and-Benefits-and-Grants/Council-Tax.aspx>