



Complete Agenda

Democratic Services
Swyddfa'r Cyngor
CAERNARFON
Gwynedd
LL55 1SH

Meeting

CORPORATE SCRUTINY COMMITTEE

Date and Time

10.30 am, THURSDAY, 20TH OCTOBER, 2016

Location

Siambr Hywel Dda, Council Offices, Caernarfon, Gwynedd, LL55 1SH

*** NOTE**

This meeting will be webcast

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(DISTRIBUTED 13/10/16)

CORPORATE SCRUTINY COMMITTEE

MEMBERSHIP (18)

Plaid Cymru (9)

Councillors

Elwyn Edwards
Dyfrig Jones
Gethin Glyn Williams

Aled Wyn Jones
Gweno Glyn
John Wyn Williams

Charles Wyn Jones
Michael Sol Owen
R. H. Wyn Williams

Independent (5)

Councillors

Lesley Day
W. Roy Owen
Hefin Underwood

Trevor Edwards
Eirwyn Williams

Llais Gwynedd (2)

Councillors

Jason Humphreys

Anwen J. Davies

Liberal Democrats (1)

Councillor June Marshall

Individual Member (1)

Councillor Gwynfor Edwards

Ex-officio Members

Chairman and Vice-Chairman of the Council

A G E N D A

1. APOLOGIES

To receive any apologies for absence.

2. DECLARATION OF PERSONAL INTEREST

To receive any declaration of personal interest.

3. URGENT ITEMS

To note any items that are a matter of urgency in the view of the Chairman for consideration.

4. MINUTES

4 - 9

The Chairman shall propose that the minutes of the previous meeting of this committee held on 16th June, 2016 be signed as a true record.

5. OVERVIEW OF GWYNEDD COUNCIL'S PERFORMANCE 2015/16 10 - 24

To consider the report of the Council Leader (attached).

6. REPORT ON THE PROGRESS OF THE KEEPING THE BENEFITS LOCAL STRATEGIC PLAN 25 - 35

To consider the report of the Corporate Procurement Manager (attached).

7. COUNCIL TAX PREMIUM ON LONG TERM EMPTY HOMES AND SECOND HOMES 36 - 65

To consider the report of the Head of Finance (attached).

CORPORATE SCRUTINY COMMITTEE 16/06/16

Present : Councillor Jason Humphreys (Chair);
Councillor W. Roy Owen (Vice-chair).

Councillors:- Trevor Edwards, Aled Wyn Jones, Charles W. Jones, Dyfrig Jones, June Marshall, Michael Sol Owen, Eirwyn Williams, Gethin Glyn Williams, John Wyn Williams and R. H. Wyn Williams.

Officers present:

Vera Jones (Democratic Services Manager) and Eirian Roberts (Member Support and Scrutiny Officer).

Present for item 6 below:-

Councillor Peredur Jenkins (Cabinet Member for Resources)
Dewi Morgan (Revenue and Risk Senior Manager)
Nia Davies (Planning Policy Manager)

Present for items 7 and 8 below:-

Councillor Dyfrig Siencyn (Deputy Leader)

Present for item 9 below:-

Councillors:- Stephen Churchman, Annwen Daniels, Annwen Hughes, Eric Merfyn Jones, Dilwyn Morgan, Caerwyn Roberts, Mike Stevens and W. Tudor Owen (Members of the Communities Scrutiny Committee)
Councillor Dafydd Meurig (Cabinet Member for Planning)
Dafydd Wyn Williams (Acting Head of Regulatory Department)
Dafydd Gibbard (Senior Corporate Property Manager)

Apologies: Councillors Anwen Davies, Lesley Day, Elwyn Edwards, Gweno Glyn, Linda Morgan, Angela Russell, Glyn Thomas and Hefin Underwood.

1. ELECTION OF CHAIR

RESOLVED to elect Councillor Jason Humphreys as Chair of this committee for 2016/17.

2. ELECTION OF VICE-CHAIR

RESOLVED to elect Councillor W. Roy Owen as Vice-chair of this committee for 2016/17.

3. DECLARATION OF PERSONAL INTEREST

No declarations of personal interest were received from any members present.

4. MINUTES

The Chair signed the minutes of the previous meeting of this committee that took place on 14 April, 2016, as a true record.

5. THE CABINET'S RESPONSE TO THE CORPORATE SCRUTINY COMMITTEE'S RECOMMENDATIONS

Submitted - a report by the former chair, Councillor Dyfrig Jones, reporting back on the Cabinet's response to the recommendations of this committee in relation to the following matters:-

- Gwynedd Council Procurement Strategy: Category Management and Keeping the Benefit Local;
- Draft Information Technology Strategy;
- The benefits to Gwynedd from Retaining the Business Rates.

It was noted that no detailed discussion had been held on the recommendations of the scrutinisers in relation to the Draft Information Technology Strategy as the Cabinet was moving on to discuss the strategy during its meeting that day, however, the observations of the scrutinisers had been considered as part of that discussion.

The Cabinet Member for Resources added that the Cabinet had now adopted the Information Technology Strategy and that the department had received additional resources for its implementation.

RESOLVED to accept the report.

6. REPORT OF THE HOLIDAY HOMES AND TAXES INVESTIGATION

Submitted - the report of the Holiday Homes and Taxes Investigation.

The Chair set out the context and invited Councillor Eirwyn Williams, Chair of the Investigation, to formally submit the report to the committee and to the Cabinet Member for Resources.

Upon submitting the report, Councillor Eirwyn Williams thanked the members of the investigation and the officers for their work and also thanked the professional officers outside the Council who had given their time to speak with the members as part of the investigation.

During the discussion:-

- It was noted that a continuous increase had been seen in the number of houses that transferred from the Council Tax system to the Non-domestic Rate system and that there was a need to continue pressing for a change in the legislation.
- It was suggested that the Cabinet Member should contact other councils to ensure that they also fully understood the situation.
- It was noted that these transfers were a threat to the Council Tax base.

- It was asked whether or not it could be argued that Gwynedd was a special case in light of the high number of houses in multiple occupation within the county and that this was reflected by the Government in its annual grant settlement.
- Disappointment was expressed that members of the scrutiny committee had not been aware at the meeting before the Council on 3 March that a forewarning of one year needed to be given before charging a premium on second homes and that the investigation had expressed that as a reason for not making a decision by that date regarding issuing a notice for implementing that from the 2017/18 financial year onwards.
- It was noted the Council needed to decide by December this year whether or not it would charge a premium on second homes from 2018/19 onwards and it was suggested that the investigation should be extended to consider the options (and risks) associated with that, and also look at other matters such as the possibility of charging a 5% tourist tax in order to fund community-based facilities. It was agreed to discuss that further at the end of the meeting during the Committee's Preparatory Meeting.
- It was noted, although the vows of the different political parties to reduce the business rates of small businesses was welcomed, that the owners of self-catering units that had transferred to the Non-domestic Rates system would benefit from that as well, and that Assembly Members should be lobbied to see whether or not something could be done about the situation.

The Cabinet Member thanked the scrutinisers for their thorough work that had led to a better understanding of the situation and he noted that he accepted the three recommendations of the investigation in the fields of taxation, valuation and planning. He added that he believed that the answer to the problem was to be found within the planning system. He also suggested that the scrutiny committee should look at the options (and risks) associated with charging a premium on second homes and submit suggestions to the Cabinet. It was agreed to discuss that further at the end of the meeting during the Committee's Preparatory Meeting.

RESOLVED to accept the report and submit it to the Cabinet Member for Resources.

7. GWYNEDD CHALLENGE ENGAGEMENT

Submitted - a report from Councillor John Wyn Williams and R. H. Wyn Williams who had represented this committee at a meeting of the Gwynedd Engagement Group on 5 April that took stock of the Gwynedd Challenge exercise to see which lessons could be learnt regarding the Council's engagement arrangements in the future.

It was noted that one of the group's main conclusions was that one of the potential weaknesses of the Gwynedd Challenge was that some of the content provided by the services was difficult to understand and that it used complex language and too much "Council terminology" that the public could not understand (in Welsh or English) and that the inability to communicate clear and simple messages was a weakness that needed to be addressed. It was suggested that there could be some scope here for a Scrutiny Investigation or Task Group to look at how this could be improved.

It was noted that this exercise was a new and different exercise in terms of scrutiny and members were asked to attempt to assess whether there were strengths and/or

weaknesses in these arrangements so as to conclude whether or not this type of scrutiny exercise could be used in future, and that in different fields.

During the discussion:-

- It was concluded that the exercise in terms of scrutiny had been a successful exercise, and that efforts could be made to undertake similar work in other fields in the future.
- It was noted that this type of exercise avoided duplicating work.
- It was suggested that officers did not need to accompany scrutinisers in such meetings and that the members should draw up their own record / report regarding the conclusions of the discussion.

The Deputy Leader noted that including the scrutinisers in the group had been very valuable and he provided details on further work that was to be done in the context of the Gwynedd Challenge exercise.

8. FURTHER SCRUTINY WORK - CLEAR LANGUAGE (IN ENGAGEMENT WORK)

Submitted - scope for the scrutiny investigation following the conclusion of the Gwynedd Engagement Group that one of the potential weaknesses of the Gwynedd Challenge was that some of the content provided by the services was difficult for the public to understand and that they used complex language and too much "Council terminology" that the public could not understand (in Welsh or English) and that there was room, possibly, for work by a Scrutiny Investigation or Task Group to look at how this could be improved.

RESOLVED to establish a Clear Language (in Engagement Work) Scrutiny Investigation and that Councillors John Wyn Williams and R. H. Wyn Williams are members of it.

9. REGULATORY DEPARTMENT SAVINGS

Members of the Communities Scrutiny Committee were welcomed to the meeting to joint-scrutinise this item with members of the Corporate Scrutiny Committee.

(A) Part 1 - Further Savings

Submitted – the report of the Acting Head of Regulatory Department asking the scrutiny committee to scrutinise the savings plans referred by the Cabinet for further work by the scrutinisers, namely two plans relating to reducing the Public Protection budgets and a plan relating to reducing the budget for advertising planning applications.

The Chair of the Communities Scrutiny Committee was invited to say a few words before the Acting Head of Regulatory Department outlined the content of the report.

The members were given the opportunity to question the Cabinet Member and officers and submit observations. During the discussion:-

- Support was expressed to supporting the Council's staff and empowering them.
- Disappointment was expressed in terms of looking at the savings from the perspective of the people of Gwynedd rather than from the Council's perspective.
- It was noted that collaboration could possibly be easier from now on.
- The members noted a risk in relation to charging fees as details did not currently exist.
- It was noted that it had been beneficial to scrutinise the report jointly between both committees.

The Chair of the Communities Scrutiny Committee was invited to summarise before the Chair of the Corporate Scrutiny Committee closed the discussion.

RESOLVED

- (a) To accept the information in the report, including what had been achieved regarding the savings to date.**
- (b) To recommend to the Cabinet that the Department proceeds to meet a saving of £278,440 by implementing an alternative scheme that will focus on raising income, changing structure and reducing the risks that prevent approved savings from being realised.**
- (c) That the department reports to the Corporate Scrutiny Committee on the progress of all savings and cuts along with robust figures to commit to them in terms of the alternative scheme in 9 months' time.**

(B) Part 2 - Further Savings - Pest Control

Submitted - the report of the Senior Corporate Property Manager updating members on possible options for the provision of the Pest Control and Dog Warden Service in the future and asking them to scrutinise the options proposed to close the current financial deficit.

The Chair of the Communities Scrutiny Committee was invited to say a few words before the Senior Corporate Property Manager outlined the content of the report.

The members were given the opportunity to question the Cabinet Member and officers and submit observations. During the discussion:-

- Support was expressed to the alternative way of delivering the savings / cuts and for the innovation shown.
- The development to run the service as a self-sufficient business was welcomed.
- Emphasis was placed on the need for the marketing work to be done as soon as possible to increase the service's level of use (particularly in Arfon).
- The risk of increasing the cost excessively (risk that people would take their business elsewhere) was noted; however, a level of 10% below the market was welcomed.

- It was also emphasised that the service's reputation needed to be maintained, and continue to ensure that the service was swift and effective.
- The guarantee of having a same-day service for vulnerable clients, e.g. homes for the elderly, was welcomed.
- The risk posed by the abolishment of the service was noted - as a lot of the work was internal, it could lead to private companies charging very high prices, and in turn, this would write off any savings.
- The fact that the same price would be charged to clients across the county was welcomed.
- The need to ensure a swift payment method for the service, and the development of that method, was noted.
- It was noted that there were often negative messages in the press and that this presented an opportunity to take pride in meeting the savings that have to be realised in a much more innovative way.

The Chair of the Communities Scrutiny Committee was invited to summarise before the Chair of the Corporate Scrutiny Committee closed the discussion.

RESOLVED

- (a) To recommend to the Cabinet that it realises the steps suggested in part 3 and 4 of the report with the aim of realising an increase in income of approximately £40,000 per annum, rather than abolish the Pest Control Service in its entirety.**
- (b) To ask the service to report back to the Communities Scrutiny Committee within a year.**

The meeting commenced at 10.00 am and concluded at 12.25 pm

CHAIRMAN

Agenda Item 5

MEETING	Cabinet
DATE	7 & 28 June 2016 (prepared for the Corporate Scrutiny Committee on 20 October)
TITLE	Overview of Gwynedd Council's Performance 2015/16 - fields of Effective and Efficient Council and Financial Planning.
PURPOSE	To accept and note the information in the report
AUTHOR	Councillor Dyfed Edwards
CONTACT OFFICER	Geraint Owen, Head of Corporate Support Department

1.0 Introduction

- 1.1 In accordance with the Council's performance management system, an overview of the Council's performance thus far in 2015/16 is submitted. This report focuses on Effective and Efficient Council and Financial Planning as well as the Keeping The Benefit Local project, which are included in the portfolios of the following Cabinet members:

Councillor Peredur Jenkins
Councillor Dyfrig Siencyn
Councillor Mandy Williams-Davies

- 1.2 The report addresses the transformational plans included in the Strategic Plan and draws attention to the performance measures that reflect the Council's day to day work.

2.0 Reasons for recommending the decision

In order to ensure effective performance management.

3.0 Main messages

- 3.1 Governance arrangements have strengthened and there is better efficiency as a result of the work of projects in the field of Effective and Efficient Council, but it is too early to see the impact of the work on services for the people of Gwynedd.
- 3.2 Four projects were successfully completed in the Financial Planning field.

4.0 Strategic Plan Projects

Brief progress reports are submitted below on the projects of the Strategic Plan 2015/16 in the fields of Effective and Efficient Council and Financial Planning. The projects are in the ownership of the individual Cabinet members.

In order to remind members, the wording included in the strategic plan has been noted.

4.1 Effective and Efficient Council

Councillor Dyfrig Siencyn

C3 Engagement

The purpose of this project is to improve engagement across the Council.

By the end of March 2017, this project will ensure that an Engagement Strategy is implemented that includes a series of activities aimed at improving engagement across the Council.

All activities which had been identified for the year have already been completed. During 2015/16, a new procedure was established to commission engagement work together with a central log of activities across the Council.

In addition, work has been undertaken to extend the use of social media with an increase of 2,123 in the number of Twitter followers (11,702) and an increase of 1,576 (5,062) in the number of likes on Facebook.

Previous performance reports during the year have referred to the 'Gwynedd Challenge' work, where we engaged with over 2,000 people on the cuts programme. A session was held with the Engagement Group (which includes members from Scrutiny Committees) and staff who were involved with the sessions in April in order to gain feedback, and in general, it appeared that the exercise had been successful. However, it was noted that there were some lessons to be learned for the future, and it was agreed to undertake further work to address them.

Work has also been commissioned in light of previous observations to ensure that we have appropriate arrangements for engaging with children and young people, where slightly different methods to the rest of the population may need to be considered.

The following evidence indicates that the work had an impact:

- Residents Panel - New procedure is operational which allows the Council to measure the satisfaction of the people of Gwynedd with Council services, and identify which service fields influence residents' perceptions' most.

- Gwynedd Challenge - The people of Gwynedd have had an opportunity to contribute directly to the work of prioritising services by attending local meetings and / or by completing a bespoke questionnaire, and this work has influenced the Council's financial strategy. There will be an opportunity to use it further in the future and allow the people of Gwynedd to influence the direction of our services. A review of the lessons already learned has been undertaken jointly with Scrutiny in order to strengthen the ability of Gwynedd's residents to influence matters for the future.

C4 Implementing a performance system

The purpose of this project will be to develop and implement a new performance system. The system will ensure that service teams measure what matters to the people of Gwynedd, and use those measures to improve performance.

The procedure for reporting on that will add value by holding services accountable.

Most of the activities for this project in 2015/16 have been completed although the work of developing a performance training module has slipped to 2016/17.

Departmental Manager Colleges were held to seek to ensure that service units measure what matters to the people of Gwynedd and use the measures to improve. Also, the individual Cabinet Member performance reporting procedure was introduced, which has led to improved ownership of their fields and performance.

Implementing the system means that we measure what's important for the people of Gwynedd. We have started to make a difference by focusing on improving our performance against these measures.

C8 Information governance

The purpose of this project is to review our training arrangements for staff who work with personal information to ensure that training is effective and that we are confident that the personal information of the people of Gwynedd is totally safe in our hands.

All milestones for the project in 2015/16 have been completed or are ongoing by now. We have held some training sessions with teams and spoken with individual managers to explain their responsibilities to this end. Also, a session was held to raise the Heads of Departments' awareness and to remind them of their responsibilities.

The Data Protection Policy as been included as part of the Policy Centre (on the Council's intranet) which has been launched for its workers by the Council and the e-learning module has been prepared and introduced to the staff of two departments. In addition, the internal audit procedure was used

where possible as a method of checking compliance with the Data Protection Policy.

Only some benefit has derived from this project thus far, but in due course it is expected that Gwynedd residents will benefit from improved arrangements to keep personal information confidential.

Councillor Peredur Jenkins

C1 Implementing Ffordd Gwynedd

The purpose of this project will be to lead service teams to reflect on their current working arrangements, to challenge whether they are placing the people of Gwynedd centrally and whether there is room for improvement.

Additional capacity has been ensured during the last year to work on the project and by now seven reviews are in the pipeline (Responsive maintenance, Homelessness, Support Services, Social Care (Alltwen), programmed Maintenance, Education, and Highways and Municipal).

The work of developing managers and staff to put the people of Gwynedd at the centre is ongoing with work being undertaken on a departmental level to assist staff to identify the needs of users, the purposes and measures of their services and to analyse and interpret that information.

In order to ensure a general understanding of the principles amongst the Cabinet Members, they will be invited to attend sessions which have been arranged for Managers during the next weeks to look at what the principles mean on a practical level.

The fact that the reviews themselves do not change culture is emphasised. We will focus on the behaviour change element by identifying behaviours for Units/individuals and provide opportunities to learn through our own experiences during the coming months. In addition, the Heads of Department and Senior Managers will attend training held by the Vanguard company on Systems Thinking.

Evidence of the impact of the work is as follows, and the behaviour change work remains ongoing:

Homelessness Unit

- A reduction in the number of average days spent to place homeless individuals in accommodation from 124 average days in 13/14 to 70 days in 15/16.
- Maximum days spent to place homeless individuals in accommodation has reduced from 455 to 200 days in the same period.

Property Unit

- Reduction of 19% in the time a customer waits for work to be completed i.e. from 10.1 days to 8.2 days.
- Reduction of £7,118 (8.2%) in the cost of completing work by rearranging work internally.
- Releasing some staff time, which has led to a £20,000 staffing saving.

Support Unit

- Electronic reporting systems have been developed. It will save time on administrative work for staff across the Council.
- Improvement in data handling efficiency which has led to efficiency savings with a target of £116,000. This will reduce the demand for cuts in services for the people of Gwynedd.

Health and Care

- By now, the integrated team in Alltwen has indicated that its new way of working makes a difference to clients by focusing on what is important to them rather than what is available. There is also evidence that the demand for care packages has reduced by being more meaningful when assessing individuals' requirements, and the Cabinet Member for Care will expand on this on his performance report in this cycle.

C2 Leaders development programme

The purpose of this project is to ensure that leaders within Gwynedd Council understand the principles of "Ffordd Gwynedd", that they are aware of what they need to do in order to reinforce the "Ffordd Gwynedd" principles through all tiers of the establishment and that there is a system in place to ensure that we do this consistently.

The first cycle of the new appraisal system has been completed and constructive feedback has been received to the system from Cabinet members and the Management Group and an agreement has been reached to extend similar arrangements to Senior Council Managers. In addition, the 360° exercise (receiving feedback from members regarding a worker's direct remit) has been held and a vast extent of Council heads have received the feedback.

A workshop session for Cabinet Members was held during April in order to give them an opportunity to review their developmental needs. Mixed feedback on the session was received, with some Members expressing doubt in terms of the usefulness of the workshop and questioning whether it met the requirements. As a result, it will be necessary to reconsider the suitability of providing similar sessions for politicians and officers.

It is noted that feedback from Heads of Department suggested that the programme was beneficial, but that only time would tell whether it would lead to better leaders and a better service for the public.

There is doubt as to whether the element with the Cabinet Members has been successful and as a result we will revisit the programme offered to them by receiving feedback from members.

C5 Extending the use of self-service

The purpose of this project is to extend the use of self-service to facilitate the people of Gwynedd's access to Council services, and at a lower cost than the traditional channels.

There has been a slight increase in the project as a result of a question regarding the technical foundation to be used.

Over the past months, work has been ongoing to look at the options for the technical foundation by looking at good practice within other Councils. Following this work, we have decided to progress to develop our own systems rather than to buy a system off the shelf.

The Cabinet Member has asked the Project Leader to prepare a comprehensive business case with the intention of reporting back during September.

C6 Information Technology Strategy (IT)

The purpose of this project is to produce an Information Technology Strategy that will set out the direction for the period by the end of March 2016.

During the year, work was ongoing to develop an Information Technology Strategy by consulting with Directors and Heads of Department together with cohorts of staff on the main matters requiring attention, how to address those matters and the resources required for implementation.

Though there was some slippage in the original timetable to form the strategy it was formally adopted by the Cabinet on 3 May 2016, and it was agreed to fund two Account Manager posts to assist with realising it.

At present, no-one has benefited from the outcomes of this project but introducing the Strategy will lead to better Council services, as well as savings to make better use of the resources that we have for the people of Gwynedd.

C7 Electronic document and records management system (EDRMS)

The purpose of this project is to establish the EDRMS system within at least five departments by the end of 2017, in order to ensure that the Council's information sharing arrangements are much easier and more effective.

The project has completed what was outlined for the year, and by now a document and records electronic management system is in place.

Most staff members from the Corporate Support Department transferred to using the system during January/February and the Economy and Community Department and the Leadership Team will transfer in the coming weeks. By now, approximately 150 members of staff use the system.

It is premature to assess whether benefit has derived from the project thus far, but introducing the system will lead to financial savings and will ensure better organisation for electronically managing documents and records.

4.2 Financial Planning

Councillor Peredur Jenkins
CA2 Outcomes Agreement

The purpose of this project is to ensure that the Council can claim the full amount of £1.3m that is available in 2014/15 and 2015/16 for delivering the outcomes that have been agreed with the Government.

A report on the Council's performance in 2014/15 has been prepared during the year and submitted to Government which confirms that we have achieved or exceeded the ambition that was set. As a result, we have received a payment of £1.3m.

This has meant that the Council has been able to avoid making an additional £1.3m worth of cuts.

Councillor Mandy Williams-Davies

4.3 T2 Keeping the Benefits Local

The purpose of the project is to ensure that the county's businesses have the knowledge and ability to take advantage of the Council's new procedure for the procurement of goods and services.

The Council procures a large percentage with local businesses which is worth over £64million to the local economy. As it is crucial to ensure that our local chains are aware of the opportunities to enter into contracts with the Council and the need to ensure an understanding of the Council's procurement arrangements, work has been undertaken during the year to identify the main obstacles for the local market to compete for opportunities linked with providing the Council's services. The main obstacles raised by businesses include a lack of awareness and understanding of opportunities, processes and frustrating and complex procurement requirements, as well as a lack of capacity in the local market to achieve work and compete for it. The project is now working pro-actively to engage with the market to prepare local suppliers for the tendering process.

There is strong evidence of the impact that some of the large contracts won in the area has had, together with the social benefits arising from those. For example, when using the social benefits clauses in the contracts in the

construction of Ysgol Bro Llifon, it was ensured that 55% of sub-contracts were won by contractors in Gwynedd. There are similar examples with the construction of Ysgol Hafod Lon Newydd where the core benefits included:

- i) Work experience offered to local students from the Colleges
- ii) Two jobs created by local sub-contractors
- iii) Five apprenticeships offered, and had practical experience on the site
- iv) 80% of the expenditure linked with the project remained in Wales, 47% within Gwynedd

Embed 3 procurement management categories within the Council

This part of the project relates to formalising and standardising the Council's procurement processes by embedding strategic purchasing arrangements (known as Category Management). The 'People' Category Team has been established and engagement to establish new arrangements with services within the next two categories (Environment and Corporate) currently underway.

5.0 Measures

5.1 Effective and Efficient Council

Councillor Peredur Jenkins

CG18 Number of RIDDOR accidents

(Reporting of Injuries, Diseases and Dangerous Occurrences Regulations)

The reason why the numbers against this measure had significantly reduced when comparing with previous years was examined. The number of RIDDOR accidents was 40 in 15/16 compared with 63 in 14/15, 75 in 13/14 and 64 in 12/13. This measure only reports on accidents if our arrangements are to blame or are lacking in an accident.

There is room to believe that activities held by the service to target specific fields such as Adults, and assistance provided to Departments has contributed to this reduction and we will continue to keep an eye on the situation.

Creditors' Payments Service

CD6.01 Percentage of invoices paid within 30 days (across the Council)

The performance of this measure was examined (93%) and it was explained that the Education Department's figures (specifically Primary Schools) affected the measure's performance. The need to respond to this situation by holding Departments to account over their performance and as a first step I will contact the Cabinet Member for Education, requesting that he focuses on the matter. I will continue to keep an eye on the situation in order to decide whether further implementation is necessary.

The percentage of invoices paid within 30 days for individuals and local businesses in 2016/17 will also be measured.

Information Technology Service

It is noted that there is some inconsistency between the information for TG01, TG02 and TG05 (Appendix 1) compared with the information submitted regarding the satisfaction of departments and services and the Corporate Management Team with the service, which raises questions as to whether we are measuring the right things to improve performance.

As a result, the Cabinet Member has asked the Service to re-visit the measures by requesting that he considers what will indicate or prove that the Units are delivering what they should be delivering.

Councillor Dyfrig Siencyn

Further work is needed to refine somewhat on some of the performance measures and we will not start measuring many of them until the first quarter of 2016/17.

6.0 Conclusion

Good progress is seen on the transformational projects, and evidence of positive impact on Gwynedd's residents is coming to light.

The emphasis placed on the Council's service teams to get to grips with the reasons behind the performance of their measures as well as the work which has been ongoing on developing new measures serve as evidence that services are placing more emphasis on the people of Gwynedd

7.0 Recommendation

To accept and note the information in the report.

Views of the statutory officers

The Chief Executive:

Nothing to add to the report which is self-explanatory.

The Monitoring Officer:

No comments to add from a propriety perspective.

The Head of Finance Department:

Nothing to add from a financial propriety perspective.

* = Lower figure is an improvement

Appendix 1 - Performance Measures

Effective and Efficient Council Measures (Councillor Peredur Jenkins)

Measure - definition	2012-13	2013-14	2014-15	Direction of Ambition	2015/16
Gwasanaeth Ymgynghorol Adnoddau Dynol					
CHR/002 Number of days of sickness absence per head	8.52	8.20	8.62	Improvement	8.44
CG23 Number of employment cases referred to the Employment Appeals Committee, and the number of appeals approved by that Committee (i.e. contrary to the employer's original decision).	-	-	-	Improvement	4 appeal cases 3 appeals approved by the committee
CG24 Percentage of Council managers who state that the Service contributes positively to their ability to achieve.				Establish baseline	83%
Comments					
CG24 Themes have come to light and discussions have been held to address the matters.					
Human Resources Health, Safety and Welfare Service					
CG18 Number of RIDDOR accidents (figures for the quarter in brackets)	64	75	63	Improvement *	40
CG19 Number of accidents across the Council (figures for the quarter in brackets)	2493	2636	3350	Maintain	2100
1. Number of H&S inspections (and as a result, the number of lack of compliance cases)	-	-	-	-	3
2. Satisfaction questionnaires (Score out of 10 by service managers)	-	-	-	-	7.8
3. Number of Occupational Health interventions that have been targeted on the basis of absence figures (the eventual effect of those interventions)	-	-	-	-	5
4. The number of Health and Safety Executive (HSE) interventions and number of material deficiencies					1 Plas Maesincla home inspection 2 x material deficiency

* = Lower figure is an improvement

Measure - definition	2012-13	2013-14	2014-15	Direction of Ambition	2015/16
Comments					
CG18 The three Departments where there is the greatest reduction – Adults, H&M and Education					
CG19 Data input work not completed for 15/16 accident forms and therefore this figure cannot be depended upon.					
1. Arfon Waste Collection and Recycling Depot – 10 matters of lack of compliance; Ffridd Rasmus, Harlech – 4 cases of lack of compliance; Dolgellau Fleet Workshop – 6 cases of lack of compliance					
2. One appeal has been made but this will not avoid the fee. Another open intervention has been closed without further action.					
Support Unit					
CG15 Percentage of applicant satisfaction on the experience of applying for a post with the Council and to identify whether there are any barriers which have created unnecessary problems (and therefore if it is possible to abolish them)	-	-	-	Improvement	80%
CG16 Percentage of manager and relevant staff satisfaction within the Council to seek feedback on the service and to identify the barriers they may experience which create problems for them while servicing the people of Gwynedd (and therefore if it is possible to abolish them)	-	-	-	Improvement	80%
Comments					
Steps have been put in place in order to respond to the cases of lack of satisfaction where we have influence over the situation.					
Organisational Development Service					
CG06 Percentage of staff on a sample basis who feel that the benefits they can take advantage of have a positive impact on their satisfaction with the Council as an employer	-	-	62%	Improvement	64%
Comments					
Activities continue to raise awareness of the benefits available to staff following receiving feedback					
Dysgu a Datblygu					
CG01 Staff satisfaction with the learning provision helping them to provide an improved Service for the People of Gwynedd	-	-	-	Establish baseline	7.8
CG02 Satisfaction of Managers with the learning provision helping their staff to provide and improved Service for the People of Gwynedd	-	-	-	Establish baseline	7.6
CG03 Percentage of Member who feel that the learning provision helps them to achieve their role to provide an improved Service for the People of Gwynedd	-	-	-	Establish baseline	97%

* = Lower figure is an improvement

Measure - definition	2012-13	2013-14	2014-15	Direction of Ambition	2015/16
Tim Arbedion					
Arb01 Efficiency savings sum achieved as a percentage of the total savings	-	-	-	Improvement	98.9%
DT3.1b Savings sum achieved	-	-	-	-	£6.1m

Effective and Efficient Council Measures (Councillor Dyfrig Siencyn)

Measure - Definition	2012-13	2013-14	2014-15	Direction of Ambition	Latest Information
Translation Unit					
1. User opinion on quality of written translation work	-	-	100%	Maintain	100%
2. User opinion on quality of simultaneous translation work	-	-	100%	Maintain	No recent information available
Projects Team (to be measured from 2016/17 onwards, and the exact wording to be confirmed)					
CG30 Value for money - financial and non-financial benefits	-	-	-	Set a baseline	-
CG31 Percentage of the team's customers that return	-	-	-	Set a baseline	-
Comments	CG31 The value of this measure has been challenged.				
Strategic Planning and Performance Team					
CytC03 Percentage of the amount claimed through the Outcomes Agreement	£1.3m	£1.3m	£1.3m	Maintain	£1.284m
To be measured from 2016/17 onwards					
CG26 Gwynedd's residents are satisfied with the information available to them about what the Council is doing, and its future intentions	-	-	-	Set a baseline	-
CG27 Does the information help you to know how/what the Council is doing	-	-	-	Set a baseline	-
CG28 Percentage of matters that should receive an Equality Impact Assessment which have been assessed.	-	-	-	Set a baseline	-
CG29 The Equality Impact Assessment helped to reach a decision	-	-	-	Set a baseline	-
Communication and Engagement					
CG13 Department's satisfaction with the Unit's support to help them engage with the residents of Gwynedd	-	-	-	Set a baseline	9.2

* = Lower figure is an improvement

CG14 The people of Gwynedd's satisfaction with the Council's communication and engagement arrangements	-	-	-	Set a baseline	Start reporting in 16-17
Comments CG13 - Two departments scored less than 10, and lessons have been recorded to enable improvement.					
Research and Analysis					
CG07 The number of customers who note that the assistance helped them to benefit the people of Gwynedd	-	-	-	Set a baseline	26 Yes 3 No
CG08 The number of customers who noted, after receiving the assistance, that they felt more confident when using information and evidence	-	-	-	Set a baseline	17 Yes 12 No
Comments CG07 - 3 noted that the assistance had helped them and that steps had been taken to respond. CG08 - A number of 'no' responses were cases where it was not possible, or intended for the customers to undertake the work themselves.					

Legal Service Measures

Measure - definition	2012-13	2013-14	2014-15	Direction of Ambition	Latest Information
Percentage of satisfaction questionnaires from client officers that score the service as excellent or good.	-	98%	98%	Maintain	100%
The service to meet the requirements of the Electoral Commission's performance standards for a Returning Officer in an election	-	Achieved	Achieved	Maintain	Achieved
The service to achieve Electoral Commission performance standard requirements for Electoral Registration	-	Achieved	Achieved	Maintain	-

* = Lower figure is an improvement

Financial Planning Measures (Councillor Peredur Jenkins)

Creditors' Payments Service

Ref.	Measure - Definition	2012-13	2013-14	2014-15	Direction of Ambition	Latest Information
CD6.01	Percentage of invoices paid within 30 days (across the Council)	94	94	94	Maintain	93

Payroll Service

Ref.	Measure - Definition	2012-13	2013-14	2014-15	Direction of Ambition	Latest Information
CD8.07	Number of cases which lead to further adaptations in salary.	-	-	-	Maintain	492
CD8.08	Number of employees who contact regarding the salary payment process within the Council.	-	-	-	Maintain	274
CD8.09	Ensure accurate payments within the time limit for external bodies (such as HM Revenue and Customs).	-	-	-	Maintain	100

Comments

CD8.07	Adaptations out of 20,312 payments in the quarter (0.0049%)
CD8.08	38 of these calls occurred due to a case within the Payroll Unit. (Total number of calls were 1,324 for the quarter).

Information Technology Service

Ref.	Measure - Definition	2012-13	2013-14	2014-15	Direction of Ambition	Latest Information
TG01	Percentage of network availability	100	99.6	100	Maintain	99.95
TG02	Percentage of Public Website availability	99.96	99.73	99.79	Maintain	99.62
TG05	Average Help Desk user satisfaction score	-	4.73	4.8	Maintain	4.8
CD5.13a	Satisfaction of Departments and Services with the service and financial assistance (Information Technology)	-	-	-	Maintain	3
CD5.13b	Satisfaction of the Corporate Management Team with the finance service (Information Technology) provided to the Council on a corporate level	-	-	-	Maintain	3.6
TG16	Percentage of the unit's developmental systems which have met the customer's requirements	-	-	-	-	New measure - arrangements being set

* = Lower figure is an improvement

TG17	Percentage of staff satisfied or very satisfied with the service provided by the Information Technology service	-	-	-	-	New measure - arrangements being set
TG18	Percentage of staff satisfied or very satisfied with the Information Technology equipment used	-	-	-	-	New measure - arrangements being set
Comments						
CD5.13a and CD5.13b	Consideration has been given to the points raised in order to improve.					
The Service was challenged to consider reviewing the measures to ensure that they demonstrate or prove that the Units are achieving what they should.						

Tax Service

Ref.	Measure - Definition	2012-13	2013-14	2014-15	Direction of Ambition	Latest Information
CD11.01	Council Tax Collection Rate	97.15	96.88	97.20	Maintain	97.29
CD11.02	Non Domestic Tax Collection Rate	97.57	97.79	98.2	Maintain	98.13
CD11.03	Total debts written-off in the long-term (3 years) as a percentage of the total charged to the accounts over the same period	-	0.46	0.52	Maintain*	0.47 (Annual Measure)

Benefits Service

Ref.	Measure - Definition	2012-13	2013-14	2014-15	Direction of Ambition	Latest Information
CD12.03	Average time taken to process a new benefit application (days)	21.67	23.1	19.74	Maintain*	16.44
CD12.04	Average time taken to process a notice of change in circumstances (benefits) (days)	5.68	6.91	6.23	Maintain*	5.19

DATE	20th October 2016
FOR THE ATTENTION OF	The Corporate Scrutiny Committee
TITLE	Report on the progress of the Keeping the Benefits Local strategic plan
PURPOSE	Update for the Corporate Scrutiny Committee on 20th October 2016
AUTHOR	Arwel ap Ifan Evans, Corporate Procurement Manager

This report is submitted following the request of the Corporate Scrutiny Committee to receive an update on the progress of implementing the new arrangements for procurement. There are responses to the three following sections including the relevant appendices.

A. Category Management - People Category

Can you please give an update of how the work programme is proceeding in the People Category? Can you explain the work programme to the Committee and the timetable for action. B) What agreements have received attention thus far, and what else is in the pipeline?

See Appendix 1 - Category Management Work Programme.

The programme lists:

- Categories
- The main milestones
- Current expenditure
- Savings Targets
- Local Benefit

The Work Programme was developed following analysis of the service expenditure on providers.

What benefit (if any) has been received from using category management arrangements in the People Category? Do you have evidence?

The Category Management Team are familiarising themselves with the new way of working. One of the system differences is that the Team is part of the consideration from the very beginning. The Team believes that one of the strengths of the system

is the emphasis on identifying and confirming the needs of users and the service early on in the process.

In terms of providers, the feedback to the new arrangements have been positive. At a recent event for providers (29/09/16), they noted their appreciation of the fact that we work in a pro-active way. There was recognition of the fact that we work in partnership towards the future.

How are service users benefiting?

Whilst we do not have many examples of completed tenders, we can state the following:

Home Care:

By using the information highlighted via work at Alltwen, we have identified that the service that has been commissioned does not necessarily address what is important to our service users. We envisage a fundamental change in future contracts where what is important to the individual will be central.

Direct Payments:

The successful provider in the Direct Payments tender can offer 'Managed Account'support - and this for the same price as the previous agreement. This assistance gives third party support on financial management of the Direct Payments - aspects that may have prevented individuals from using the scheme in the past.

B. Category Management across the Council

- I. Can you please give an update of how the work programme is proceeding in the Environment and Corporate areas? Can you explain the work programme to the Committee and the timetable for action.

The design of both Environmental and Corporate categories have been completed. At the beginning of the year engagement sessions were organised with officers who commission and procure across the Council. During these sessions, the new arrangements were presented and the opportunity was taken to receive feedback and practical observations.

The insert plan for the next main steps to be implemented are as follows:

October - December 2016:

- Officer recruitment and appointment arrangements for the new structure

January to April 2017:

- Development and training programme
- Programming work plans

- II. It was reported to the Cabinet 14/04/2015 that there were savings targets in the Procurement field of £2.3m to be met (although a timetable had not been noted). How many of these savings have been achieved (£)?

In the business case it was noted that there was a potential to achieve savings on our procurement expenditure of £2.3m over five years (2015/16 - 2019/20). £246k of this target has already been achieved.

The Business Case included a total procurement target for Children and Adults Services of £1.16m. The Services have already identified over £2.7m of schemes, with the People Category Team working with the service teams to implement these. Thus far, £2.46m of these schemes are on time for completion within their programme.

- III. What is the timescale for achieving the remainder? Is this realistic?

The timescale will correspond to the efficiency schemes that are already in place.

- IV. In December 2015, the Scrutiny members noted "there is no evidence thus far if the category management arrangements are an improvement on the previous system". Do you have evidence to prove that these category management arrangements have made a difference?

It is too soon to give evidence for all of this, but certainly the category management principles adopted have examples where detailed consideration is given to the buying strategy including market engagement.

- V. Once the Category Management arrangements have been established across the Council, where does the accountability for the different category teams lie?

Responsibility for policies and our procurement performance lies with the Cabinet Member, Mandy Williams-Davies.

The Category Teams will report professionally to the Corporate Procurement Manager and the performance accountability lies with the following Cabinet Members and Service Heads:

- Environment Category Team - Cllr. John Wynn Jones and the Head of Highways and Municipal Services
- Corporate Category Team - Cllr. Gareth Roberts and the Head of the Regulatory Department
- People Category Team - Cllr. Dafydd Meurig and the Head of Adults, Health and Well-being

We have also established a Steering Group to supervise the new arrangements. This Group will include the Head of Finance, Economy and Regeneration and the Head of Corporate Support and the Corporate Procurement Manager.

C. Keeping the Benefits Local

VI. You are requested to include the latest information on the performance on expenditure with 'local' companies:

Measuring Local Expenditure	Financial Period 2015-2016
Gwynedd Percentage of Council procurement expenditure that goes to companies within the County (if the main office has a postcode within the County)	*38%
Percentage of the Council's procurement expenditure that goes to companies with headquarters or a branch in Gwynedd as well as the expenditure that comes back into Gwynedd via sub-contracts. (data received from Atamis systems)	55%
North Wales Percentage of Council procurement expenditure that goes to companies within north Wales (if the main office has a postcode within north Wales)	56%
Wales Percentage of Council procurement expenditure that goes to companies within Wales (if the main office has a postcode in Wales)	63%

* Explanation of the percentage of expenditure that went to companies from Gwynedd 2015/16:

The reduction in the local percentage to 38% is mainly linked to the fact that providers from outside Gwynedd have managed to win a high percentage of substantial projects in the construction field. For example, see Wynne Construction company (based in Denbigh) who have won the majority of construction contracts for 'Schools in the 21st Century'. However, over £3.4m came back into Gwynedd via sub-contracts on building work at Ysgol Hafod Lon alone.

We have also seen a significant reduction, nearly £13m in the Council's expenditure in the areas of Civil Engineering and Road Surfacing, where local provision is strong.

VII. What wider benefits have been secured via the social clauses (over the last year)?

Plans to Build Schools

Up to May 2016, the Ysgol Hafod Lon Building Scheme has achieved:

- 5 students from Coleg Menai and Coleg Meirion Dwyfor receiving a week of work experience at the site.
- 3 local sub-contractors have been able to employ 10 new members of staff as a result of the project, 4 of these are permanent posts.
- 800 weeks of training have been achieved including apprentice work, training towards NVQ qualification, Leading and Management and Inspection for sub-contracts.
- Number of events supporting the curriculum.
- 47% of the project's expenditure has gone to businesses within Gwynedd.

On the horizon:

Social benefits schemes to be achieved during the construction period of Ysgol Glancegin Bangor including similar training targets.

Food Contract

Have achieved:

- Harlech Food Services offered 10 Van Assistant posts over the summer to local young people, age range 16-19. In addition, another 8 persons were employed and they returned for their second year.
- 10 children from Ysgol Botwnnog visited Harlech Foods site as part of their GCSE module in Business Studies.
- Work experience for a week for 3 children from Ysgol Glan y Môr, Pwllheli and Ysgol Syr Hugh Owen, Caernarfon.
- 10 pupils from Ysgol Dyffryn Ogwen, Bethesda visited and they were given practical experience with Cwmni Cig Llechwedd.

On the horizon:

- Harlech Foods Service and Ffrwythau DJ will contribute a food hamper every year to all Care and Residential homes in Gwynedd to support any fund raising events.
- 20 members of a local Young Farmers Group will visit Harlech Foods Service in January 2017.

VIII. There was some bad publicity for the Council as a result of awarding food contracts with local providers losing out. What further work has been done with local companies to assist them to develop the market (again an update of what has happened since January 2016)?

An independent review was conducted by Bangor University regarding the contractual arrangements of Food providers. The University presented the findings of their study to the Leadership Team during its meeting on 6th of September.

The University's main observations were:

- A comprehensive system and process
- Heartening results to keep the benefit local and save money despite the poor publicity.
- Where appropriate, you should strive to place more emphasis on the strengths of local businesses in the criteria. However, this is difficult bearing in mind the legal restrictions and financial pressures on the Council.
- Businesses need to understand and recognise why they do not win contracts in order that they can prepare better for next time.

In addition, to assist local business the Procurement Unit and the Business Support Unit have:

- Raised awareness of procurement opportunities by staging events and raising awareness through communication networks.
- Offer support with specific tender opportunities such as Direct Payments, Grass Cutting and recently Day Care and Renovation of Water Pipes with Cartrefi Cymunedol Gwynedd.
- Market engagement as well as analysing the Council's expenditure to identify obstacles to businesses and local enterprises to be able to compete for work.
- Create guidelines and best practice for buyers and local businesses.

IX. What were the results of those contracts and have lessons been, and to be learnt?

Direct Payments: There was early market engagement to raise awareness of the opportunity and from where to receive support. Despite this, the Rowan company from England was successful. To ensure local benefit, one condition of the contract is that the successful company will have a local presence. Rowan has established a branch at Parc Menai, Bangor and is able to provide a bilingual service.

Grass cutting: There was a substantial effort to engage and identify 24 local companies able to compete for the opportunity. One to one meetings took place to receive comments regarding obstacles to be able to compete as well as from where to get assistance. A workshop took place on 'How to Tender' via Business Wales.

A company from Flintshire won the tender for the areas of Arfon and Meirionnydd and a company from Ceredigion and Pwllheli won the Dwyfor area.

It is obvious that we need to consider how we can support local businesses when procuring Council services. Despite the support and strategy that has been adopted we cannot guarantee that local business will win via competitive and transparent arrangements.

In addition, as we analysed market feedback and the Council's expenditure patterns we saw that the opportunities were very competitive and at times the local market does not have the resources, expertise and in some cases the desire, to compete for Council work.

However, the Council is determined to try and optimise the local benefit and in future it will be a key part of the procurement strategy to reduce the obstacles and provide support to businesses and enterprises to be able to tender successfully.

To achieve this we will:

- Release regular messages to raise awareness of the opportunities and where to receive support.
- Early engagement to prepare the market.
- Support businesses to write quality applications as well as to review the processes and policies to be more competitive.
- Raise awareness and contact with some of the Council's main significant contractors in order that smaller businesses can benefit from sub-contracting opportunities.

Attachment 1: CATEGORY MANAGEMENT WORK PROGRAMME

Category	Internal Provision £	External Provision £	Savings Target %	Savings Target £	Local Benefit	Milestones
Domiciliary Care	£ 3,786,638	£ 3,774,086	A savings target has not been assigned to the category		1) Lotting strategies being considered 2) Engagement with stakeholders and supplier underway 3) Piloting further business support through a tendering capability assessment	1) Engagement forums being conducted. 2) Further 1 to 1 sessions with service providers to be arranged 3) Framework Agreement to be established by 01/04/17
Accommodation and Support 16+	£ -	£ 330,922	8%	£ 26,473.76	Market engagement and preparation	1) Planning work completed 2) Market engagement and preparation next
Day Care	£ 457,130	£ 52,820	10%	£ 50,995.00	Market engagement and preparation	1) Category analysis work being undertaken
Accommodation and Support (Learning disabilities)	£ 1,269,260	£ 7,205,950	8%	£ 678,016.82	Market engagement and preparation	1) Evaluating supplier comments and feedback
Respite Care (Learning disabilities)	£ 15,000	£ 330,590	39%	£ 128,930.10	Market engagement and preparation	1) Consulting with service users, families and service providers (internally and externally) with regards to future respite models.

Food	£ -	£ 2,300,000	20%	£ 460,000.00	1) 75% of supply from local businesses 2) Wider community benefits	1) Contract in place since 01/04/16 2) Progress report to be submitted to Cabinet during Autumn 3) Community benefits being realised (work placements and experiences for young people) 4) Team officer monitoring the contract
Direct Payments	£ -	£ 62,500	Complete efficiency programme (OED14 £190K)	1) New arrangements in place within existing budget 2) Monitoring the number of referrals which will indicate a reduction in the dependence on other care services	1) Company from England (Rowan) was successful in winning the tender. 2) Condition of the contract that service available bilingually and that the service provider has a local branch/presence.	1) New arrangement in place since July 2016 2) Team officer monitoring the contractual arrangements
Next Categories:						
Transport (in conjunction with the Council's Transport Department)						
Telecare						
Advocacy						
Residential and Nursing						
Pre Place Agreement						
Third Sector Agreements (Linked to Wellbeing)						

Agenda Item 7

COMMITTEE	CORPORATE SCRUTINY COMMITTEE
DATE	20 OCTOBER 2016
TITLE	COUNCIL TAX PREMIUM ON LONG-TERM EMPTY HOMES AND SECOND HOMES
PURPOSE OF THE REPORT	TO GIVE THE COMMITTEE AN OPPORTUNITY TO SCRUTINISE AND CONSIDER THE BENEFITS AND RISKS OF RAISING A PREMIUM
HEAD OF RELEVANT DEPARTMENT	DAFYDD EDWARDS, HEAD OF FINANCE
CONTACT OFFICER	DEWI MORGAN, SENIOR MANAGER REVENUES AND RISK

1. WHAT IS THE MATTER THAT NEEDS TO BE CONSIDERED AS A SCRUTINY ITEM?

- 1.1 The Scrutiny Inquiry on Taxes and Second Homes reported to the last meeting of the Corporate Scrutiny Committee held on 16/06/2016. The Cabinet Member for Resources accepted the recommendations during the meeting.
- 1.2 During the meeting the Cabinet Member asked the Scrutiny Members to extend the investigation by looking at the risks and benefits of placing a premium on holiday homes. As the timetable for the work involved in 'considering raising a premium' is extremely short, and the area is very complex and technical, the Scrutiny Members decided not to extend the inquiry further. The Cabinet Member was asked instead for a report outlining the options and the risks/benefits of raising a premium, to be submitted to the Corporate Scrutiny Committee on 20/10/2016 so that it would be scrutinised before the Council considers the matter at its meeting in December 2016.

2. WHAT CAN THE SCRUTINY COMMITTEE CONSIDER?

- 2.1 **Explain in brief what are the rights held by Councils with regards to raising a premium (and what are the requirements for the implementation of this)?**
 - 2.1.1 The Housing Act (Wales) has added Sections 12A and 12B to the Local Government Finance Act 1992 (the Act which introduced Council Tax) to include a discretionary right for Councils to raise an additional premium of no more than 100% on long-term empty homes (Section 12A) and second homes (Section 12B).
 - 2.1.2 The Act defines a long-term empty property, for the purposes of raising a Council Tax Premium, as follows: ***“a dwelling is a “long-term empty dwelling” on any day if for a continuous period of at least 1 year ending with that day it has been unoccupied, and it has been substantially unfurnished”***.

2.1.3 The terminology used in Section 12B is not “second homes” or “holiday homes” but rather “*dwelling occupied periodically*”. The Act states that the conditions for a property to be subject to a “second home” Council Tax premium is, “***there is no resident of the dwelling, and the dwelling is substantially furnished***”. That is, the property is not anyone’s main home, but it has been furnished. The Act does not include any provision to be able to distinguish on the basis of where the owner lives, or if it is used for the purposes of holidays.

2.1.4 However, the Act contains a provision giving the Welsh Ministers the right to impose certain exceptions (in classes) where a Council Tax premium cannot be imposed. This was done through the Council Tax (Exceptions to Higher Amounts) (Wales) Regulations 2015 which came into force on 31 January 2016. The table below outlines the exemptions where a Premium **cannot** be raised:

Classes of Dwellings	Definition	Type of property that is eligible for an exemption from paying the premium
Class 1	Dwellings being marketed for sale – time-limited for one year	Long-term Empty Properties and Second Homes
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	Second Homes
Class 6	Seasonal homes where year-round occupation is prohibited	
Class 7	Job-related dwellings	

2.2 What is the situation in other Councils? Have others raised a premium and is the impact of the implementation known?

2.2.1 Pembrokeshire, Ceredigion, Isle of Anglesey and Conwy councils determined before the end of March 2016 that they would raise a Council Tax Premium from 1 April 2017 onwards. These are the levels announced:

Pembrokeshire	Premium of 50% on second homes; a decision on long-term empty homes to be made during 2016/17.
Ceredigion	Premium of 25% on long-term empty homes and second homes from 1 April 2017.
Anglesey	Premium of 25% on long-term empty homes and second homes from 1 April 2017, to be reviewed during 2018/19.
Conwy	Premium of 100% on long-term empty homes and second homes from o 1 April 2017 (but the % to be reconsidered).

2.2.2 This is a summary of the outcome of consultation work in the neighbouring authorities who have already decided to raise premium:

- Pembrokeshire Consultation period between 27 January 2016 and 22 February 2016. 1,057 responses were received. Of those who responded to the consultation 887 (84%) stated that they are the owner of a second home in the County. 74% of the respondents to the consultation either disagreed or strongly disagreed with raising a premium.
- Ceredigion Consultation period between 11 February 2016 and 2 March 2016. 50 responses received, with 74% owning a second home or long-term empty property. However, 40% were against raising premium, with 58% in favour and 2% neutral.
- Anglesey Consultation period between 16 February 2016 and 4 March 2016. 331 responses were received. 78% of the respondents to the consultation either disagreed or strongly disagreed with raising the premium.
- Conwy There had been no public consultation before making the decision, but one was undertaken afterwards. It is expected that the result of this will be considered during 2016/17. The Premium level from 1 April 2017 can be amended during 2016/17, as only the first decision must be made at least a year in advance.

2.2.3 Since the premiums will not become operational until 1 April 2017, it is believed that the true impact of the premium will not become fully apparent until the bills for 2017/18 have been sent out.

2.3 What are the options for raising the premium in Gwynedd and what are the risks/benefits associated with those options?

Option 1 – allowing a discount

- 2.3.1 Current Regulations gives the Council discretion to charge full Council Tax, or allow a discount of 25% or 50% to second homes, and to allow a 50% discount, or a smaller rate, or no discount at all, to long-term empty properties that have been empty for 6 months or more.
- 2.3.2 For several years, Gwynedd Council has decided not to allow any discount for long-term empty homes or second homes. The full Council must take this decision annually; the decision not to allow a discount for 2016/17 was made at the full Council meeting on 10 December 2015.
- 2.3.3 These Regulations remain in force, and therefore it remains an option for the Council offer the discount described above. However, offering this now would run counter to a policy that has been in place for several years, not to mention the serious financial effect.

Option 2 – no discount or premium

- 2.3.4 There is no legislative change that would prevent the Council from continuing what it is currently doing, namely raising 100% Council Tax on long-term empty properties and second homes.

Option 3 – raising a premium

- 2.3.5 If the Council is to raise a premium, the extra Council Tax would be limited to 100% of the full Council Tax. Also, the Council cannot raise a Council tax premium if it is unable to raise "basic" Council Tax in the first place (e.g. on homes full-time students).

Numbers: Second Homes

- 2.3.6 The table below shows the number of class B second homes (i.e. those where a premium could be raised), on 1 July 2016:

Council Tax Band	Number of Properties	Tax
A	538	£532,087
B	752	£864,906
C	873	£1,146,099
D	1043	£1,538,620
E	822	£1,481,150
F	564	£1,201,715
G	210	£515,831
H	25	£73,887
I	14	£48,292
Total	4841	£7,402,586

2.3.7 In accordance with the annual Council decision (the latest on 10 December 2015), no discount is allowed for second homes, which means that these properties generate a Council Tax income of £ 7.4 million.

Numbers: Long-term empty properties

2.3.8 On 1 July 2016, the number of long term empty properties was:

Council Tax Band	Number of Properties	Tax
A	339	£ 335,588
B	373	£ 431,276
C	263	£ 347,203
D	205	£ 303,264
E	143	£ 258,360
F	62	£ 132,624
G	19	£ 46,739
H	5	£ 14,800
I	2	£ 6,851
Total	1429	£ 1,876,706

2.3.9 The definition of "long-term empty" varies within the legislation. In normal Council Tax calculations, property is empty in the long term if it has been empty for 6 months, but for the purposes of raising the premium, the property must have been vacant for at least 12 months. The 1,429 properties shown above has been empty for 6 months – 1,115 of these that have been vacant for a year or more. It is estimated that the current Council Tax income of the 1,115 property that has been vacant for a year or more is £1,464,706.

2.3.10 Although the total Council Tax income from second homes and long term empty homes is £8,867,292 (£7,402,586 + £1,464,706), we cannot expect that a premium of 100% would attract close to this amount of additional income. This total does not include any of the exceptions referred to above, nor does it consider further dwellings that may might transfer to be self-catering units, and thereby coming under the business tax regime.

Threats and Opportunities – Self-catering Units

2.3.11 The Scrutiny Committee is well aware, in the light of the comprehensive inquiry that it carried out during 2015/16, of the threat of property transferring from being households that are the subject of Council Tax to being Self-catering Units. These are the numbers that have transferred in the last full 5 year:

Financial Year	Net transfer from CT to NDR
2011/12	106
2012/13	110
2013/14	82
2014/15	188
2015/16	166
Total	652

2.3.12 Considerable attention was given to these transfers during the Scrutiny Inquiry and it was seen that the Valuation Office Agency must receive evidence that the property has been available to let for about 140 days within the previous year with actual letting for 70 days, and that there is an intention to let the property for 140 days over the next year. However, there was concern about the capacity within the Agency to carry out thorough checks.

2.3.13 There is a real threat, therefore, that the trend of property transfer could speed up if a premium is introduced. However, we expect the Valuer's Office to take strong action when assessing if a property is a home or business, and ensure appropriate evidence to support any application. Further, if the Council increased the tax on second homes, we expect that we will gain more financially than we will lose.

Threats and Opportunities – Exemptions

2.3.14 Another threat is the risk of owners of long-term empty properties and second homes claiming one of the exceptions listed in part 2.1.4 above. As can be seen, there are 4 exception for long-term empty properties, and 7 for second homes. Unlike properties that transfer to being self-catering units, we will still be able to raise Council Tax on these properties, but not the premium.

2.3.15 There is a time limit to some of these exemptions as well. For example, an exemption due to of a house being for sale or available for let can only be claimed for a year.

2.3.16 A copy of the Statutory Guidance, which provides more details about the exemptions in addition to other mandatory requirements, is included as Appendix 1.

Analysing The Impact Of Raising a Premium

2.3.17 To model the impact of raising a Premium, a series of assumptions must be made on and the impact of these then analyse. Here are two example based on sensitivity analysis. **It is emphasised that these figures are for illustrative purposes only.**

Example 1

- Premium: **100% from the start**
- The number of second homes additional transfers to self-catering units (business rates): **500**
- The number of second homes changing to being the "main home": **300**
- The number of second homes receiving the different classes of exemption –
 - Dwellings being marketed for sale – time-limited for one year (Class 1): **200**
 - Dwellings being marketed for let – time-limited for one year (Class 2): **100**
 - Annexes forming part of, or being treated as part of, the main dwelling (Class 3): **50**
 - Dwellings which would be someone's sole or main residence if they were not residing in armed forces accommodation (Class 4): **50**
 - Occupied caravan pitches and boat moorings (Class 5): **20**
 - Seasonal homes where year-round occupation is prohibited (Class 6): **10**
 - Job-related dwellings (Class 7): **30**
- The number of long-term empty homes receiving the different classes of exemption –
 - Dwellings being marketed for sale – time-limited for one year (Class 1): **100**
 - Dwellings being marketed for let – time-limited for one year (Class 2): **50**
 - Annexes forming part of, or being treated as part of, the main dwelling (Class 3): **30**
 - Dwellings which would be someone's sole or main residence if they were not residing in armed forces accommodation (Class 4): **30**
- The number of long-term empty properties that remain empty after 6 months of raising a premium: **90%**

Based on the assumptions above, the additional Council Tax would be:

Second Homes	£4,035,822
Empty Property	£794,513
Total	£4,830,335

Example 2

- Premium: **50% from the start**
- The number of additional second homes transferring to being self-catering units (business rates): **250** (i.e. fewer than if the Premium were 100%)
- The number of second homes changing to being the "main home": **150** (i.e. fewer than if the Premium were 100%)
- The same exemptions as in Example 1.

Addition Tax:

Second Homes	£1,972,443
Empty Property	£794,513
Total	£2,766,956

2.5 What are the next steps if action is to be taken to raise a premium?

Timetable

2.5.1 This is the timescale if the Full Council is to come to a decision at its meeting on 8 December 2016:

Date	Action
11/10/16	ENGAGEMENT PERIOD OPENS <ul style="list-style-type: none"> • Issue of a press release to launch the engagement period • Article in Rhaeadr to inform members • The launch of the online information pack; the engagement pack available on the Council website • The launch of the information pack in the county's libraries; the paper survey distributed to libraries
11/10/16 onwards for a period of 4 weeks	PROMOTION <ul style="list-style-type: none"> • A series of messages through Twitter and Facebook
04/11/2016	Public Engagement period closes
07/11/16 – 11/07/16	Analysis and production of a report of the results
21/11/2016	Scrutiny Workshop or a special meeting of the Corporate Scrutiny Committee
22/11/2016	The Cabinet to discuss the results of the consultation and scrutiny and decide on a recommendation to be presented to the Full Council
30/11/2016	Publish the Full Council Agenda
8/12/2016	FULL COUNCIL decides on the Council Tax Premium for 2018/19

Public Consultation

- 2.5.1 As with all far-reaching decisions, the Council must give due consideration to their statutory duties to conduct Equality Impact Assessments under the Equality Act 2010 and the Welsh Public Sector Equality Duties 2011 and to all other material considerations.
- 2.5.2 Welsh Government guidance also state that **“the local authority should also give consideration to engagement and consultation with key stakeholders, including the local electorate, before taking a decision as to whether or not to charge one or both of the premiums”**.
- 2.5.3 A public consultation was launched on 11 October 2016, and will be open until 4 November 2016, a period of approximately 4 weeks. The outcome of the consultation will be collected and analysed before the Scrutiny Workshop or a special meeting of the Corporate Scrutiny Committee on 21 November.
- 2.5.4 **A copy of the questionnaire is contained in Appendix 2, and the background document available with the questionnaire is in Appendix 3.**



Llywodraeth Cymru
Welsh Government

Guidance on the Implementation of the Council Tax Premiums on Long-Term Empty Homes and Second Homes in Wales

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Guidance on the Implementation of the Council Tax Premiums on Long-Term Empty Homes and Second Homes in Wales

Introduction

1. From 1 April 2017, local authorities will be able to charge a premium of up to 100% of the standard rate of council tax on long-term empty homes and second homes in their areas. The legislative changes were made by the Housing (Wales) Act 2014 and the powers given to local authorities are discretionary. Whether to charge a premium on long-term empty homes or second homes (or both) is, therefore, a decision to be made by each local authority.
2. The purpose of this guidance is to assist local authorities in their decision whether or not to charge a premium in their area.
3. This guidance has been produced to ensure that there is a fair and consistent implementation of the premiums and their exceptions across Wales.
4. The guidance is statutory and is issued under powers in sections 12A (3) and 12B (4) of the Local Government Finance Act 1992 ("the 1992 Act") as inserted by the Housing (Wales) Act 2014 ("the 2014 Act"). It applies to all local authorities in Wales.
5. This guidance should not be treated as an interpretation of the legislation. The interpretation of legislation is in the first instance a matter for the local authority, with definitive interpretation the responsibility of the courts.

Legal Framework for the Council Tax Premiums

6. Paragraphs 7 - 14 set out the legal framework which is common to both the premium on long-term empty homes and the premium on second homes. Requirements which are specific to long-term empty homes are set out in paragraphs 15 - 17, and those which are specific to second homes are detailed in paragraphs 18 - 19.
7. The 2014 Act amends the 1992 Act by inserting new sections 12A and 12B to enable a billing authority (a county council or county borough council) in Wales to disapply any discount granted to long-term empty dwellings and dwellings occupied periodically and apply a higher amount of council tax (a premium).
8. Local authorities have discretion to decide on the amount of the premium up to a maximum of 100% of the standard rate of council tax that applies to the dwelling.

9. Where a determination to charge a premium is made, a local authority must publish a notice of the determination in at least one newspaper circulating in its area within 21 days of the date of the determination.
10. A determination by a billing authority to charge a premium will also disapply any discount that is granted under section 11(2)(a) of the 1992 Act for dwellings in which there are no residents.
11. A billing authority can make, vary or revoke a determination made under sections 12A and 12B of the 1992 Act, but only before the beginning of the financial year to which the determination applies.
12. The Welsh Ministers also have powers under section 12A(4) and 12A(5), and 12B(5) and 12B(6) of the 1992 Act to prescribe through regulations certain classes of dwelling which may not be subject to a premium. The Council Tax (Exceptions to Higher Amounts Wales) Regulations 2015 have been made under these powers and the exceptions they prescribe are detailed later in this guidance.
13. The council tax system already provides a number of specific exemptions from council tax. The exempt groups are set out in the Council Tax (Exempt Dwellings) Order 1992. There are a number of exemptions in place for unoccupied dwellings, such as, for example:
 - where the resident is in long-term residential care or hospital,
 - where a dwelling is being structurally repaired (for up to one year),
 - where the resident has died (for up to six months after grant of probate or letters of administration).
14. A dwelling that is exempt from council tax is not liable for a premium. However, where a dwelling becomes no longer eligible for an exemption, but remains unoccupied, it will become liable for the premium. In the case of an empty home, it will be liable for a premium after it has been empty for a continuous period of one year.

Section 12A: Higher amount for long-term empty dwellings

15. A long-term empty dwelling is defined as a dwelling which is both unoccupied and substantially unfurnished for a continuous period of at least one year.
16. In determining whether a dwelling has been empty for one year, no account is to be taken of any period before 1 April 2016. In addition, the furnishing or occupation of a dwelling for one or more periods of six weeks or less during the year will not affect its status as a long-term empty dwelling. In other words, a person cannot alter a dwelling's status as a long-term empty dwelling by taking up residence or installing furniture for a short period.

17. Where a local authority makes a determination to charge a premium on long-term empty dwellings, it may specify different percentages (up to a maximum of 100 per cent) for different dwellings based on the length of time for which they have been empty. This will enable local authorities to take a stepped approach with incremental increases applying over time.

Section 12B: Higher amount for second homes

18. A second home is defined as a dwelling which is not a person's sole or main home and is substantially furnished. These dwellings are referred to in the 1992 Act as dwellings occupied periodically but they are commonly referred to as "second homes".

19. In order for a premium to apply to dwellings occupied periodically, a billing authority must make its first determination under section 12B at least one year before the beginning of the financial year to which the premium relates. This means that in order to charge a premium from 1 April 2017, a billing authority must make a determination before 1 April 2016. A determination to charge a premium in 2018 must be made before 1 April 2017 and so on.

Making a Determination to charge the Council Tax Premiums on Long-term Empty Homes and Second Homes

20. The discretion given to local authorities to charge a premium is intended to be a tool to help local authorities to:

- bring long-term empty homes back into use to provide safe, secure and affordable homes; and
- support local authorities in increasing the supply of affordable housing and enhancing the sustainability of local communities.

21. In considering whether or not to charge a premium, regard should be given to these aims. Authorities should take into account the particular housing need and circumstances in their area.

22. There are a range of factors which could help inform local authorities in deciding whether to charge a premium. Whilst some factors will be specific to either long-term empty homes or second homes, others will be common to both. A list of these factors is set out below to assist local authorities. It is not intended to be exhaustive.

- Numbers and percentages of long-term empty homes or second homes in the area;
- Distribution of long-term empty homes or second homes and other housing throughout the authority and an assessment of their impact on property values in particular areas;
- Potential impact on local economies and the tourism industry;
- Patterns of demand for, and availability of, affordable homes;

- Potential impact on local public services;
- Potential impact on the local community;
- Other measures that are available to authorities to increase housing supply;
- Other measures that are available to authorities to help bring empty properties back into use.

23. The determination by a local authority to charge a premium under section 12A or 12B of the 1992 Act must be made by full Council. Prior to doing so, a local authority must give due consideration to its statutory duties to carry out equality impact assessments under the Equality Act 2010 and the Welsh Public Sector Equality Duties 2011 and to all other relevant considerations. A local authority should also give consideration to engagement and consultation with key stakeholders, including the local electorate, before taking a decision as to whether or not to charge one or both of the premiums.

24. Having made a determination to charge a premium, in addition to the requirement to publish a notice in a local newspaper within 21 days, a local authority should give consideration to how its decision is communicated more widely, particularly to those who might be affected. This may be through the publication of press notices, providing information on website pages or other avenues to raise awareness such as, for example, direct communication with council taxpayers who are likely to be liable for the premium. A local authority may also wish to give consideration to how they advise or inform those who may be affected but who normally reside outside the local area.

Exceptions to the Council Tax Premiums on Long-Term Empty Homes and Second Homes

25. Sections 12A and 12B of the 1992 Act provide Welsh Ministers with powers to make regulations to prescribe one or more classes of dwellings in relation to which a billing authority may not make a determination to apply a premium. The Council Tax (Exceptions to Higher Amounts) (Wales) Regulations 2015 are made under these powers – a premium may not be charged on a dwelling that falls within an exception. A local authority must have regard to these exceptions before deciding to implement a premium.

26. The regulations prescribe seven classes of exempt dwellings. Classes 1, 2, 3 and 4 apply to both long-term empty homes and second homes. Classes 5, 6, and 7 only apply to second homes. The classes of dwelling are outlined in the table below and are detailed further in paragraphs 28 - 46.

Classes of Dwellings	Definition	Application
Class 1	Dwellings being marketed for sale – time-limited for one year	Long-Term Empty Homes and Second Homes
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	Second Homes
Class 6	Seasonal homes where year-round occupation is prohibited	
Class 7	Job-related dwellings	

27. Each exception is described further in the next section. Additional guidance will be provided in relation to assist local authorities in the application of the exceptions for:

- dwellings being marketed for sale;
- dwellings being marketed for let; and
- job-related dwellings.

Class 1: Exception for dwellings being marketed for sale

28. This exception applies to both the premium on long-term empty homes and the premium on second homes. It excepts dwellings that are being marketed for sale. It also covers dwellings where an offer to buy the dwelling has been accepted but the sale has not yet been completed.

29. In order to qualify for this exception a dwelling must be on the market for sale at a reasonable price. In considering whether a price is reasonable, regard should be given to the sale price of comparable dwellings in the area. Additional guidance will be provided to assist local authorities in the application of this exception.

30. The exception period runs for up to one year from the granting of the exception. After an exception has ended, a dwelling being marketed for sale will not be eligible for a further exception period unless it has been sold.

Class 2: Exception for dwellings being marketed for let

31. This exception applies to both the premium on long-term empty homes and the premium on second homes. It excepts dwellings that are being marketed for let. It also covers dwellings where an offer to rent has been accepted but the tenant is not yet entitled to occupy the property because the tenancy has not yet started.
32. In order to be eligible for this exception, a dwelling must be on the market for let at a reasonable rent, that is, the rent the property would be expected to fetch having regard to the rent raised on comparable dwellings. Additional guidance will be provided to assist local authorities in the application of this exception
33. The exception period runs for up to one year from the granting of the exception. After the end of the exception period, a dwelling being marketed for let will not be eligible for a further exception period unless it has been subject to a tenancy that was granted for a term or six months or more.

Class 3: Exception for Annexes forming part of, or being treated as part of, the main dwelling

34. This exception applies to both the long-term empty homes premium and to the second homes premium.
35. This exception applies where an owner has adapted their dwelling to provide an annexe and the annexe is now being used as part of the main dwelling.

Class 4: Exception for Dwellings which would be someone's sole or main residence if they were not residing in armed forces accommodation

36. This exception applies to both the long-term empty homes premium and to the second homes premium.
37. This exception applies to dwellings that would be a person's sole or main residence but which is unoccupied because that person resides in armed forces accommodation.
38. This exception is also intended to cover armed forces personnel whose homes are unoccupied because they are living in armed forces accommodation overseas.

Class 5: Exception for Occupied caravan pitches and boat moorings

39. This exception applies to the second homes premium. It covers dwellings that consist of a pitch occupied by a caravan or a mooring occupied by a boat where the boat or caravan currently has no resident, but when next in use will be a person's sole or main residence.

Class 6: Exception for Seasonal homes where year-round occupation is prohibited

40. This exception applies to the second homes premium. It is applicable to dwellings that are subject to planning conditions that prevent occupancy for a continuous period of at least 28 days in any 12-month period.
41. This exception is intended to cover purpose-built holiday homes or chalets which are subject to planning conditions restricting year-round occupancy. The exception is based on the definition of the existing discretionary discount for seasonal homes (Class A) in The Council Tax (Prescribed Classes of Dwellings) (Wales) Regulations 1998¹.

Class 7: Exception for job-related dwellings

42. This exception applies only in relation to the second homes premium and applies to dwellings occupied by a person who is:
- a qualifying person in relation to the dwelling, but who is resident in another dwelling which is job-related (as defined in Schedule 1 to the Regulations); or
 - a qualifying person in relation to a job-related dwelling.
43. A qualifying person is defined as:
- a person who is liable for council tax in respect of a dwelling on a particular day, whether or not jointly with another person; and
 - a person who would be liable for the council tax in respect of a dwelling on a particular day, whether or not jointly with another person if that dwelling did not fall within:
 - i. Class O of the Council Tax (Exempt Dwellings) Order 1992; or
 - ii. Class E of the Council Tax (Liability for Owners) Regulations 1992.
44. This exception applies where a person is required to reside in a job-related dwelling. It applies to a second home that is occupied periodically because a person is required to live in job-related accommodation elsewhere. It also applies where the job-related accommodation is a person's second home.
45. The definition of a job-related dwelling is given in the Schedule to the Regulations. Although this exception is similar to the job-related discount under the Council Tax (Prescribed Classes of Dwellings) (Wales) Regulations 1998, it differs because the discount only applies if the job-related dwelling is a person's sole or main residence.

¹ SI 1998 No 105

46. Another difference from the job-related dwelling discount is that there is no requirement for the taxpayer to be liable for council tax in respect of two dwellings, meaning that a person who has either a main home abroad or a job-related dwelling abroad can also benefit from the exception. Additional guidance will be provided to assist local authorities in the application of this exception

Reducing Liability for the Council Tax Premiums on Long-Term Empty and Second Homes

47. Under section 13A of the 1992 Act, a billing authority has discretionary powers to reduce council tax liability to such extent as the billing authority thinks fit. 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.

48. Some illustrative examples of where a local authority might consider using these powers include:

- where there are 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.

49. The above list is not exhaustive and billing authorities will want to consider all factors they think are relevant.

50. It is a matter for a local authority as to whether the discretionary 13A powers are used to reduce council tax liability in respect of a premium. In the interest of fairness and transparency, a local authority should have a clear policy on whether, and how, these powers will be used. The authority should, however, consider each case on its merits having taken into account the circumstances of the case.

51. It should be noted that deliberations around the use of the discretionary 13A powers are likely to be different when they are considered to reduce council tax liability resulting from a premium compared to reducing liability from the standard rate of council tax. This is because dwellings liable to a premium are already liable for the standard rate of council tax.

Appeals

52. If a person is aggrieved by a calculation 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.
53. 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.
54. Further information on the appeals process can be found on the Valuation Tribunal for Wales' website via the link below:
- <http://www.valuation-tribunals-wales.org.uk/home.html>.

Next Steps

Amendments to related legislation

55. In order to ensure that local authorities are able to administer and enforce the premiums the Welsh Government will amend relevant legislation to reflect the introduction of the premiums for example, changes to the calculation of the tax-base and to the appeals process.

Administration and Enforcement

56. In order to assist local authorities with the administration and enforcement of the premiums, in particular the application of the exceptions, additional guidance will be provided.
57. In response to concerns raised by some authorities about administrative difficulties and potential avenues for abuse, this guidance will also provide additional information to assist local authorities in applying the exceptions for:
- dwellings being marketed for sale;
 - dwellings being marketed for let; and
 - job-related dwellings.

Use of additional revenue generated from the Council Tax Premiums

58. A local authority will be able to retain any additional funds generated by implementing the premiums and amendments to the calculation of the tax base will be made to facilitate this. However, authorities are encouraged to use any additional revenue generated to help meet local housing needs, in line with the policy intentions of the premiums.

59. Specific requirements in relation to reporting on additional revenue generated and its subsequent use will be set out in further guidance. Further details on this are provided in the next section.

Monitoring and Reporting

60. In order to monitor the effectiveness of the premiums and to ensure that information on their usage is clearly made available to local council tax payers, the Welsh Government will require local authorities to monitor and report on the implementation of the premiums.

61. The specific requirements in relation to this will be set out in further guidance which will be published prior to April 2017. This is likely to include:

- Number of properties liable for the premiums;
- Additional income raised from implementing the premiums;
- How any additional income has been used;
- Number of empty homes which have been brought back into use.

62. A new module is currently being developed on Datatank for local authorities to use in modelling, monitoring and reporting on the premiums. This will be available to all authorities in the New Year.

Local Taxation Team
Welsh Government
December 2015

Council Tax Premium on second homes and long-term empty homes in Gwynedd

The Local Government Finance Act 1992 defines a **second home** as a “*domestic property where there is no resident of the dwelling, and the dwelling is substantially furnished*”.

The Local Government Finance Act 1992 defines a **long-term empty home** as a “*domestic dwelling that has been unoccupied, and has been substantially unfurnished*”.

Council Tax Premium

1 Do you own a long-term empty or second home in Gwynedd (as defined in the consultation document)?

Please choose **only one** of the following:

- Yes – a long-term empty home
- Yes – a second home
- Yes – both a long term empty home and a second home
- No

2 What is your postcode?

Please write your answer here:

3 Do you see a reason why a premium should not be raised on the Council Tax of long-term empty or second homes in Gwynedd?

For information, a number of rural council's including Isle of Anglesey County Council, Conwy County Borough Council, Ceredigion County Council and Pembrokeshire County Council have already decided on introduce a premium.

Please choose **only one** of the following:

- No reason not to raise a premium
- A premium should not be raised

4 Please not the reason / reasons why:

Only answer this question if the following conditions are met:

° Answer was 'A premium should not be raised' at question '3 [3]' (Do you see a reason why a premium should not be raised on the Council Tax of long-term empty or second homes in Gwynedd? Please write your answer here:

5 Please note at what level you think it would be most appropriate to set a Council Tax Premium for long-term empty or second homes in Gwynedd:

Please choose **only one** of the following:

- 25%
- 50%
- 75%
- 100%
- Other

6 Should the Council specify different percentages (up to a maximum of 100%) based on the length of time a long-term empty property has been empty?

Please choose **only one** of the following:

- Yes
- No

7 Authorities are encouraged to use any income generated to help meet local housing needs, in line with the policy intentions of the premiums, but there is no legal requirement to use the additional revenue to do this. In view of the fact that the Council is facing substantial financial cuts, in your opinion, how should the Council use the additional income, if a Premium were introduced?

Please choose **only one** of the following:

- The extra revenue should be used to meet local housing needs
- The extra revenue should be spent on supporting local services at a time where the Council is facing cuts
- A combination of the above

8 In your opinion, if a premium were charged on the Council Tax on long-term empty or second homes, what would its effect be in Gwynedd on...

9 The Welsh Language?

Please choose **only one** of the following:

- Positive
- Neutral
- Negative

10 We would be grateful if you could please indicate a reason for your answer or provide any further comments:

Please write your answer here:

11 The local economy and tourism?

Please choose **only one** of the following:

- Positive
- Neutral
- Negative

12 We would be grateful if you could please indicate a reason for your answer or provide any further comments:

Please write your answer here:

13 The supply of private rented accommodation?

Please choose **only one** of the following:

- Overall increase
- No effect
- Overall reduction

14 We would be grateful if you could please indicate a reason for your answer or provide any further comments:

Please write your answer here:

15 House prices in Gwynedd?

Please choose **only one** of the following:

- Overall increase
- No effect
- Overall reduction

16 We would be grateful if you could please indicate a reason for your answer or provide any further comments:

Please write your answer here:

17 The supply of affordable housing in Gwynedd?

Please choose **only one** of the following:

- An increase
- No change
- A decrease

18 We would be grateful if you could please indicate a reason for your answer or provide any further comments:

Please write your answer here:

19 We would welcome any further comments or suggestions you have regarding this consultation:

Please write your answer here:

20 Where did you hear about this consultation?

Please write your answer here:

Equality Monitoring

21We would appreciate if you could provide the following information. We are collecting this information for monitoring purposes only, and every response will be strictly confidential. You may choose not to answer any question or questions if you prefer not to.

22 What is your postcode?

Please write your answer here:

23 Are you...

Please choose **only one** of the following:

- Male
- Female
- Think of yourself in a different way

24 What is your age group?

Please choose **only one** of the following:

- 17 or younger
- 18- 29
- 30 - 39
- 40 - 49
- 50 - 59
- 60 - 69
- 70 or older

25 Do you consider yourself to have a disability which meets the definition in the 1995 Disability Discrimination Act? (please refer to the definition below)

The Disability Discrimination Act 1995 describes a disabled person as anyone 'with a physical or mental impairment which has a substantial and long-term adverse effect upon his or her ability to carry out normal day-to-day activities'.

Please choose **only one** of the following:

- Yes
- No

Consultation on charging additional Council Tax (a “Council Tax Premium”) on second homes and long term empty properties .

Introduction

We are consulting in order to gather the views of Gwynedd taxpayers, homeowners and others on how the Council should implement the powers that allow it to introduce a Council Tax Premium of up to a maximum of 100% on long term empty homes and on second homes from 1 April 2018.

Background

Council Tax is a local tax on domestic properties and is billed and collected by the Council. The money raised through Council Tax is used to support and fund local services.

Current regulations gives the Council discretion to charge full Council Tax, or allow a discount of 25% or 50% to **second homes**, and to allow a 50% discount, or a smaller rate, or no discount at all, to **long-term empty properties**.

For several years, Gwynedd Council has decided not to allow any discount for long-term empty homes or second homes. The full Council must take this decision annually; the decision not to allow a discount for 2016/17 was made at the full Council meeting on 10 December 2015.

The Housing Act (Wales) has now added Sections 12A and 12B to the Local Government Finance Act 1992 (the Act which introduced Council Tax) to include a right for Councils to raise an additional premium of **no more than 100%** on long-term empty homes (Section 12A) and second homes (Section 12B).

The Council must make its initial decision to raise a Premium on second homes at least one year before the beginning of the financial year to which it relates. Therefore, if the Council is to raise a premium on second homes from 2018/19, the Council must make a full decision before 31 March 2017.

When deciding on an annual basis to not allow Council Tax discount for long term empty dwellings, the Council has adopted the principle that offering any discount would provide an unfortunate incentive for owners to keep dwellings empty. The Empty Property Strategy includes the Council exercising its discretion to charge 100% Council Tax on long term empty dwellings, as an incentive for these dwellings to be reoccupied and the expectation is that raising the premium on empty properties is a further incentive to reoccupy empty dwellings.

What do we mean by “second homes” and “long-term empty properties”?

A **long-term empty property** is defined as a dwelling which is unoccupied and substantially unfurnished for a continuous period of at least one year. A **second home** is defined as a dwelling which is not a person's sole or main home and is substantially furnished. The 1992 Act refers to these dwellings as dwellings occupied periodically, but they are commonly referred to as “second homes”.

Exceptions

By law, some long term empty properties and second homes are eligible for exemption from paying the Premium. The following table shows the exceptions that exist, and which properties are eligible for these exemptions:

Classes of Dwellings	Definition	Type of property that is eligible for an exemption from paying the premium
Class 1	Dwellings being marketed for sale – time-limited for one year	Long-term Empty Properties and Second Homes
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	Second Homes
Class 6	Seasonal homes where year-round occupation is prohibited	
Class 7	Job-related dwellings	

In addition, it should be noted that the Council cannot charge a premium on any property where basic Council Tax cannot currently be charged.

Key points for consideration

- Gwynedd is the county with the highest rate of second homes in England and Wales. In July 2016 there were 4,867 second homes paying Council Tax which would be eligible to pay the premium.
- In July 2016, the total number of dwellings in Gwynedd that had been empty for over 1 year was 1,115. Of these:
 - 714 had been empty for over 2 years
 - 513 had been empty for over 3 years
 - 389 had been empty for over 4 years.

A detailed study was carried out in 2013 on the numbers and impact of second homes within Gwynedd. Some of the main findings of this study were:

- The impact of second homes is not confined to certain areas. Communities with high concentrations of second homes are dispersed and widespread.
- In areas with high concentrations of second homes, the impact of a strong 'external' market for houses, together with the fact that the stock of housing available for residential use in those areas is diminished, pushes up house prices.
- The work concluded that low income levels and inflated house prices in areas with high concentrations of second homes make it impossible for most residents to form their own households in their communities.
- Comparing the two most recent census results shows a decline in the percentage of Welsh speakers in communities with a high concentration of second homes.
- Providing local solutions by means of affordable housing, if resources are available, can help counteract affordability issues in communities with high proportions of second homes, without a negative impact on the Welsh language.
- Areas of high density of second homes are amongst the most deprived in Wales in terms of access to basic services. The high numbers of second homes reduce the population base of those areas, thereby affecting the sustainability of services.
- High concentrations of second homes do not necessarily correspond to 'affluent' areas. Indeed, many of the communities affected are deprived areas.
- Second homes lead to significant under-occupation of housing in many communities, when the best use of housing stock is not made.
- The types of and number of local services such as shops and post offices, will naturally be affected due to a lower population level. Second homes will reduce the amount of retail floor space that can be supported by the resident population.
- Second homes reduce the demand for tourist accommodation in the communities concerned, therefore affecting the sustainability of local businesses such as hotels, self-catering accommodation and caravan / camping sites.
- The demography of communities with high proportions of second homes is different – in general the resident population is 'older'. This affects the balance of the communities and will have an impact on the future resilience and sustainability of these areas.
- The fact that second home owners themselves are generally of a different age / wealth profile to the resident population further imbalances the structure of the communities concerned. In addition, the simple fact that they are absent for a significant proportion of the year limits their ability to contribute to local community activities and to the local economy.

- There are increased costs in providing public services within communities with high concentrations of second homes. This is due to the older age profile of service users and the variability / unpredictability of service demand.
- The costs of providing local authority services to second home residents are not recognised in the formula which provides the majority of funding for these services. If second homes in Gwynedd were occupied permanently, the authority would receive a significantly higher central grant outweighing the costs of serving the increased population. In effect, the resident population of Gwynedd are subsidising most of the costs of providing services for second home owners.
- The additional funding from increasing Council Tax on second homes could be used to address some of the problems facing communities in those areas. For example to improve the condition of housing stock (which is worse in Gwynedd than in other areas) and affordability of housing.

Use of the Premium

The Welsh Government has stated that a local authority will be able to retain any additional funds generated by implementing the premiums (and the Government has noted that amendments will be made to the calculation of the tax base to facilitate this). However, authorities are encouraged to use any additional revenue generated to help meet local housing needs, in line with the policy intentions of the premiums, but there is no legal requirement to do this.