

EQUALITY IMPACT ASSESSMENT

COUNCIL TAX PREMIUM ON LONG TERM EMPTY PROPERTIES AND SECOND HOMES

1) ASSESSMENT AUTHOR(S)

Dewi Morgan, Senior Manager Revenues and Risk

2) PARTNERS

Who are your partners when starting or changing the policy / plan / practice? They will need to be included when undertaking this assessment.

Not relevant

3) DATE ASSESSMENT BEGUN

1 July 2016

4) DATE ASSESSMENT COMPLETED

7 November 2016

5) AIMS AND OBJECTIVES OF THE POLICY / PLAN / PRACTICE

Note why the policy / plan / practice is necessary. Note what the Authority hopes to achieve.

Changes in legislation mean that councils can raise a "premium" of no more than 100% on the Council Tax of long-term empty properties and second homes. This discretion is intended to be a vehicle to help local authorities restore long-term empty homes and second homes into use in order to provide safe and affordable homes, to and assist local authorities to increase the supply of affordable housing and improve the sustainability of local communities.

The Government's statutory guidance also States that "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."

That is, while there is encouragement to use the extra income to meet local housing needs, there is no compulsion to do so.

6) PARTICIPATION AND CONSULTATION

Have you consulted regarding the change in policy / plan / practice? What was the result? Remember it is a statutory requirement to consult with the people who will be affected.

A public consultation was held for 4 weeks, between 11 October 2016 and 7 November 2016. 928 responses were received.

The opinion of respondents was divided. In general, second-home owners in particular are opposed to the intention to raise any premium, while people living locally support raising a premium of up to 100%.

Number of responses and comments:

- No premium: 516
- 25%: 51
- 50%:60
- 75%: 31
- 100%: 249
- Another level: 40
- No answer: 4

Respondents were asked to comment on the impact of the premium on a number of social issues. The only comments that raised issues of equality were allegations by some that the intention of raising Premium is to discriminate against people from outside Gwynedd and that it is racist. No evidence was offered to support this opinion.

7) EVIDENCE AVAILABLE

The evidence can be based on local, regional or national evidence, e.g. the service's data or regional equality statistics or a national report.

A detailed study of the effect that second homes have on Gwynedd communities was undertaken in 2013:

<https://gwyneddmembers.wordpress.com/2013/11/25/second-home-tax-the-latest/>

The Council Tax bands of second homes are generally higher than Gwynedd property in general.

On 1 July 2016, 33.8% of second homes in Gwynedd were in Council Tax Band E or higher. This compares with 22.2% of Gwynedd properties in general. On the other hand, the bands of long-term empty properties are lower. Only 16.4% of these properties are in band E or higher.

8) GAPS IN EVIDENCE

Note any gaps in evidence and explain how you intend to fill them.

We are confident that there are no gaps in our evidence.

9) RELEVANCE AND EFFECT

The relevance of the policy / plan / practice to the general equality duty and to each one of the equality groups (protected characteristics) must be shown. The real or likely effect must be clearly notes. It is possible that not every characteristic will be relevant or be affected.

9a)

Equality Act General Duty	Relevance	The real or likely effect
Removing illegal discrimination, harassment and victimisation	No effect	There will be no impact because the intention is to ask those who have a second home in Gwynedd, or who keep empty properties, to pay more to Council funds.
Promoting equal opportunities	Positive	The intention is to assist those who cannot get a home now.
Foster good relations	Positive	There is a danger that ill-feeling by those who will be paying the premium will cause barriers between owners of second homes and those living in these areas throughout the year. On the other hand, it is likely that the Council would be the subject of this resentment, not neighbours.

9b)

Characteristics	Relevance	The real or likely effect
Race	No effect	Some respondents to the public consultation claimed that the Policy is racist. However, there is no consideration of the race of property owners if a premium is charged on second homes and long-term empty properties.
Disability	No effect	
Sex	No effect	
Gender reassignment	No effect	
Sexual orientation	No effect	
Religion or belief	No effect	
The Welsh language	Positive	The purpose of raising a premium is to encourage owners of long-term empty properties and second homes to return the property to the local housing stock, or pay additional Council Tax. Depending on the Council's decision, this could be to meet local housing needs. Support for the Welsh language, therefore, is an integral part of this policy.
Age	Neutral overall	<p>A study in 2013 showed that the demographic make-up of the communities with high proportions of second homes is different; in General, the resident population is 'older'. This affects the balance of communities and it will have an impact on the resilience and sustainability of these areas in the future.</p> <p>The report went on to note that the profiles of second home owners themselves indicate that they are generally middle aged or retired, and wealthier than the national average. Shelter (2011) (<i>Taking Stock, an assessment of under utilisation of housing stock in England</i>) estimated that, nationally, 60% of second home owners are aged between 45 – 60 compared with 40% across all owner occupation in this age group.</p> <p>Therefore, there is evidence that those who will lose out financially are older, but it is expected that the older people living in the relevant areas throughout the year are winners because the local society will be more resilient and sustainable.</p>
Pregnancy and maternity	No effect	
Marriage and Civil Partnership	No effect	

10) ADDRESSING THE EFFECTS

a)	Note any possible effects from an equality perspective Two particular sections of the population will be subject to the premium, namely the owners of second homes, and owners of long term empty homes. It is not considered that this will impact disproportionately on any of the protected characteristics.
b)	What steps can be taken to lessen or improve these effects? No further steps necessary.
c)	Is it necessary to reconsider the proposal? No

11) ARRANGEMENTS FOR MONITORING AND REVIEWING

What steps will you take to review the policy / plan / practice once it has been adopted? Although the above assessment recognised the possible effect, it must be remembered that the full effect will not be seen until the policy is implemented

A decision will have to be made before 31 March 2017 if a premium is to be raised from 1 April 2018. We will consider the impact of the premium annually as part of the work of the Taxation Service.

12) DECISION

The Cabinet to decide on 22 November 2016 what it will recommend to the full Council on 8 December 2016.