

PWYLLGOR:	CYNGOR LLAWN
DYDDIAD:	26 Chwefror 2009
TEITL:	TRETH CYNGOR: HAWL DISGRESIWN I GANIATÁU DISGOWNTIAU
PWRPAS:	Cadarnhad blynyddol o'r penderfyniad i beidio caniatáu disgownt i ail gartrefi ac addasiad polisi i beidio caniatáu disgownt ar eiddo gwag yn 2009/2010
AWDUR:	Dafydd L Edwards – Pennaeth Cyllid
ARWEINYDD PORTFFOLIO:	Cynghorydd Dylan Edwards

1. CEFNDIR / CYFLWYNIAD

- 1.1 Rhoddir disgresiwn i Gyngorau o dan Adran 12 o'r Ddeddf Cyllid Llywodraeth Leol 1992 i ganiatáu disgownt ai peidio i ddau gategori o ail gartrefi fel y manylir yn y rheoliadau isod.
- 1.2 Tra bod rheoliadau eisoes yn caniatáu i'r Bwrdd gymryd penderfyniad ar sylfaen treth cyngor, rhaid sicrhau penderfyniad parthed hawl disgownt o'r Cyngor llawn. Am resymau technegol, gofynnir yn flynyddol am gadarnhad o'r penderfyniad i beidio caniatáu disgownt i ail-gartrefi.
- 1.3 Diwygiwyd Adran 12 o'r Ddeddf uchod gyda chynnwys Adran 75 o Ddeddf Llywodraeth Leol 2003 a Rheoliadau'r Dreth Gyngor (Dosbarthau Rhagnodedig ar Anheddau) (Cymru) (Diwygio) 2004 gan gadw hawl disgresiwn y Cyngor yng nghyswllt dosbarth A a B fel y bu yn y ddeddfwriaeth wreiddiol.
- 1.4 Hefyd, cyflwynwyd dosbarth arall o eiddo gan Ddeddf 2003 lle gall y Cyngor ymarfer disgresiwn, sef eiddo gwag tymor hir, a chyfeirir ato fel "dosbarth C". Fel gyda dosbarthiadau A a B gall y disgownt fod yn 50%, neu raddfa lai o ganran, neu ddim disgownt o gwbl.

2. "Y RHEOLIADAU" - RHEOLIADAU TRETH CYNGOR (DOSBARTH O EIDDO PENODEDIG) (CYMRU) 1998 / RHEOLIADAU'R DRETH GYNGOR (DOSBARTHAU RHAGNODEDIG AR ANHEDDAU) (CYMRU) (DIWYGIO) 2004

- 2.1 Yn y Rheoliadau uchod mae 'ail gartrefi' wedi'u categoreiddio i ddau ddosbarth, sef dosbarthau A a B, tra bod dosbarth C nawr yn cyfeirio at eiddo gwag:
 - **Dosbarth A** - Ail gartrefi sy'n ddiddeiliad ac wedi'u dodrefnu lle mae'r meddiant yn cael ei wahardd am gyfnod o 28 diwrnod o leiaf mewn cyfnod o 12 mis.
 - **Dosbarth B** - Ail gartrefi sy'n ddiddeiliad ac wedi'u dodrefnu.
 - **Dosbarth C** - Yn ddiddeiliad a heb eu dodrefnu ac wedi bod felly am gyfnod o dros 6 mis.

- 2.2 Mae'r Rheoliadau yn caniatáu disgresiwn i'r Cyngor godi Treth lawn, neu i ganiatáu disgownt o 25% neu 50% i ddsbarthiadau A a B.
- 2.3 Hefyd, mae'r Rheoliadau yn caniatáu i'r Cyngor barhau i ganiatáu disgownt 50%, neu raddfa lai o ganran, neu ddim disgownt o gwbl ar ddsbarth C.

3. POLISI CYFREDOL

- 3.1 Mae'r Cyngor wedi penderfynu caniatáu DIM disgownt i ail gartrefi (dosbarthiadau A a B) ym mhob blwyddyn ers derbyn hawl disgresiwn o dan reoliadau 1998.
- 3.2 Mae'r Cyngor wedi penderfynu (ar gyfer 2008/09 ac ym mhob blwyddyn ers derbyn hawl disgresiwn am 2005/06) parhau i ganiatáu disgownt 50% i ddsbarth C (eiddo gwag).

4. AIL GARTREFI

- 4.1 Mae nifer o aelodau etholedig wedi awgrymu dylid codi mwy na 100% o'r Treth Cyngor taladwy'n arferol ar ail gartrefi, drwy ddefnyddio 'premiwm' yn hytrach na disgownt.
- 4.2 Er mwyn gweithredu 'premiwm', byddai angen newid yn y Rheoliadau, a hefyd newid yn y ddeddfwriaeth sylfaenol sy'n greiddiol i'r Rheoliadau rheiny (gan Lywodraethau San Steffan a'r Cynulliad).
- 4.3 Byddai angen gweithredu ar y cyd ag awdurdodau lleol eraill er mwyn llwyddo gydag ymgyrch i annog datblygiad o'r fath.

5. POLISI TRETH CYNGOR PARTHED EIDDO GWAG

- 5.1 Cyflwynwyd Strategaeth Tai Gwag Cyngor Gwynedd 2009/12 i'r Pwyllgor Craffu Gofal ar 3 Chwefror 2009 gan y Rheolwr Polisi A Pherfformiad (Tai). Cytunodd y Pwyllgor Craffu Gofal gyda chynnwys y draft Strategaeth Tai Gwag a'i gyfeiriad strategol. Un o'r camau nesaf yn y Cynllun Gweithredu perthnasol yw i'r Cyngor adolygu ei bolisi Treth Cyngor parthed eiddo gwag.
- 5.2 Mae tua 1,400 o dai preswyl sector breifat yn wag ers dros 6 mis yng Ngwynedd ar unrhyw adeg am resymau amrywiol ac mae'r Cyngor wedi cydnabod pwysigrwydd rhoddi sylw i'r tai hyn o fewn ei Gynllun 3 Blynedd. Mae'r Gwasanaethau Tai, Cyllid a Chynllunio eisoes yn cyd-weithio o ran prosiect i ddwyn eiddo yn ôl i ddefnydd ac fe sefydlwyd grŵp prosiect (sydd hefyd yn cynnwys partneriaid o du allan i'r Cyngor) i gyd-gordio'r gwaith.
- 5.3 Yn hanesyddol roedd darpariaethau statudol yn golygu bod 50% o'r dreth cyngor preswyl taladwy yn cael ei godi ar anheddau gwag (yn dilyn naill ai cyfnod eithrio o 6 mis, neu gyfnod eithrio estynedig o 12 mis os oedd yr eiddo'n cael ei adnewyddu'n sylweddol). Efallai bod y gostyngiad hwn, er ei fod yn adlewyrchu'r baich llai y mae cartrefi gwag yn ei roi ar wasanaethau awdurdod lleol, yn rhoi cymhelliad anffodus i berchnogion gadw eu hanheddau yn wag.

- 5.4 Fodd bynnag, mae Deddf Llywodraeth Leol 2003, ac yn benodol Rheoliadau'r Dreth Gyngor (Dosbarthau Rhagnodedig ar Anheddau) (Cymru) (Diwygio) 2004, erbyn hyn yn cynnwys darpariaeth ddewisol i godi hyd at 100% o dreth cyngor ar anheddau sy'n wag yn y tymor hir (unwaith eto yn dilyn y cyfnodau eithrio a nodwyd uchod). Nid yw awdurdodau cyfagos (Conwy a Môn) wedi caniatáu gostyngiadau discounts ar eiddo gwag yn 2008/09.
- 5.5 Datganiad cenhadaeth y Strategaeth Tai Gwag yw: *“Bydd Cyngor Gwynedd yn ymdrechu i ddod a eiddo gwag yn ôl i ddefnydd. Ein nod yw cyfrannu at les y gymdogaeth, cynyddu'r cyflenwad tai, lleihau digartrefedd neu'r posibilrwydd o ddigartrefedd, ac ar yr un pryd, lleihau'r pwysau ar Restr Aros Tai y Cyngor”*.
- 5.6 Datganwyd yn y Strategaeth Tai Gwag pe bai Cyngor Gwynedd yn adolygu ei safbwynt ac ymarfer y dewis yma (codi 100% o dreth cyngor ar anheddau sy'n wag yn y tymor hir), yna byddai'n gymhelliad i ddod â'r anheddau hyn yn ôl i ddefnydd. **Penderfynodd y Pwyllgor Craffu Gofal argymell i Fwrdd y Cyngor beidio caniatáu'r disgownt rhag Treth Cyngor ar eiddo gwag o'r 01/04/09 ymlaen.** Felly, argymhellir i'r Cyngor llawn benderfynu yn ffurfiol i beidio caniatáu'r disgownt ar eiddo gwag yn 2009/10.

6. ARGYMHELLIAD

- 6.1 Gan ddehongli efallai bod angen penderfyniad blynyddol gan y Cyngor llawn, **gofynnir i'r Cyngor benderfynu** yn ffurfiol eto ar gyfer 2009/10 **fod Cyngor Gwynedd yn caniatáu DIM disgownt** o dan Adran 12 o'r Ddeddf Cyllid Llywodraeth Leol 1992 **i'r ddau ddosbarth o ail gartrefi** (dosbarthiadau A a B) sydd wedi'u diffinio yn Rheoliadau Treth Cyngor (Dosbarth o Eiddo Penodedig) (Cymru) 1998.
- 6.2 Ymhellach, **gofynnir i'r Cyngor benderfynu** am 2009/10 **i ganiatau DIM disgownt yng nghyswllt tai gwag** (dosbarth C).

MEETING: **THE FULL COUNCIL**

DATE: **26 February 2009**

TITLE: **COUNCIL TAX: DISCRETIONARY POWERS TO ALLOW DISCOUNTS**

PURPOSE: **Annual ratification of the decision not to allow any discounts for second homes, and a policy amendment to disallow discount on empty properties in 2009/2010**

AUTHOR: **Dafydd L Edwards – Head of Finance**

PORTFOLIO LEADER: **Councillor Dylan Edwards**

1. BACKGROUND / INTRODUCTION

- 1.1 Section 12 of the Local Government Finance Act 1992 provides Councils with the discretionary powers to grant discount or not to two classes of second homes as detailed within the regulations below.
- 1.2 Whilst regulations now provide the Board with powers to decide on the council tax base, a decision by the full Council is still required in relation to discounts. For technical reasons, confirmation has been sought annually regarding the decision to disallow council tax discount in respect of second homes.
- 1.3 Section 12 of the above act was reformed within Section 75 of The Local Government Act 2003 and The Council Tax (Prescribed Classes of Dwellings) (Wales) (Amendment) Regulations 2004 retaining the discretionary powers in this context of classes A and B below remain as per the original legislation.
- 1.4 Also, a further class of dwellings was introduced by the 2003 Act where the Council can exercise discretion, and that is for long term empty dwellings – referred to as “class C”. As for classes A and B the discount can be 50%, a reduced percentage or no discount.

2. “THE REGULATIONS” – COUNCIL TAX (PRESCRIBED CLASS OF DWELLINGS (WALES) REGULATIONS 1998 / THE COUNCIL TAX (PRESCRIBED CLASSES OF DWELLINGS) (WALES) (AMENDMENT) REGULATIONS 2004

- 2.1 In the above Regulations, 'second homes' have been categorised into two classes, A and B, while class C refers to empty properties:
 - **Class A** - Second homes which are unoccupied and furnished, with a restriction on occupancy for a period of at least 28 consecutive days in any 12 month period.
 - **Class B** - Second homes which are unoccupied and furnished.
 - **Class C** – empty and unfurnished properties, and have been such for a period of over 6 months.

- 2.2 The Regulations provide the Council with the discretion to charge full Council Tax or to allow a 25% or 50% discount to classes A and B.
- 2.3 Also, the Regulations provide the Council with discretion to continue to allow a 50% discount, to allow a lower percentage of discount, or no discount at all to class C.

3. CURRENT POLICY

- 3.1 The Council has resolved to allow NO discounts to second homes (classes A and B) every year since receiving discretionary powers for these classes in 1998.
- 3.2 The Council has resolved (for 2008/09 and in every year since discretionary powers were delegated for 2005/06) to continue to allow a 50% discount for class C (in respect of empty/unoccupied properties).

4. SECOND HOMES

- 4.1 A number of elected members have suggested that we should charge more than 100% of the usual Council Tax payable on second homes, by means of a 'premium' rather than a discount.
- 4.2 In order to operate a 'premium', there would need to be a change in the Regulations, and also a change in the primary legislation underpinning those Regulations (by the Westminster and Assembly Governments).
- 4.3 It would be necessary to act jointly with other local authorities in order to succeed with a campaign to prompt such a development.

5. EMPTY PROPERTY

- 5.1 Gwynedd Council's Empty Property Strategy 2009/12 was presented to the Care Scrutiny Committee on 3 February 2009 by the Policy and Performance Manager (Housing). The Care Scrutiny Committee agreed with the contents and strategic direction of the Empty Property Strategy. One of the next steps in the relevant Action Plan is for the Council to review its Council Tax policy regarding empty property.
- 5.2 In Gwynedd there are around 1,400 private sector residential properties that are empty for over 6 months at any one time for various reasons and the Council has recognised the importance of paying attention to these properties within its 3 Year Plan. The Housing, Finance and Planning Services have been working together on the project of bringing empty properties back into use and a project group (which also included partners from outside the Council) was established to co-ordinate the work.
- 5.3 Historically, statutory provisions provided that vacant dwellings be charged at 50% of the occupied council tax payable (following either an exempt period of 6 months, or an extended 12 month period of exemption if undergoing major renovation). This discount, whilst reflecting the lesser burden of empty homes on direct local authority services, may leave a perverse incentive for owners to keep dwellings empty.

- 5.4 However, the Local Government Act 2003, and specifically the Council Tax (Prescribed Classes of Dwelling) (Wales) (Amendment) Regulations 2004, now includes discretionary provision to charge up to 100% council tax on long term empty dwellings (again following the exempt periods as indicated above). Neighbouring authorities (Anglesey and Conwy) have not to allowed discounts on empty property in 2008/09.
- 5.5 The Empty Property Strategy's mission statement is that: *"Gwynedd Council will endeavour to bring empty properties back into use. Our aims are to contribute to the well-being of the neighbourhood, increase the supply of housing, reduce homelessness or the potential for homelessness, and at the same time, reduce the pressure on the Council's Housing Waiting List"*.
- 5.6 The Empty Property Strategy stated that if Gwynedd Council was to review its position and exercise this discretion (to charge 100% council tax on long term empty dwellings), it would be an incentive for these dwellings to be reoccupied. **The Care Scrutiny Committee decided to recommend that the Council Board does not allow the discount from Council Tax on empty properties from 01/04/09 onwards.** Therefore, it is recommended that the full Council formally resolves not to allow this discount on empty property in 2009/10.

6. RECOMMENDATION

- 6.1 It is interpreted that an annual decision by the full Council may be required, therefore **the Council is asked to formally resolve** again for 2009/10 **that Gwynedd Council allow NO discount** under Section 12 of the Local Government Finance Act 1992 **to the two classes of second homes** (classes A and B) defined in the Council Tax (Prescribed Class of Dwellings) (Wales) Regulations 1998.
- 6.2 Further, **the Council is asked to decide** for 2009/10 **to allow NO discount in respect of empty properties** (class C).