

Appendix 20 BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

Title of EIA		Council Tax charges for second homes
EIA Authors	Name	Karen Holtom
	Position	Policy and Projects Manager
	Date of completion	20/11/23
Head of Service	Name	Barrie Strain
	Position	Head of Revenues and Benefits
Cabinet Member	Name	Cllr R Brown
	Portfolio	Strategic Finance and Resources

PLEASE REFER TO [EIA GUIDANCE](#) FOR ADVICE ON COMPLETING THIS FORM

SECTION 1 – Context & Background

1.1 Please tick one of the following options:

This EIA is being carried out on:

- New policy / strategy
- New service
- Review of policy / strategy
- Review of service
- Commissioning
- Other project (*please give details*)

1.2 In summary, what is the background to this EIA?

The Levelling Up and Regeneration Act 2023 enables billing authorities to charge a 100 per cent council tax premium for empty furnished second homes. Billing authorities must notify taxpayers 12 months in advance of the tax year in which the charge comes into effect. Therefore, the earliest that the charge can be implemented in Coventry would be April 2025.

The Government's policy intention in respect of second homes is particularly focused at addressing issues associated in localities with high levels of second home ownership – where this can distort local housing markets and limit the supply of affordable homes for local people. Coventry has comparatively low levels of second home ownership.

The Government, through regulations, will seek to distinguish between a second home which someone may occupy periodically – such as a holiday home – and second homes which are owned for the purpose of being let regularly.

It is estimated that the second home premium could generate £0.1 million in additional council tax revenue to the Authority.

Appendix 20 BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

Aims will be to:

To encourage empty properties back in to use

Ease housing supply pressures

·Reduce negative impacts, such as anti-social behaviour,

Reductions in rental & market values on surrounding properties, desirability of an area.

The proposal is to:

- charge up to 100% premium (double the full rate) on council tax for second homes

SECTION 2 – Consideration of Impact

Refer to guidance note for more detailed advice on completing this section.

In order to ensure that we do not discriminate in the way our activities are designed, developed and delivered, we must look at our duty to:

- Eliminate discrimination, harassment, victimisation and any other conflict that is prohibited by the Equality Act 2010
- Advance equality of opportunity between two persons who share a relevant protected characteristic and those who do not
- Foster good relations between persons who share a relevant protected characteristic and those who do not

2.1 Baseline data and information

At any given time there are approximately 2,500 properties in Coventry recorded as empty furnished second homes. The council tax database does not differentiate between a second home which is being marketed for rent and a second home that is occupied periodically by someone who's main residence is somewhere else.

This makes it difficult to identify the number of properties that would be subject to a second home premium. We can make the assumption that a property is a true second home for the purpose of the second home premium if it has been empty for a certain period of time, if it is not listed as having an executor as the liable party and the liable person has only one entry in the council tax list (assuming that anyone liable party with multiple entries is a landlord/letting agent).

On this basis approximately 500 properties would attract the second home premium. However, until the policy is implemented we will not know specifically which properties are true second homes and which are rental properties. The final number is likely to be significantly lower and possibly less than 100 properties. These properties could be located anywhere within the city boundary.

Anecdotally it could be assumed that owners of second properties are likely to be from the higher earning segment of tax paying residents.

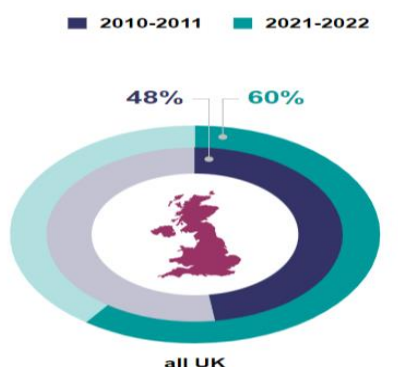
Appendix 20 BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

We do not hold any demographic or equality and diversity information due to the fact that we cannot identify precisely which properties will be affected by the policy.

National Data

Facts taken from <https://www.gov.uk/government/statistics/english-housing-survey-2021-to-2022-second-homes-fact-sheet/english-housing-survey-2021-to-2022-second-homes-fact-sheet>

The proportion of of second homes in the UK has increased since the last decade



Characteristics of households with second homes

The likelihood of owning a second home generally increases with age. Those aged between 55-64 were the most likely to have a second home, with 31% of households with access to a second home from this age group, across the UK. The proportion slightly decreased in the 65 and over age group (27%). The proportions across age groups were similar to what they were in 2010-11, save for those in the 35-44 age group. In 2021-22, 9% of second homes were owned by those 35-44. In the 2010-11, 18% of second homes were owned by people in the same age group.

Most people with a second home were in the highest income quintile (46%). This was similar to 2010-11 when the majority of people with second homes were also in the highest income quintile (52%),

Couples with no dependent children were the most likely household type to have at least one second home - 54% of households with access to a second home were from this household type. This was followed by couples with dependent children (22%). **Most households that have access to a second home are couples without dependent children.**

2.2 On the basis of evidence, complete the table below to show what the potential impact is for each of the protected groups.

- Positive impact (P),
- Negative impact (N)
- Both positive and negative impacts (PN)
- No impact (NI)
- Unknown Impact (UI)

Appendix 20 BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

Protected Characteristic	Impact type P, N, PN, NI	Nature of impact and any mitigations required
Age 0-17	NI	
Age 18-65	PN	<p>Impacted tax payers will be required to pay more council tax (100 per cent increase). The Council will retain discretion to waive additional charges on a case by case basis as appropriate.</p> <p>The wider policy may have some benefits for the overall supply of housing as second home owners look to make their homes available for permanent occupation.</p>
Age 66 and over	PN	<p>Impacted tax payers will be required to pay more council tax (100 per cent increase). The Council will retain discretion to waive additional charges on a case by case basis as appropriate.</p> <p>The wider policy may have some benefits for the overall supply of housing as second home owners look to make their homes available for permanent occupation.</p>
Disability	NI	No specific impact has been identified in relation to this group
Gender reassignment	NI	No specific impact has been identified in relation to this group
Marriage and Civil Partnership	NI	No specific impact has been identified in relation to this group
Pregnancy and maternity	NI	No specific impact has been identified in relation to this group
Race (Including: colour, nationality, citizenship ethnic or national origins)	NI	No specific impact has been identified in relation to this group
Religion and belief	NI	No specific impact has been identified in relation to this group
Sex	NI	No specific impact has been identified in relation to this group
Sexual orientation	NI	No specific impact has been identified in relation to this group

2.3 Will there be any potential impacts in relation to health and/or digital inequalities?

The Second homes supports the Marmot principle
 Create and develop healthy and sustainable places and communities
 Further details to be added if proposal is agreed

Appendix 20 BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

3.0 Will there be any potential impacts on Council staff from protected groups?

No

4.0 How will you monitor and evaluate the effect of this work?

The Council will monitor the level of revenue generated from the additional premiums and any feedback from tax payers on a case by case basis to identify any unintended consequences.

5.0	Action Planning	
Issue Identified	Planned Action	Timeframe
Capture complaints about the impact of the second home premium.	Capture and analyse data through the council's complaints process.	Incorporated into Business As Usual processes.
Data quality	Undertake a data gathering and cleansing exercise prior to implementation to ensure an accurate record of second home ownership.	31/03/2025

6.0 Completion Statement

As the appropriate Head of Service for this area, I confirm that the potential equality impact is as follows:

- No impact has been identified for one or more protected groups
- Positive impact has been identified for one or more protected groups
- Negative impact has been identified for one or more protected groups
- Both positive and negative impact has been identified for one or more protected groups

8.0 Approval

Signed: Head of Service: Barrie Strain	Date: 25.11.23
Name of Director: Barry Hastie	Date sent to Director: 25.11.23
Name of Lead Elected Member: Cllr R Brown	Date sent to Councillor: 25.11.23