

Consultation Report

Council Tax Premium on Long Term Empty Homes and Second Homes

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1. Introduction

Thank you to all who took part in our recent public consultation which was held between 16th November and 14th December 2016. The consultation was available online via the Denbighshire County Council website and paper copies were available at all Denbighshire Libraries / One Stop Shops. The consultation was promoted through our website, a press release and Denbighshire County Council's social media.

2. Consultation responses

In total 49 responses were received during the consultation period. This breaks down to 29 online survey, 19 paper survey and 1 survey submitted by email.

Of the 49 responses:-

- 41 are Denbighshire residents
- 2 are owners of a long term empty home in Denbighshire
- 8 are owners of a second home in Denbighshire

The responses received are summarised in the following pages.

3. Responses on Long Term Empty Homes

3.1 68.75% are overall in favour of a Council Tax Premium (this is made up of 54.17% who strongly agree and an additional 14.58% agree)

20.83% are against (that is 14.6% who strongly disagree and 6.3% who disagree)

Overall to what extent do you agree with the introduction of a Council Tax premium for long-term empty homes in Denbighshire?		
	Percent	Number
Strongly Agree	54.17%	26
Agree	14.58%	7
Neutral	10.42%	5
Disagree	6.25%	3
Strongly Disagree	14.58%	7
<i>skipped question</i>		1

3.2 The options for the rate of any premium received a very even but widespread set of responses as seen in the table below.

At what additional percentage do you think the Council Tax premium should be set in Denbighshire for long-term empty homes?		
	Percent	Number
25%	25.53%	12
50%	25.53%	12
75%	4.26%	2
100%	25.53%	12
Other (please specify)		
0%	12.76%	6
*150%	2.13%	1
Variable - 25% after 2 yrs empty up to 100% after 10 yrs	2.13%	1
Depends on reason for being empty	2.13%	1
<i>skipped question</i>		2

*Please note that 150% is not possible as the powers granted by Welsh Government only allow up to a maximum of 100% premium

4. Responses on Second Homes

4.1 Over half (55.10%) are in favour of a premium (42.86% strongly agree and 12.24% agree)

This compares with 30.61% who are not (28.57% strongly disagree and 2.04% disagree)

Overall to what extent do you agree with the introduction of a Council Tax premium for <u>second homes</u> in Denbighshire?		
	Percent	Number
Strongly Agree	42.86%	21
Agree	12.24%	6
Neutral	14.29%	7
Disagree	2.04%	1
Strongly Disagree	28.57%	14
<i>skipped question</i>		0

4.2 The options on the rate of premium received a cross range of support as seen in the table below.

At what additional percentage do you think the Council Tax premium should be set in Denbighshire for <u>second homes</u>?		
	Percent	Number
25%	17.39%	8
50%	15.22%	7
75%	0.0%	0
100%	30.43%	14
Other (please specify)		
0%	32.60%	15
*150%	2.18%	1
Depends on how often the property is used	2.18%	1
<i>skipped question</i>		3

*Please note that 150% is not possible as the powers granted by Welsh Government only allow up to a maximum of 100% premium

5. General comments made

The survey allowed for respondents to make some general comments and these are summarised below and where appropriate a response from Denbighshire County Council has been provided.

	Comment summary	DCC Response / Point of clarification
a	This is a money making exercise by Local Authorities. Where will the extra money go?	<p>The power to charge a premium has been granted to Local Authorities by Welsh Government. A decision whether to charge is to be made by each Local Authority in Wales. Welsh Government's purpose in granting these powers is intended to be a tool to help Local Authorities:-</p> <p>bring long-term empty homes back into use to provide safe, secure and affordable homes; and</p> <p>support local authorities in increasing the supply of affordable housing and enhancing the sustainability of local communities</p> <p>Welsh Government have also stated 'authorities are encouraged to use any additional revenue generated to help meet local housing needs, in line with the policy intentions of the premiums.'</p>
b	Local Authorities should be more proactive in helping owners to bring these homes back into use	Denbighshire County Council, in line with Welsh Government requirements, issues an empty homes survey pack to owners of long term empty homes at the beginning of each financial year. This is to try to ascertain why the home is currently empty and, through providing advice leaflets, advising how the council can help to bring the empty home back into use, from general advice through to providing financial assistance and project management services to help the owner to bring the empty home back up to a standard suitable to let.
c	People will buy second homes in other areas instead.	Noted however all Local Authorities in Wales have been granted these powers. Some Authorities have already implemented a premium and others are considering doing so. In England the power to charge a premium has been in place since 2013.
d	Unfair on second homes as some regularly use local tradesmen, businesses and shops.	Noted

e	These properties are a luxury and should be taxed.	Noted
f	Empty properties are not good for the area and people who need homes could be living in them.	Empty homes can be a blight on an area, especially when there is high housing demand. Denbighshire County Council recognises this and has adopted a twin approach of working closely with owners, landlords and Housing Associations, as well as colleagues from within the Local Authority, to bring empty properties back into use, whilst working closely with internal and external enforcement agencies to target the most problematic 'eyesore' properties to find a solution that benefits the local community through a supply of properties at affordable rates.
g	Council Tax pays for council services. If not using the council services then why have to pay more.	Noted
h	Yes should encourage long term empty homes to come on to the market as accommodation for others.	If council tax premium is enacted, this should encourage more owners of long term empty homes to work with Denbighshire County Council to bring these properties back into use.
i	You shouldn't punish people for owning these homes	Noted

6. Possible impact of a Council Tax Premium

We also asked a number of specific questions on key topics as follows.

Please note that whilst the vast majority of respondents answered how they felt overall (the positive / neutral / negative question) not all respondents made supporting comments. The comments that were made are summarised below each topic.

6.1 Tourism

What if any impact do you think the introduction of a Council Tax premium for long-term empty properties and second homes will have on tourism in Denbighshire?

	Percent	Number
Positive	22.92%	11
Neutral	39.58%	19
Negative	37.50%	18
<i>skipped question</i>		1

	Tourism – comments summary	DCC Response / Point of clarification
a	Negative as it would discourage people from having second homes as holiday lets and so there would be fewer holiday accommodation places.	Noted
b	Negative as the extra cost could be passed by the owner onto the holiday maker by charging extra for the holiday let.	Noted
c	That it would discourage people from having second homes in Denbighshire, that they would buy properties elsewhere and so the money they spend in local shops and businesses would go to another area.	All Local Authorities in Wales have been granted these powers. Some Authorities have already implemented a premium and others are considering doing so. In England the power to charge a premium has been in place since 2013.
d	Negative if classing caravans as 2 nd homes as this will have a negative impact on the local economy	The majority of caravans are unlikely to be affected eg caravans on recognised caravan parks would not be impacted as they are not subject to Council Tax.
e	Positive impact in relation to Long Term Empty homes as felt it could encourage long term empty homes to be brought back into use rather than left in disrepair and so make the local area more attractive to tourists.	Noted
f	Neutral in that the extra Council Tax would be of minimal financial impact to owners.	Noted

6.2 The Welsh Language

What if any impact do you think the introduction of a Council Tax premium for long-term empty properties and second homes will have on the Welsh Language in Denbighshire?

	Percent	Number
Positive	44.68%	21
Neutral	46.81%	22
Negative	8.51%	4
<i>skipped question</i>		2

	Welsh Language - comments summary	DCC response / Point of clarification
a	Neutral as see no link between the Welsh language and this issue.	Noted
b	It would lead to more homes being available for local people so a positive impact.	Noted

Whilst 4 responded that there would be a negative impact on the Welsh language no supporting comments were made.

6.3 Supply of private rented accommodation

What if any impact do you think the introduction of a Council Tax premium for long-term empty properties and second homes will have on the supply of private rented accommodation in Denbighshire?

	Percent	Number
Positive	53.33%	24
Neutral	22.22%	10
Negative	24.45%	11
<i>skipped question</i>		4

	Private rented accommodation - comments summary	DCC response / Point of clarification
a	Positive as will encourage the rent or sale of these properties, particularly long term empty properties and so increase supply	Noted
b	Negative in that the cost could be passed onto the tenant	If the property is occupied by a tenant then standard Council Tax rules would apply.

6.4 Supply of affordable housing

What if any impact do you think the introduction of a Council Tax premium for long-term empty properties and second homes will have on the supply of affordable housing in Denbighshire?

	Percent	Number
Positive	54.35%	25
Neutral	30.43%	14
Negative	15.22%	7
<i>skipped question</i>		3

	Affordable housing - comments summary	DCC response / Point of clarification
a	Positive impact as it would encourage the sale of those properties and so lead to more properties being made available.	Noted
b	Properties would still not be affordable or that social landlords would not buy such properties.	Noted

6.5 House prices

What if any impact do you think the introduction of a Council Tax premium for long-term empty properties and second homes will have on house prices in Denbighshire?

	Percent	Number
Positive	22.45%	11
Neutral	44.90%	22
Negative	32.65%	16
<i>skipped question</i>		0

	House prices - summary comments	DCC response / Point of clarification
a	Neutral as the numbers are too small to make an impact, and might drive down price but seller still needs to make a profit.	Noted
b	A fall in house prices as the Council Tax Premium would encourage some owners to put their properties on the market leading to more properties for sale and so pushing prices down.	Noted
c	1 comment said it will increase house prices but no supporting details were provided.	Noted