



**Consultation – Proposals to
implement Council Tax Premiums
on long-term empty properties and
second homes**

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Introduction

This document provides an overview of the responses to the consultation on proposals to implement Council Tax Premiums on long-term empty properties and second homes which ran from 12th January to 8th February 2024.

This consultation requested views on the Council's proposal to charge premiums on long-term empty homes and second homes and the level of premiums to charge. The consultation was on domestic properties and did not extend to empty business/commercial properties.

The discretion given to Councils to charge a premium is intended to be used as part of a wider strategy to help Councils to:

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

By increasing the council tax charges on long-term empty homes and second homes, the aim is to encourage homeowners to bring their long-term empty properties back into use for the benefit of the local community and economy.

Background

Caerphilly do not currently award any discounts for long-term empty homes and second homes and charge 100%.

Welsh Government have granted local authorities the power to raise council tax premiums for long-term empty homes and second homes, by up to 300% over the standard charge, from 1st April 2024.

The Council consulted on the following proposals:

Long-term empties

- Do you agree or disagree with our proposal to introduce a council tax premium on properties that have been empty for over 12 months?
- Do you agree that the Council should charge higher premiums based on the length of time a property has been empty (up to a maximum of 300%).

For example:

- If a property has been empty over 1 year charge a premium of 100%
- If a property has been empty over 4 years charge a premium of 200%
- If a property has been empty over 10 years charge a premium of 300%

Second Homes

- Do you agree or disagree that the Council should put measures in place to reduce the number of second homes in Caerphilly?
- Do you agree or disagree with our proposals to introduce a Council Tax premium on second homes?

Summary of engagement

As part of engagement, **1,111** letters were sent to all long-term empty and second homeowners that would be impacted by the proposed increase in premium. It is important to identify engagement with this group as they could potentially be negatively impacted by the proposals which could have a disproportionate impact on the results of the consultation.

In addition, MPs, Senedd Members, Caerphilly CBC elected members, Estate Agents, Social Landlords and Citizens Advice Bureau were invited by email to take part in the consultation.

To ensure wider outreach and involvement of the community, the consultation was promoted through the Council's website and social media channels.

The public consultation was available online via the Join the Caerphilly Conversation webpage and paper copies were available upon request.

Who responded

The consultation received **143** responses, reflecting a wide range of interests and views. The consultation contained **twenty-two** questions relating to the proposals to implement Council Tax Premiums on long-term empty properties and second homes.

Summary of responses

137 responses were received when asked if the Council should put measures in place to reduce the number of long-term empty properties in Caerphilly. 41% of responses strongly agreed while 27% strongly disagreed.

In contrast, 45% of responses strongly disagreed that the Council should put measures in place to reduce the number of second homes in Caerphilly with 30% strongly agreeing.

Around a third of responses strongly agreed that the extra revenue raised would partly be used to support the implementation of the Council's empty Homes Strategy, to help bring long-term empty homes back into use and meet local housing needs while a similar number strongly disagreed.

41% of responses own a long-term empty property in Caerphilly, with over half (59%) of properties being empty for over a year. The most common reason for a property being empty is they have been unable to sell the property (36%).

30% of responses strongly agreed with the proposal to introduce a Council Tax premium on properties that have been empty for over 12 months; the majority of which had already stated they did not own a long-term empty property in Caerphilly. 45% of responses strongly disagreed with the proposal.

When asked if the Council should charge higher premiums based on the length of time a property has been empty (up to a maximum of 300%) 27% strongly agreed. 48% strongly disagreed with the majority also disagreeing with the proposal to introduce a Council Tax premium on second homes.

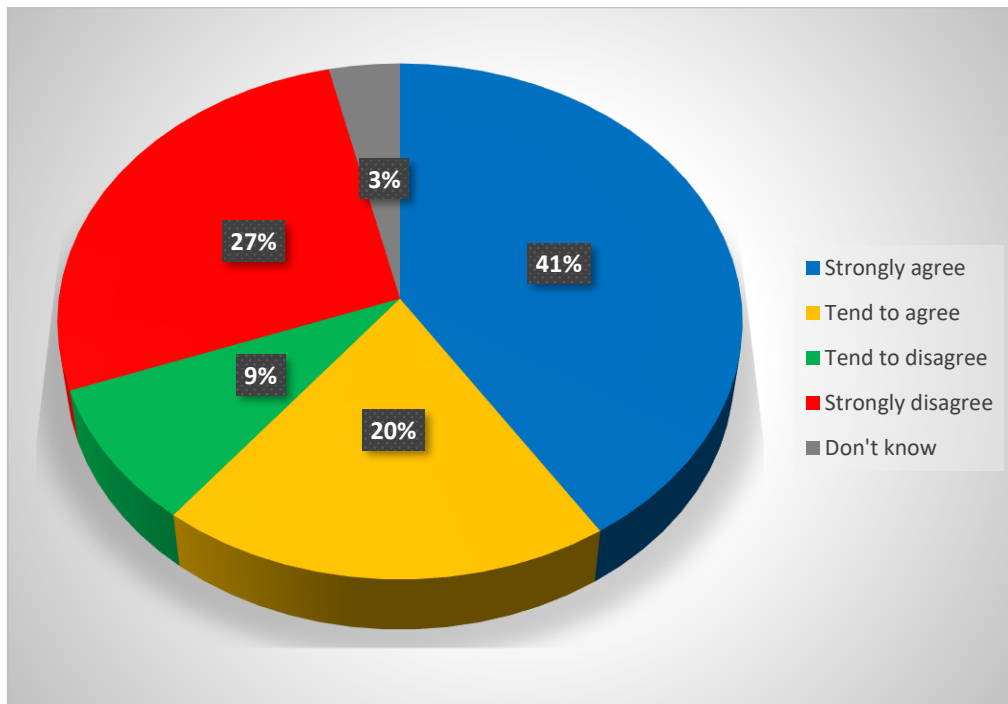
Most responses were unaware of any grants or support available for properties that have been long-term empty. For those that were aware, only a small percentage have been successful with their applications.

A selection of comments are provided within this document. The most frequent concerns expressed a blanket policy of higher rates will unfairly impact people with individual circumstances beyond their control and that it is unreasonable to be charged any or higher Council Tax on properties that are empty as these properties make no demands on the services they perceive Council Tax to be paid for. The full list of comments will be provided to Cabinet and senior officers.

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Question 1.

Do you agree or disagree that the Council should put measures in place to reduce the number of long-term empty properties in Caerphilly?



There were **137** responses to this question.

Just under half of the responses (41%) strongly agreed that the Council should put measures in place to reduce the number of long-term empty properties in Caerphilly, while almost a third (27%) strongly disagreed. The majority who strongly agreed answered they did not own a long-term empty property.

Question 2.

Do you own a long-term empty property in Caerphilly?

138 responses were provided to this question with 41% advising they do own a long-term empty property and 59% advising they do not.

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Question 3.

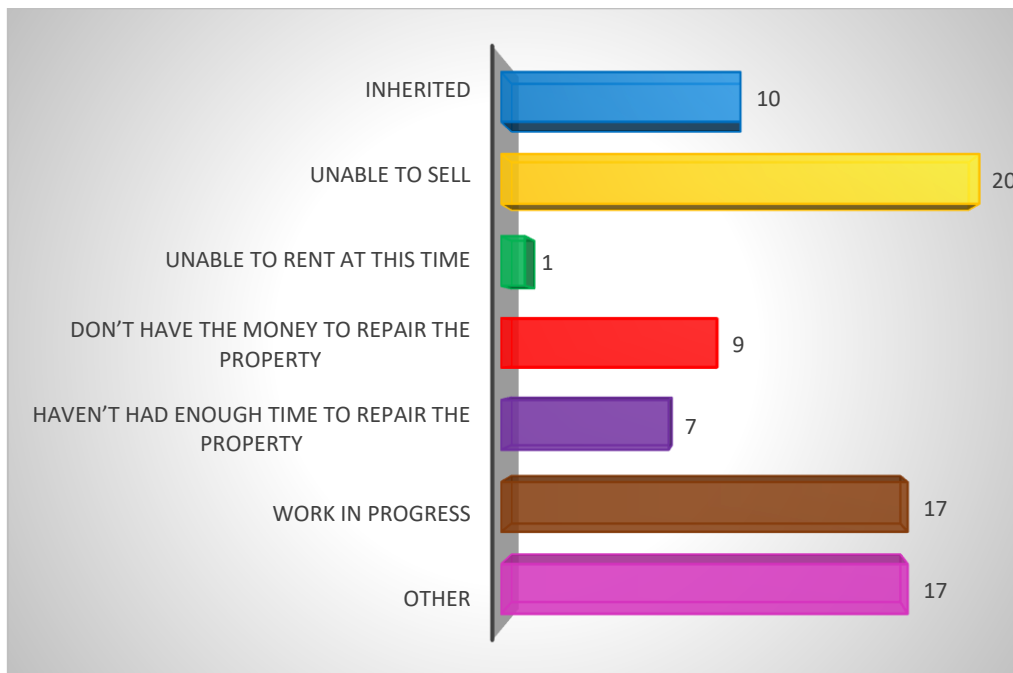
How long has the property been empty?

There were **49** responses to this question.

Over 1 year	29 respondents / 59%
Over 4 years	13 respondents / 27%
Over 10 years	7 respondents / 14%

Question 4.

Could you please tell us why the property is empty?



There were **56** responses to this question with some selecting multiple reasons.

The top reason being UNABLE TO SELL (36%)

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Question 5.

Other reasons why the property is empty?

The consultation invited respondents to complete this question via the facility to free type their reasons.

28 responses were received, the following being a selection of those submitted.

“We are currently renovating the house and have been granted the empty homes grant there is no kitchen or toilet currently in the house so it is unliveable. We intend to move into the property at the earliest opportunity but with the cost of everything rising work is slower than what we hoped”

“Lots of factors. Money, I won't go into debt to finish house. Waiting on builders time frame when I do have money. The death of a parent and caring for my other parent when she was seriously ill was my main priority”

“I purchased this derelict property and have done extensive work to put it back in a liveable state. The property is currently for sale, I just can't find a buyer currently due to the poor market conditions. I don't feel people like me (who in this instance are actually trying to help more homes become available) should have to pay the extra council tax - I'm already paying £170 a month for a property I don't live in, I don't put out any bins etc, I don't use any council service at that property. I understand why you are looking at this but there should be more help for people like me who are actually trying to solve the problem”

“Unable to sell an inherited property which has been actively marketed the market since the death of both my parents following finalisation of probate and clearance of contents myself, despite substantially reducing the price and spending a substantial amount of my own money to maintain, insure and secure the property and garden in a safe and tidy state. I therefore require enough time to sell the property in light of present property market conditions and cannot afford to pay additional council tax burdon from my limited income in addition to paying council due on my own flat located in England”

“My wife and I received your letter about the consultation as a result of being executors of my wife's sister's deceased estate. The property has been empty since April 2023 as a result of my wife's mother's ill health. It is ludicrous to suggest that a premium council tax should be charged in these circumstances. How does that help bring the property to the housing market? It simply penalises the deceased estate when neither the deceased, the deceased estate, nor the property are getting any benefit from the council nor are any of them using council resources. The property has been on the market since August 2023 but due to the falling property market has not sold. How does a council tax premium act as anything other than a further penalty?”

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Question 6.

How could the Council work with you and support you to help you to bring the property back into use?

Respondents were invited to complete this question via the facility to free type their suggestions.

48 responses were provided, the following being a selection of those provided.

“Give out grants. Once property is let then claw back the grant slowly and reuse. Stop using sticks to get what you want and try some carrot approaches”

“Help the owner to sell the property or purchase to add to council portfolio”

“Discuss our intentions and advise best route”

“Council could kill to birds with one stone they could provide assistance in completing works. To property and also provide training/work for persons unemployed in area. A fee could be agreed and deducted from house price on sale”

“Provide more time to complete renovation and bring it to the rental market. Increasing council tax only reduces funds available to continue with the renovation, therefore the house will be empty for longer until enough funds have been acquired to complete the renovation. In the recently inflated market funds have been limited and will be if further in council tax is increased”

“Buy the property from us for a slight discount on market value”

“Do not add unnecessary costs to the property by increasing the council tax above what it is set at. If the council tax is being paid in full then that should be enough. I understand there is a backlog on the waiting list for housing but 811 houses is not going to solve the problem for the 6569 waiting”

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Question 7.

Have you tried to access any of the following grants or support that are available for properties that have been long-term empty?

55 responses were received with a high majority reporting they were not aware of any grants or support available to them.

	Not Aware	Yes - application in progress	Yes – application unsuccessful	Yes - application successful
Grant - former Welsh Government funded Valley Task Force Empty Homes Grant for a property within CCB	84.8%	2.2%	6.5%	6.5%
Grant - current Welsh Government funded National Empty Homes Grant for a property within CCB	88.3%	4.7%	4.7%	2.3%
Loan – CCBC Owner Occupier Loan	94.9%	0%	5.1%	0%
Loan – CCBC Landlord Loan	92.3%	0%	7.7%	0%

Question 8.

Have you tried to access any of the following support that is available for properties that have been long-term empty?

46 responses were received.

100% of responses were unaware of support available via contact with the Empty Property Team and Private Sector Housing for matters such as advice in relation to available options to return the property back into use including renovating the empty property, VAT discounts, renting, selling and buying an empty property, sign posting to financial assistance and local authority enforcement.

97.4% of responses were unaware of support via Housing Solutions such as 'Caerphilly Keys' (helping landlords to find long-term tenants for their properties whilst also preventing homelessness). Only 1 response was aware of this support and had received the funding.

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Question 9.

If you received support, what was the outcome?

19 responses were provided via the facility to free type their answer. The following are a selection of the responses received.

“Someone contacted us but we have not heard back from them about grants available to us - the issue we understand is a lack of builders”

“We are in the early stages of our application the surveyor has been out to make a list of proposed work and advised what we could be awarded. We are now gathering quotes for the proposed work”

“In past have had contact with Council about property been sold to Council and was asked not to continue with repairs/upgrades u til decision was made this delayed process and I was advised help can be made available to sell no other advise on grants etc”

“I have been awarded a grant but the process itself took just shy of a year. I purchased the property as empty”

“Difficult to contact anyone at the council”

“The monies the grant was issued was not really the core monies to return the house to a habitable state. Money was granted for new landscaping which was the least of my worries- money would have been better allocated to a new roof. Think the grant: surveyor/ council needs to work with the owners more”

Question 10.

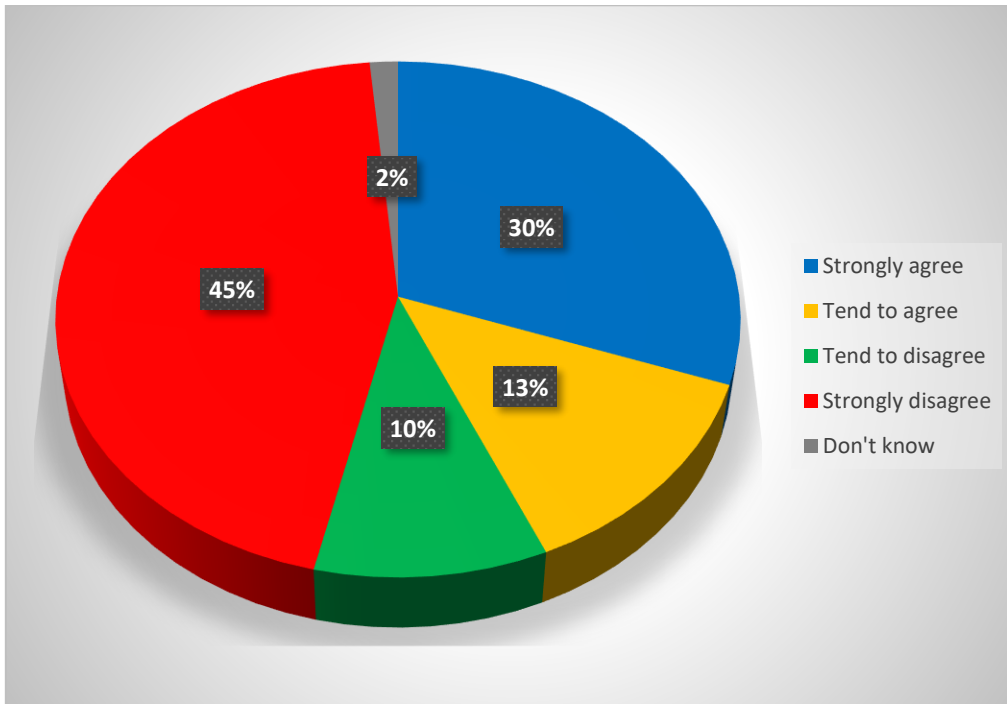
If you would be interested in finding out more about the support that’s available, please leave your contact details

21 respondents provided contact details.

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Question 11.

Do you agree or disagree with our proposal to introduce a Council Tax premium on properties that have been empty for over 12 months?



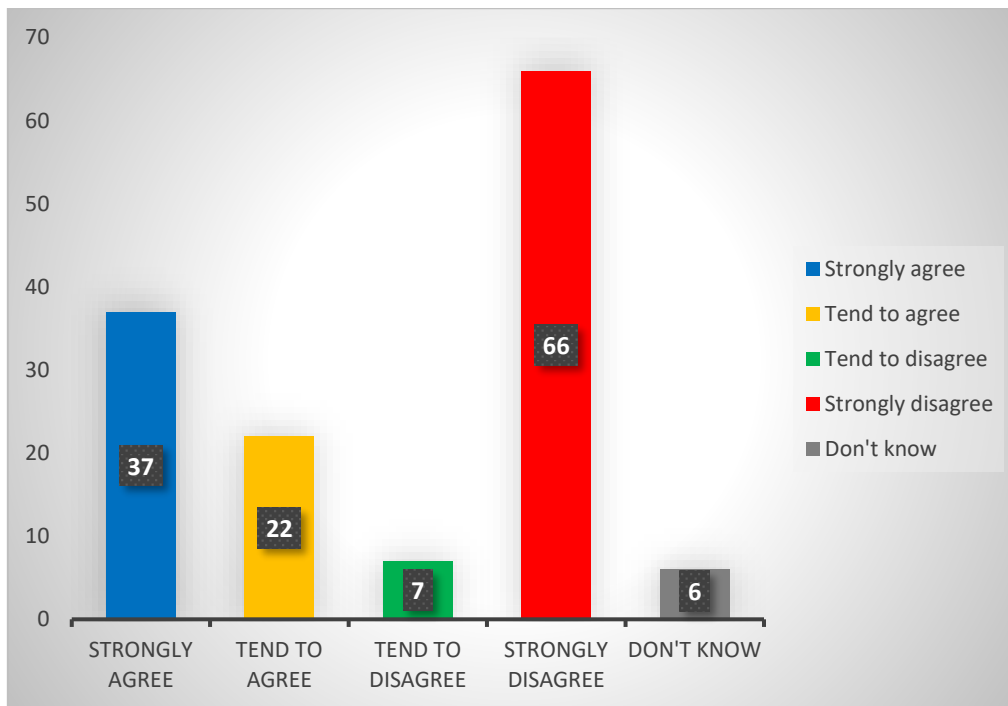
There were **138** responses to this question.

Around a third of the responses (30%) strongly agreed they should while almost half (45%) strongly disagreed.

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Question 12.

Do you agree or disagree with the proposal that the Council should charge higher premiums based on the length of time a property has been empty (up to a maximum of 300%)?



There were **138** responses to this question.

48% of responses strongly disagreed to this Question with almost a third (27%) strongly agreeing.

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Question 13.

If you disagree with any of the above, please tell us why:

Respondents were invited to complete this question via the facility to free type their suggestions.

84 responses were received. The following are a selection of both positive and negative comments received.

“Well actually I don't think it's tough enough. It is 10 years empty the council should buy it at 80% of it's current market value.”

“You are trying to dictate what someone does with their property-you have no right to do this. Why are measures always punitive. Why can't you introduce measures to encourage the use of the property instead? Shared relief for owners and renters?-even for a temp period?”

“I agree with the principle. However, there is no excuse to leave a property empty for 5 year + so I would give the 300% from 5+ So up-to 2years 100%, 2-5 200%, 5+ 300%”

“Why are you trying to penalise people who have worked hard all their lives and invested rather than squandering their money. I am paying council tax for an empty property as well as full tax for my own home.”

“Empty property does not use council resources, which are paid for by the council tax, if the property was occupied then the resources would be used. Standard rate is enough for resources that are not being used. People have a right to use or not use their properties, and not to b forced into renting them out to destructive tenants or sell them”

“I think this may act as a deterrent to property developers and private landlords. But I agree that for long- term empty properties something needs to be done and this is one method.”

“I don't think one year is a very long time. Property could be genuinely empty due to having issues selling it etc and these people don't need to be punished. Exemption should be allowed for those who can show they are actively seeking to rent it or are doing full scale renovations.”

“I think 100% premium should be introduced after two years. A year is not long enough given the circumstances in which an empty property may be acquired or inherited. I agree with 200% after four years but would propose six years for the 300% premium.”

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Question 14.

Are there any alternatives that you think the Council should consider?

79 responses were received via the facility to free type their answers.

2 common themes were:

1. The Council purchasing unoccupied properties to utilize as their own local housing stock; and;
2. For the Council to work with owners to help bring the unoccupied properties back into use.

The following are a selection of other alternatives that were suggested:

“Provide help to people like me to buy derelict properties and renovate them. Give more assistance as interest free loans/grants etc”

“ddim yn siwr am opsiynau ond mae achosion lle mae probate wedi cymryd amser llawer rhy hir i'w datrys a dylai fod hawl gyda'r cyngor roi pwysau ar yr adrannau perthnasol a chyfreithwyr i gyflymu'r broses. Hefyd dylid sicrhau bod adrannau'r cyngor yn gweithio'n effeithiol i sicrhau cofstru eiddo'n iawn a mynd ar ol perchnogion tai gwag os nad ydynt yn cymryd gofal o'r tai. Dylai fod hawl prynu'r ty yn orfodol.”

Translation

“not sure about options but there are cases where probate has taken far too long to resolve and the council should have the right to put pressure on the relevant departments and lawyers to speed up the process. It should also be ensured that the council's departments work effectively to ensure proper property registration and go after the owners of empty houses if they do not take care of the houses. The right to buy the house should be compulsory.

“Yes, stop supporting large new housing estates, these are in no way affordable and do not assist with the housing shortage. I fear we need to accept that in order to access more affordable housing, residents need to consider travelling further into the North of the Borough where the houses are cheaper, but this will undoubtedly have a knock on effect for residents further up the Borough.”

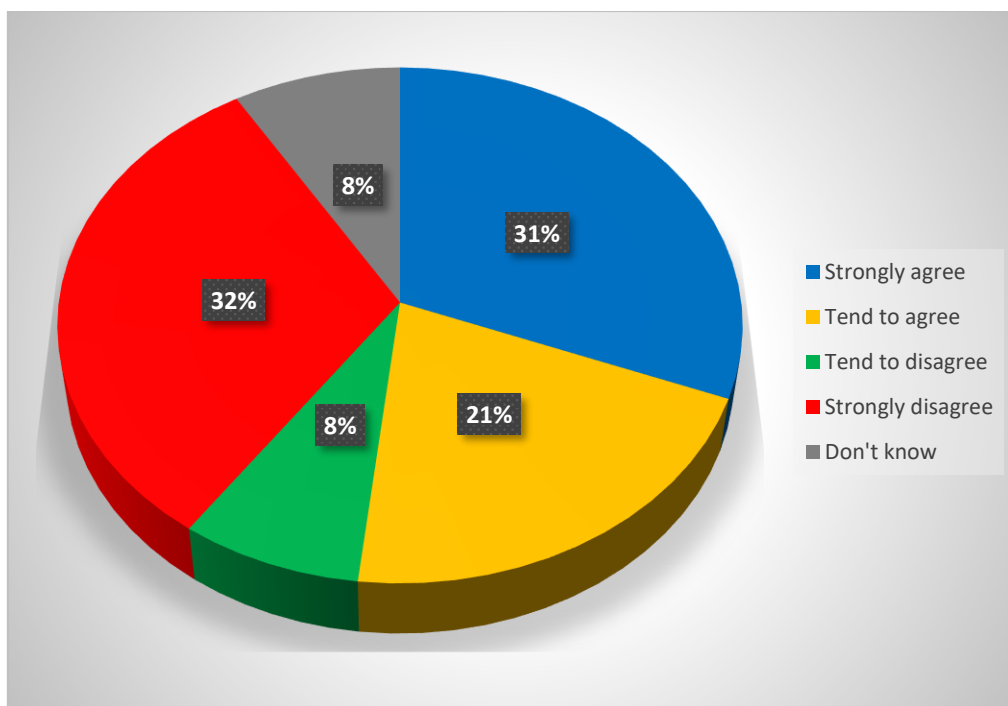
“Why do you not take money from the Councils Reserves to buy land and build more houses which you state is needed.”

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Question 15.

If our proposals for long-term empty properties are agreed, it is proposed that the extra revenue raised would partly be used to support the implementation of the Council's empty Homes Strategy, to help bring long-term empty homes back into use and meet local housing needs.

Do you agree or disagree that the income should be used in this way?



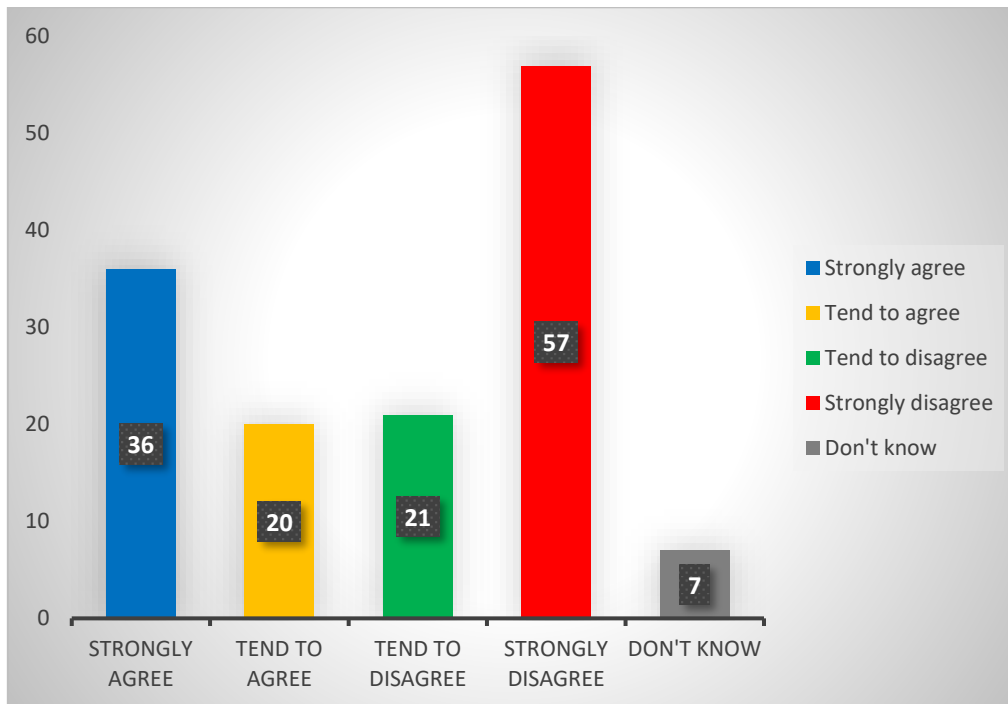
139 responses were received.

Just under a third (31%) of responses strongly agreed the extra revenue raised should partly be used this way with around the same proportion of responses (32%) strongly disagreeing.

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Question 16.

Do you agree or disagree that the Council should put measures in place to reduce the number of second homes in Caerphilly?



There were **141** responses to this question.

26% of responses strongly agree to this Question. Just under half (40%) strongly disagreed with putting these measures in place.

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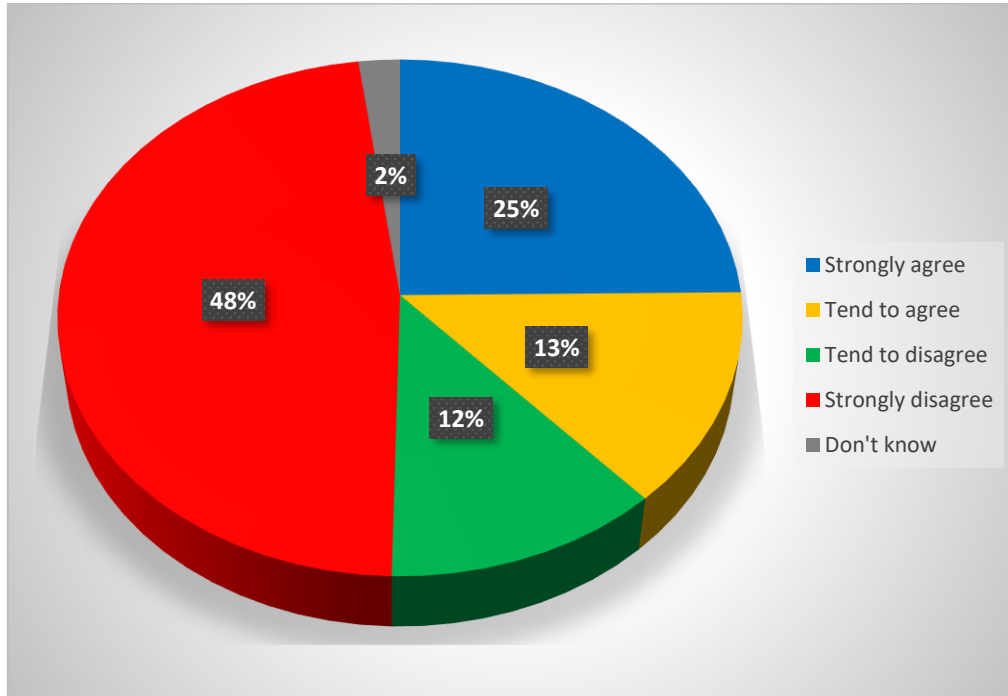
Question 17.

Second homes in Caerphilly are currently subject to a full Council Tax charge without any discounts.

The Council has the discretion to charge an extra premium of up to 300% on top of the standard rate of Council Tax on second homes.

Our proposal is to introduce a Council Tax premium on second homes from April 1, 2025. The level of premium we propose to introduce is 100%. This would mean that second homes, which do not qualify for an exemption, would in effect pay 200% in Council Tax. As an example, that means for an average Band D property in Caerphilly with a normal annual Council Tax bill of £1,677.53, the owner would pay £3,355.06 (based on 2023/24 charges).

Do you agree or disagree with our proposals to introduce a Council Tax premium on second homes?



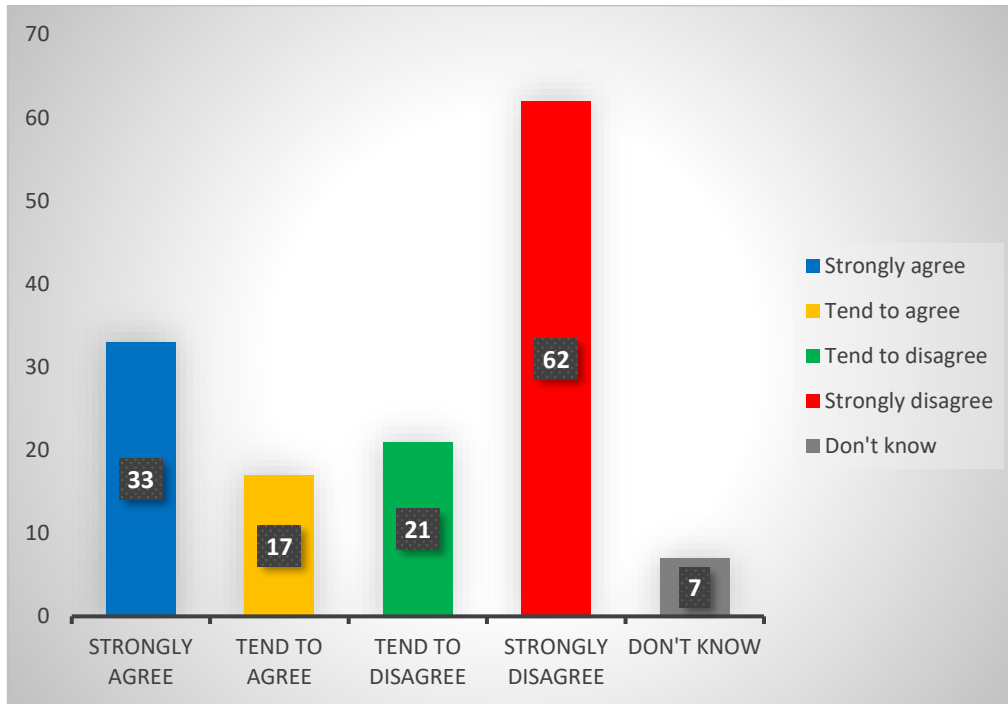
141 responses were received.

Just under half (48%) of responses strongly disagreed and a quarter of responses (25%) strongly agreed.

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Question 18.

Do you agree or disagree with our proposal that the level of premium should be set at 100%?



There were **140** responses to this question.

Almost half (44%) of responses strongly disagreed to this Question with a similar number also strongly disagreeing to the proposal to introduce a Council Tax premium on second homes. Just under a quarter (24%) strongly agreed with the proposal.

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Question 19.

If you disagree with the above, please tell us why:

Respondents were invited to complete this question via the facility to free type their suggestions.

83 responses were received. The following are a selection of both positive and negative comments received.

“As a second home owner I am bound to disagree but I feel the focus should initially be on empty unfurnished deteriorating properties. A premium of 25 to 50% on second homes would be adequate. My property is used regularly by me and is important to my own mental health to have it available. I receive no direct council services (my rubbish bins were both stolen and I take all rubbish away from me) and I put money into the local economy every time I visit as do family members and close friends when they stay occasionally. However if there is a need for more properties for a social housing I would be willing to sell my house to the local authority for say 95% of market valuation with all legal fees covered and no estate agent fees . I suspect many empty property owners would also accept such an offer if it were legal and practicable to do so.”

“The premium should be the full 300%”

“2nd home ownership in this area could be down to family usage and inheritance and not a holiday home in this area, its not exactly vacation territory and is a deprived area especially New Tredegar, the council are assuming owners are well off !, thus is discriminatory.”

“Does Caerphilly not want tourism? I have a holiday let on my brother’s farm. It’s not really a house that is designed for a long term occupancy. It’s only just started so I haven’t got enough occupancy to qualify for business rates. What happens to these properties with this change? Where are the tourists going to stay?”

“This will not encourage people to invest in the area.”

“Level should be lower but stepped at a more regular rate”

“Should only apply if a 2nd property is not occupied and is for the occasional benefit of the owner only.”

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Question 20.

Are there any alternatives that the Council should consider?

61 responses were received. The following are a selection of comments received via the facility to free type their answer.

“Limiting the number of second homes in the county. With Airbnbs popping up on every corner, long term homes aren't available to locals. This will continue no matter what amount of council tax is charged to second homes. A licencing scheme for second homes used as businesses (short term let's), could generate income (application to licencing scheme fee) and allow the number of short term let's to be known. Also would enable anti social behaviour complaints with holiday homes to be addressed.”

“There are only small numbers of second homes in the borough. Accept that some people have reasons for needing a second home, and that they should only pay the same as everyone else. That is, do nothing.”

“Second homes add to the housing issues and should be discouraged”

“Continue charging council tax as current practice. Encourage more tourism and thereby increase other revenue streams for the area. Media coverage of 300% premiums (the media will lead with the worst case scenario) is likely to be damaging. Focus council effort on empty homes where the overall benefits are huge by comparison. (And I don't own a holiday home). And after reading Q21 it's clear why the proposal is to charge second homes more - to raise revenue for empty homes policy. I suspect that second home owners are easier to identify and track down than empty home owners. Don't penalise those that have a business that is supporting the local community.”

“Increase Council Tax for all if additional money required to build more council homes.”

“Gwneud hi'n fwy deniadol i fod yn landlord er mwyn rhentu eu tai. Wrth gwrs bod angen sicrhau hawliau tenantiaid yn ogystal. Mae prisiau tai a rhent mor uchel mae'n anodd i bawb.”

Translation

Make it more attractive to be a landlord in order to rent their houses. Of course tenants' rights need to be secured as well. House prices and rent are so high it's hard for everyone.

“Encourage second owners to let houses for short-term tenancies (emergencies, for those really in need), and guarantee that it's a short term occupancy.”

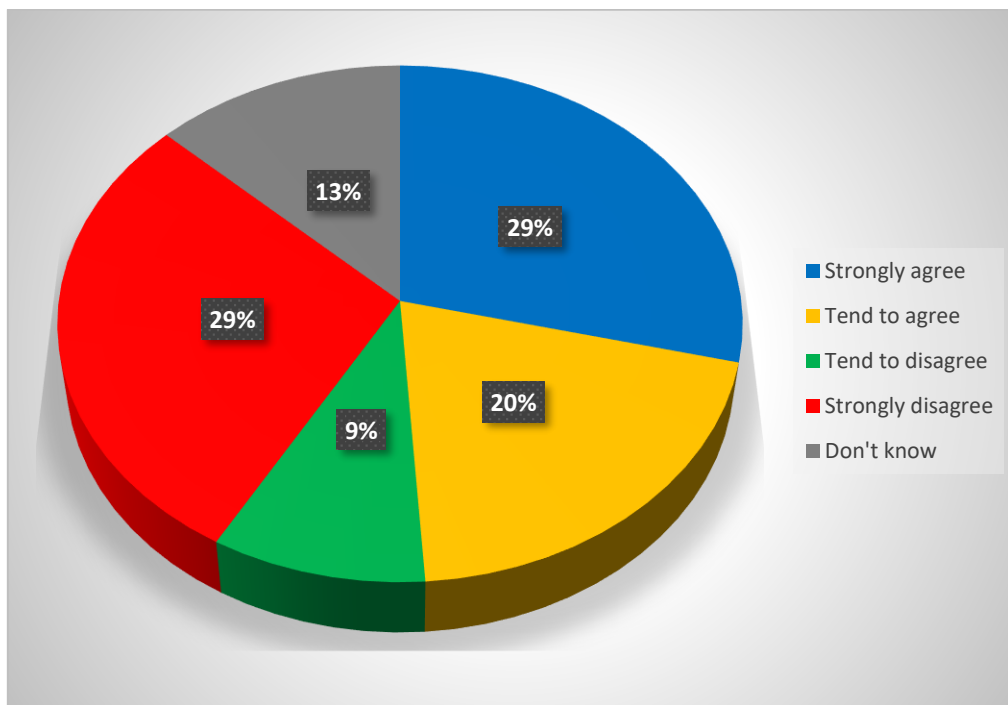
“Make an offer to buy empty second homes”.

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Question 21.

If our proposals for second homes are agreed, we would use a proportion of the income gained to help bring long-term empty homes back into use and meet local housing needs.

Do you agree or disagree that the income should be used in this way?



139 responses were received.

(29%) of responses strongly agreed the income gained should be used this way with the same proportion of responses (29%) strongly disagreeing.

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Question 22.

Do you have any other comments in relation to this consultation?

58 responses were received via the facility to free type their answer. The following are a selection of the comments received:

“Funds raised should be used to police empty homes and take owners to court to enforce handover of properties, as opposed to funding repair”

“It is interesting and I think is worthy if it brings the number of empty homes down.”

“I am aware of places in Wales where second home owners have priced locals out of the property market leading to almost ghost towns in winter months and I fully understand the need to discourage that going even further. However I don't think Caerphilly is a tourist hotspot (proposed closure of TIC would support that view) and it is not necessary here. it is LONG TERM UNFURNISHED HOUSES that should be targeted not much-loved second homes.”

“Why in 21 would it be a ‘portion’ the pretext for the extra revenue is to help solve the so called problem. Why wouldn't it all be used”

“The position re second homes is totally different to the position of long-term empty homes . You have multiple schemes to help the owners of long-term empty properties bring them back into usage; hence in these instances if they do not accept help then penalising them may be an incentive. Owners of second homes in this area are more likely to be like me; holding onto properties they love for future full-time usage; those that rent out their properties are in a different position. The situations are entirely different and should not be considered under one sweeping act”

“All of this seems sensible on paper but what you are doing is putting in a scheme which will require extra work to monitor by the council and those who want to get around it will. Second homes which are on Airbnb or similar sites and genuinely used to bring foreign tourists to Wales should be recognised for their contribution to the economy and supported, not punished.”

“Good to see you are consulting with people on this issue. However, I believe a common sense approach should be used so not to penalise people who are trying to sell a property that has no furnishings in.”

Welsh Language

There were **45** responses when asked for views on the impact that this draft action plan would have on the Welsh language, specifically on opportunities for people to use Welsh and on treating the Welsh language no less favourably than English. The following are a selection of the comments received:

“Reducing second homes increases the possibility of local people living the area. Which can only benefit the use of the Welsh language.”

“This could bring fewer tourists to Wales which could impact use of the Welsh language.”

“I dont think this will have an impact on welsh or english language preference etc”

“Policy could push homeowners (a Welshspeaker)to sell house and move to England.This would have a negative impact on the Welsh language.”

Diversity

27 responses were received when asked if this proposal would affect them as an individual because of any of the following (age, disability, ethnic origin, sex, gender reassignment, marital status, religious belief or non-belief, use of Welsh language, BSL or other languages, nationality or responsibility for any dependents or because you or a member of your household are or have been a member of the armed forces). The following are a selection of the comments received:

“This discriminates against people of age where retirees have worked to acquire somewhere for their future ad leisure time to renovate properties. Also discriminating against the ex armed forces who use an additional property to deal with their PTSD away from family members and children. The council don't provide any support services as it is and is in no way shape or form to provide such care and won't be for many years, any attempts have always been substandard to the requirement usually have unfit people in the occupation for the council to tick the box necessary of supporting our veterans.”

“If you charge me more it will impact on my families standard of living”

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“I'm single so I'm on my own trying to renovate my house. This would seriously affect me as I would likely lose my home to be.”

The consultation has concluded

Caerphilly County Borough Council is grateful to everyone who has participated in this consultation and in particular everyone who has submitted a response. As a summary document, not all the issues outlined in responses have been reflected but each response has been considered carefully and will be provided to Cabinet and senior officers to assist with decision making.

Action points

1. Respondents were invited to free type their comments throughout the consultation. These will be collated and shared with the relevant Departments of the Council.
2. Where contact details were provided, these will be passed to the Empty Property Team who may also share these details with other Agencies so that further information on the support available can be provided.