

Respondent Information Form

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Are you responding as an individual or an organisation?

- Individual
 Organisation

Full name or organisation's name

Scottish Trades Union Congress

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The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

- Publish response with name
 Publish response only (without name)
 Do not publish response

Information for organisations:

The option 'Publish response only (without name)' is available for individual respondents only. If this option is selected, the organisation name will still be published.

If you choose the option 'Do not publish response', your organisation name may still be listed as having responded to the consultation in, for example, the analysis report.

We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

- Yes
 No

Questionnaire

Question 1

Do you think the current definition of a second home should continue to apply?:

More information:

For council tax purposes, the current definition of a second home is, 'a dwelling which is no one's sole or main residence and that is lived in for at least 25 days during the 12 month period of the council tax charge'.

Answer:

- Yes
- No
- Don't know

Please give reasons for your answer.

Second homes have significantly negative impacts on communities, so the STUC would be in favour of a higher threshold than 25 days. This would allow for more homes to be classed as empty homes and there would be a greater incentive for owners to sell or rent them.

Question 2

Do you think the discount eligibility for job related dwellings and purpose built holiday accommodation is appropriate?:

More information:

Eligible job related dwellings and purpose built holiday accommodation are entitled to a council tax discount of 50%.

Purpose built holiday accommodation is defined as a dwelling that is used for holiday purposes and has a licence or planning permission limiting its use for human habitation throughout the whole year. An example might be chalets or other types of holiday accommodation that are either unsuitable to be occupied all year round (their construction may mean they are only suitable to be lived in during the warmer months) or are not allowed to be lived in all year due to planning, licensing or other restrictions.

Job-related dwellings are defined as homes owned by someone who has to live elsewhere for most or all of the time as part of their job, or the home the person occupies to undertake their job if the person has another home that is their main residence.

Answer:

- Yes
- No
- Don't know

Please give reasons for your answer.

To avoid the purpose built holiday accommodation discount being misused, we would be in favour of more specific definitions for discounts – for example for travellers accommodation, huts etc which have clear definitions.

Question 3

Do you think councils should be able to charge a council tax premium on top of regular council tax rates for second homes?

More information:

A premium is charging more than the full rate of council tax.

Answer:

- Yes
 No
 Don't know

Please give reasons for your answer.

Second homes have significantly negative impacts on the local economy and available accommodation. A premium on council tax for second homes would therefore help compensate for this. It would also help raise revenue for Local Authorities and/or drive behavioural change from second home owners – bringing more homes onto the market.

Question 4

If you have answered yes to question 3, what do you think the maximum premium councils could charge should be?

More information:

50% premium is the same as one and a half times the normal rate of council tax.
100% premium is double the normal rate of council tax
150% premium is two and a half times the normal rate of council tax
200% premium is three times the normal rate of council tax
250% premium is three and a half times the normal rate of council tax
300% premium is four times the normal rate of council tax

Answer:

- 50%
 100%

- 150%
- 200%
- 250%
- 300%
- Other (specify)

Please give reasons for your answer.

Councils in Wales can levy a premium of up to 300% and the legislation in Scotland should be equivalent to this level – or higher.

Question 5

What factors should be taken into account by councils when deciding whether to introduce a premium on council tax for second homes?

More information:

A non-exhaustive list of potential factors is set out below:

- numbers and percentages of second homes in the local area
- distribution of second homes and other housing throughout the council area and an assessment of their impact on residential accommodation values in particular areas
- potential impact on local economies and the tourism industry
- patterns of demand for, and availability of, affordable homes
- potential impact on local public services and the local community
- other existing measures or policies that are aimed at increasing housing supply and the availability of affordable housing

Councils may also decide not to use the powers or to disapply a premium for a specific period of time.

A non-exhaustive list of examples of where a council might consider doing this include:

- where there are reasons why the home could not be lived in as a permanent residence
- where there are reasons why a home could not be sold or let
- where the owner's use of their accommodation is restricted by circumstances not covered by an exception from the premium
- where charging a premium might cause hardship

Answer:

Please list the factors and provide reasons for your answer:

It should be for Councils to determine the most appropriate factors to take into account when deciding whether to introduce a premium on council tax for second homes. However, factors they should consider are: council tax waiting lists, homelessness, budget shortfalls etc.

Question 6

If you do, or were to, own a second home please tell us what you would do if the applicable rate of council tax were to increase, and the 'thresholds' to be classed as self-catering holiday accommodation for non-domestic rates purposes stayed the same?

More information:

The current threshold for defining premises as self-catering holiday accommodation liable for non-domestic rates is it must be available to let for 140 days or more and actually let for 70 days or more in the same financial year.

A private residential tenancy is when a registered landlord lets accommodation to an individual/s and it will be their sole or main residence. All tenancies created on or after 1 December 2017 are open-ended, which means a landlord will no longer be able to ask a tenant to leave simply because the fixed term has ended.

Answer:

- The home is (or would be) already used as self-catering accommodation and liable for non-domestic rates
- The home is (or would be) already used as a private residential tenancy and the tenant is liable for council tax
- I would continue to use it purely for personal use and pay the higher rate of council tax
- I would continue with split use between self-catering accommodation (below the non-domestic rates threshold) and personal use, and pay council tax
- My second home already has/would have split use between self-catering accommodation (below the non-domestic rates threshold) and personal use. Rather than pay the higher rate of council tax, I would increase the number of days the accommodation is available to let and actually let in order to meet the non-domestic rates thresholds
- My second home is purely for personal use. However, in order to stop paying council tax, I would make it available as self-catering accommodation for 140 days or more and actually let it for 70 days or more in order to be liable for non-domestic rates
- I use my second home purely for personal use but I would change its use to a private residential tenancy
- I use my second home as self-catering accommodation (below the non-domestic rates threshold) but I would change its use to a private residential tenancy
- I will seek reclassification as an empty home and pay council tax

I will sell the second home

Question 7

Do you think councils should be able to charge a higher premium than the current 100% (double the full rate) of council tax on homes empty for longer than 12 months?

More information:

Councils currently have the discretion to charge up to 100% premium on council tax on homes empty for longer than 12 months.

Answer:

- Yes
 No
 Don't know

Please give reasons for your answer.

Scotland is facing a housing crisis, a public sector funding crisis, and a cost-of-living crisis simultaneously. A premium on council tax for homes that are not in use would help incentivise homes into use, raise revenue, and bring down rents in the long term.

Question 8

If you have answered yes to question 7, what do you think the maximum premium councils could charge should be?

More information:

This question is asking what the maximum premium should be for homes that have been empty for longer than 12 months.

The current maximum is 100% premium, which is double the normal rate of council tax.

Answer:

- 150%
 200%
 250%
 300%
 Other (specify)

Please give reasons for your answer.

Councils in Wales can levy a premium of up to 300% and the legislation in Scotland should be equivalent to this level – or higher. Meanwhile, in England, you can be charged up to 4 times your normal Council Tax bill if your home has been empty for 10 years or more.

Question 9

Do you think there should be a stepped approach to charging higher rates of council tax on long-term empty homes?

More information:

By 'stepped approach' we mean only giving councils powers to charge higher rates of council tax the longer the home is empty. For example, 100% premium at 12 months, 200% premium at 2 years, 300% premium at 5 years.

100% premium is the same as double the normal amount of council tax.

200% premium is the same as three times the normal amount of council tax

300% premium is the same as four times the normal amount of council tax.

Answer:

- Yes
- No
- Don't know

Please give reasons for your answer.

While we see the potential value of a stepped approach to incentivise homes being brought into use, we believe that this should be for Councils to decide based on local circumstances, so we do not support limiting the powers of councils to only levy a premium in a certain way.

Question 10

Are there any exceptions that are not already taken into account, that should be, when charging a premium of council tax on homes empty for longer than 12 months?

More information:

Current discretionary powers for councils to change council tax liability for empty homes

Status of empty home	Up to 6 months	6-12 months	12 months +	2 years +
No work underway and not for sale or let	Owner may apply for an unoccupied and unfurnished exemption	Discount can be varied between 50 and 10%	Discount can be varied between 50 and 10% or discount can be removed or premium of up to 100% can be applied	Discount can be varied between 50 and 10% or discount can be removed or premium of up to 100% can be applied
If undergoing repair work to make them habitable	50% discount cannot be changed	Owner may apply for a major repairs or structural alterations exemption. Discount can be varied between 50 and 10%.	Discount can be varied between 50 and 10% or discount can be removed or premium of up to 100% can be applied.	Discount can be varied between 50 and 10% or discount can be removed or premium of up to 100% can be applied.
If being actively marketed for sale or let	50% discount cannot be changed	50% discount cannot be changed	50% discount cannot be changed	a premium of up to 100% can be charged

The current list of exemptions to council tax are:

Exemption	Period of Exemption
Dwellings last occupied by charitable bodies	Up to 6 months
Dwellings last occupied by persons living or detained elsewhere	Unlimited
Deceased owners	Unlimited up to grant of confirmation 6 months after grant of confirmation
Dwellings empty under statute	Unlimited
Dwellings awaiting demolition	Unlimited

Dwellings for occupation by ministers	Unlimited
Dwellings occupied by students, etc.	Unlimited
Reposessed dwellings	Unlimited
Agricultural dwellings	Unlimited
Dwellings for old or disabled persons	Unlimited
Halls of residence	Unlimited
Barracks, etc.	Unlimited
Dwellings occupied by young people	Unlimited
Difficult to let dwellings	Unlimited
Garages and storage premises	Unlimited
Dwellings of persons made bankrupt	Unlimited
Visiting forces	Unlimited
Dwellings occupied by severely mentally impaired persons	Unlimited
Prisons	Unlimited
Prescribed housing support services accommodation	Unlimited

Answer:

Please tell us about exemptions that you feel should apply and give reasons for your answer. Do not include exemptions that are already provided for.

No, none.

Question 11

What factors should be taken into account by councils when deciding whether to introduce a premium on council tax for homes empty for longer than 12 months?

More information:

A non-exhaustive list of potential factors might be:

- numbers, percentages and distribution of long-term empty homes throughout a local area
- potential impact on local economies and the community
- patterns of demand for, and availability of, affordable homes
- potential impact on local public services

- impact on neighbours and local residents

Councils may also decide not to use the powers or to disapply a premium for a specific period of time. A non-exhaustive list of examples of where a council might do this include:

- where there are reasons why a home could not be sold or let
- where an offer has been accepted on a home but the sale has not yet been completed and the exception period has run out
- if the home has been empty for longer than 12 months but has been recently purchased by a new owner that is actively taking steps to bring the home back into use
- if an owner has submitted a timely planning application or is undergoing a planning appeal that is under consideration by the council or Scottish Government. This means they cannot undertake work to bring the home back into use until that process is concluded
- where charging a premium might cause hardship or act as a disincentive to bringing the home back into use e.g. where extensive repairs are actively being carried out

Answer:

Please list factors and give reasons for your answer.

It should be for Councils to determine the most appropriate factors to take into account when deciding whether to introduce a premium on council tax for second homes. However, factors they should consider are: council tax waiting lists, homelessness, budget shortfalls etc.

Question 12

If you do, or were to, own a home that has been empty for longer than 12 months, please tell us what you would do if your council decided to increase the maximum council tax charge above 100% premium?

More information:

Council tax premium:

- 100% premium is the same as double the normal rate of council tax. This is the current maximum councils can decide to charge. This question asks what you would do if councils are given powers to charge more than this e.g. up to 300% premium/ four times the normal rate and the council where your empty home is located decided to apply an increase.
- You may find it helpful to view what we mean by some of the options given e.g. short-term lets and private residential tenancies.

Short-term lets:

- In this consultation, short-term lets is a term used to refer to the whole or part of accommodation provided to one or more guests on a commercial basis that does not become the main residence of the guest/s. Self-catering accommodation is a type of short-term let and may be liable for council tax or non-domestic rates depending on the number of days they are available to let and actually let in the financial year.

- Self-catering accommodation must be available for let for 140 days or more and actually let for 70 days or more in the financial year, to be exempt from council tax and liable for non-domestic rates

Private residential tenancies:

- A [private residential tenancy](#) is when a registered landlord lets accommodation to an individual/s and it will be their sole or main residence. All tenancies created on or after 1 December 2017 are open-ended, which means a landlord will no longer be able to ask a tenant to leave simply because the fixed term has ended.

Answer:

- Leave the home empty and pay the higher council tax
- Sell the empty home
- Use the home as a private residential tenancy
- Use the home as a short-Term Let
- Other (specify)

Please give reasons for your answer.

Question 13

Do you think that the letting thresholds for self-catering accommodation for non-domestic rates should be changed?

More information:

The owners, tenants or occupiers of self-catering accommodation (who may be businesses, the public or the third sectors) may be liable for either council tax or non-domestic rates. This includes owners of second homes who use them for self-catering accommodation.

The current threshold for defining premises as self-catering holiday accommodation liable for non-domestic rates is it must be available to let for 140 days or more and actually let for 70 days or more in the same financial year.

Answer:

- Yes
- No
- Don't know

Please give reasons for your answer.

Self-catering holiday accommodation can have significantly negative impacts on communities, so the STUC would be in favour of a higher threshold. This would ensure that more self-catering accommodation is liable for council tax rather than non-domestic rates and ensure more financial benefit to the taxpayer and local communities.

Question 14

If you have answered yes to question 13, what do you think the threshold for the number of days self-catering accommodation must actually be let for should be?

More information:

The current threshold is self-catering accommodation must actually be let for 70 days in the financial year.

Answer:

- 50 days
- 100 days
- 140 days
- 180 days
- Other (specify)

There is an argument that self-catering accommodation should always be liable for council tax rather than non-domestic rates.

Please give reasons for your answer.

Given the negative impacts of short-term lets and the fact there is 'no empirical evidence that identifies the SBBS as supporting enhanced business outcomes' it seems perverse to enable short-term lets to qualify for non-domestic rates and the small business bonus scheme – in effect avoiding tax – while also contributing to the housing crisis.

Question 15

If you have answered yes to question 13, what do you think the threshold for the number of days self-catering accommodation must be available to let should be?

More information:

The current threshold is self-catering accommodation must available to let for 140 days in the financial year.

Answer:

- 120 days
- 160 days
- 200 days
- 250 days
- Other (specify)

300

Please give reasons for your answer.

Given the need to raise revenue for councils and address the housing crisis, there is an argument that self-catering accommodation should always be liable for council tax rather than non-domestic rates.

Question 16

Do you think councils should have discretion to change the self-catering accommodation 'days actually let' threshold, for their local area?

Answer:

- Yes
- No
- Don't know

Please give reasons for your answer.

Councils should be able to respond to local housing issues.

Question 17

If you answered yes to question 16 do you think that councils should have discretion to:

Answer:

- Increase the number of days actually let only
- Decrease the number of days actually let only
- Increase or decrease the number of days actually let

Please specify if you think councils should have discretion to do something else

Please give reasons for your answer

Councils should be able to respond to local housing issues, although if the national threshold is set at a low-level, as it is currently, it may appropriate for councils to only be able to raise the threshold.

Question 18

Do you have any other comments on the non-domestic rates system in respect of self-catering accommodation?

Answer:

Please provide your views

Councils are losing out on millions of pounds of revenue because the Government's business rates system is enabling holiday home and second home owners the opportunity to avoid paying the tax. In many cases it is also contributing to the housing crisis. We therefore do not think self-catering businesses should be eligible for receiving small business rates relief.

Question 19

If you do, or were to, own a second home please tell us what you would do in the event that the applicable rate of council tax and non-domestic rate thresholds both increased?

More information:

The current threshold for defining premises as self-catering holiday accommodation liable for [non-domestic rates](#) is it must be available to let for 140 days or more and actually let for 70 days or more in the same financial year.

A [private residential tenancy](#) is when a registered landlord lets accommodation to an individual/s and it will be their sole or main residence. All tenancies created on or after 1 December 2017 are open-ended, which means a landlord will no longer be able to ask a tenant to leave simply because the fixed term has ended.

Answer:

- The home is already used as a private residential tenancy
- I would continue to use it purely for personal use and pay the higher rate of council tax
- I would continue with split use between self-catering accommodation (below the thresholds to be liable for non-domestic rates) and personal use, and pay council tax
- My second home already has/would have split use between self-catering accommodation (below the non-domestic rates threshold) and personal use. Rather than pay the higher rate of council tax, I would increase the number of days the accommodation is available to let and actually let in order to meet the non-domestic rates thresholds
- My second home already has/would have split use between self-catering accommodation (above the non-domestic rates threshold) and personal use. Rather than revert to paying council tax, I would increase the number of days the accommodation is available to let and actually let in order to meet the higher non-domestic rates thresholds
- My second home is purely for personal use. However, in order to stop paying council tax, I would make it available as self-catering accommodation and let it for the number of days I needed to in order to be liable for non-domestic rates
- I use my second home purely for personal use but I would change its use to a private residential tenancy
- I use my second home as self-catering accommodation (below the non-domestic rates threshold) but I would change its use to a private residential tenancy
- I would seek reclassification as an empty home and pay council tax
- I would sell the second home
- Other (specify)

Please give reasons for your answer.

Question 20

If you do, or were to, own a second home please tell us what you would do in the event that:

- a) council tax powers remained as they are for second homes (i.e. no provision for councils to charge a premium), but
- b) the 'thresholds' to be classed as self-catering holiday accommodation for Non-domestic rates purposes increased?

More information:

The current threshold for defining premises as self-catering holiday accommodation liable for [non-domestic rates](#) is it must be available to let for 140 days or more and actually let for 70 days or more in the same financial year.

A [private residential tenancy](#) is when a registered landlord lets accommodation to an individual/s and it will be their sole or main residence. All tenancies created on or after 1 December 2017 are open-ended, which means a landlord will no longer be able to ask a tenant to leave simply because the fixed term has ended.

Answer:

- The home is already used as a private residential tenancy
- I would continue to use it purely for personal use and pay council tax
- I would continue with split use between self-catering accommodation (below the thresholds to be liable for non-domestic rates) and personal use, and pay council tax
- My second home already has/would have split use between self-catering accommodation (above the non-domestic rates threshold) and personal use. I would increase the number of days the accommodation is available to let and actually let in order to meet the higher non-domestic rates thresholds
- I use my second home as self-catering accommodation (above the current non-domestic rates threshold). If I was not able to meet the new thresholds, I would change its use to a private residential tenancy
- I would seek reclassification as an empty home and pay council tax
- I would sell the second home

Other (specify)

Please give reasons for your answer:

Question 21

Please tell us how you think changes to council tax and/or non-domestic rates thresholds for self-catering accommodation might affect businesses in your area.

Answer:

Please provide your views

Changes to council tax and non-domestic rate thresholds could benefit businesses in the form of higher and more sustainable all-year round footfall; access to skilled workers who are more likely to find suitable accommodation; and better local council services including public transport, early years and education, cleansing and maintenance of the public realm, and other council services.

Question 22

Please tell us how you think changes to the maximum council tax rate for second and/or empty homes and non-domestic rates thresholds might affect your local area or Scotland as a whole (social, economic, environment, community, cultural, enterprise).

More information:

We have prepared a partial Business Regulatory Impact Assessment and undertaken screenings to initially consider other impacts. We would welcome your views and comments to help us expand on these assessments.

Answer:

Please provide your views

These measures could help fund local services and bring more homes into long-term sustainable accommodation, addressing the housing crisis. They could also help shift economic development away from rentier models of development to more innovative and productive business.

Question 23

Please tell us how you think the changes identified might affect island communities.

More information:

We have prepared a partial Island Communities Impact Assessment and undertaken screenings to initially consider other impacts. We would welcome your views and comments to help us expand on these assessments.

Answer:

Please provide your views

Island communities are disproportionately impacted on second homes and short term lets and these measures should help address these issues, reducing depopulation.

Question 24

Do you think there are any equality, human rights, or wellbeing impacts in relation to the changes set out in the consultation?

Answer:

- Yes
 No
 Don't know

Please give reasons for your answer.

The current housing crisis disproportionately impacts on a number of groups with protected characteristics.

Second and empty homes also impacts on the ability of Councils to deliver on a number of wellbeing metrics (decent housing, investment in health, education, public transport etc).

Question 25

Is there anything else you would like to tell us in relation to this consultation?

Answer:

Please provide any further comments on the proposals set out in this consultation in the box below.

Alongside increasing tax on second homes, empty homes and self-catering accommodation, the Scottish Government should undertake a new valuation for properties across Scotland. The current valuations are hugely out of date and need to be updated.

About you

Please tell us which of the following categories best describe you (select all that apply):

- Owner of a Second Home
- Owner of a Long-term Empty Home
- Short-Term Let/Self-Catering accommodation operator
- Council or Assessor
- Organisation e.g. third sector or industry body
- Member of the Public
- Other, please specify

Organisation – the Scottish Trades Union Congress (STUC) represents over 540,000 trade unionists, the members of 39 affiliated trade unions and 20 Trades Union Councils. We speak for trade union members in and out of work, in the community and in the workplace, in all occupational sectors and across Scotland.

Please tick whichever council areas apply to you (or select all of Scotland)?:

- Aberdeen City
- Aberdeenshire Council
- All of Scotland
- Angus Council
- Argyll and Bute Council

- City of Edinburgh Council
- Clackmannanshire Council
- Dumfries and Galloway
- Dundee City Council
- East Ayrshire Council
- East Dunbartonshire Council
- East Lothian Council
- East Renfrewshire Council
- Falkirk Council
- Fife Council
- Glasgow City Council
- Highland Council
- Inverclyde Council
- Midlothian Council
- Moray Council
- Na h-Eileanan Siar Council
- North Ayrshire Council
- North Lanarkshire Council
- Orkney Council
- Perth and Kinross Council
- Renfrewshire Council
- Scottish Borders Council
- Shetland Council
- South Ayrshire Council
- South Lanarkshire Council
- Stirling Council
- West Dunbartonshire Council
- West Lothian Council

All of Scotland