

Wealthy second home owners' council tax discount now tops...

£700,000

SOUTH Hams' 4,000 second home owners are claiming more than £700,000 in council tax discounts.

The figures, revealed by the district council in response to a Freedom of Information request by the Chronicle, shocked South Hams MP Dr Sarah Wollaston when we asked for her view.

Now Dr Wollaston

EXCLUSIVE

and other senior local politicians at parish, town, district and county level are calling for the discount to be scrapped.

Dr Wollaston said: 'It is shocking to hear that there are 4,162 homes qualifying for the second home discount of 10 per cent.'

Ben Cooper, South Hams councillor for

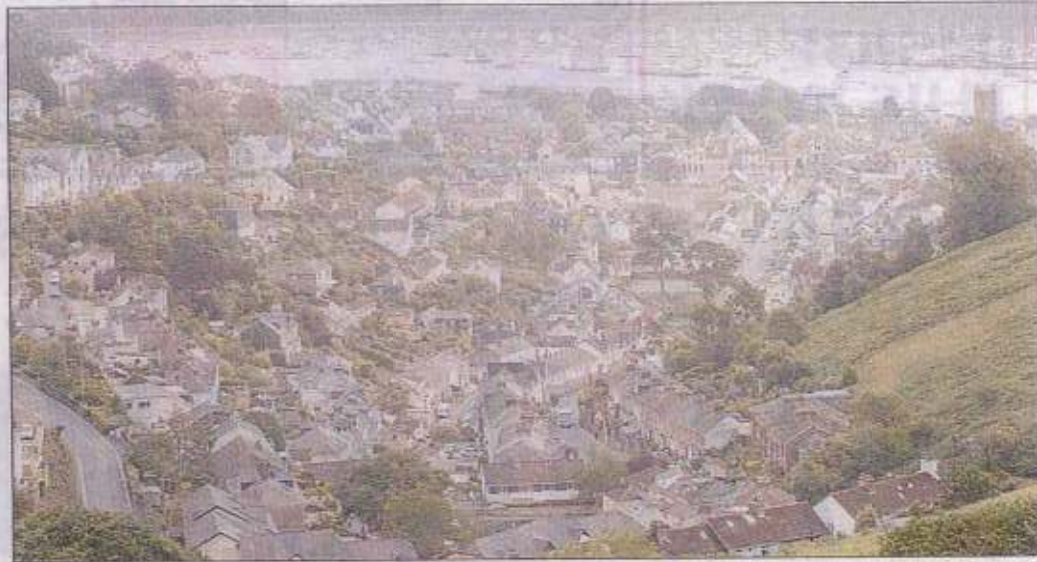
Townstal, said: 'While I appreciate that Dartmouth, like neighbouring towns and villages, enjoys the benefits that second homes bring in terms of visitors to the area, it is difficult to justify the loss in revenue at a time when South Hams Council is beginning to deal with massive cuts in funding from central government.'

● See pages 2 and 3 for the full story.

'It's shocking to hear that there are 4,162 homes Why should they pay us who stay here all

Following a Freedom of Information request to South Hams Council, today we can reveal that 4,162 owners of second homes in the district are claiming total discounts of more than £700,000.

Our reporting team **BEN WALKER, NATASHA HEARD, CLARE ACTON, KRISTIAN BRUNT-SEYMOUR** and **RICHARD DAVIES** put the numbers to local politicians of all persuasions and to parish and town councillors, those serving at district and county level, plus MP Sarah Wollaston...



Dartmouth, where council tax discount claimed on 628 second homes saves the owners more than £100,000 in council tax

POLITICIANS are united in their calls to scrap second home owner discount, which is costing the district over £700,000 this year.

Following a Freedom of Information request from South Hams Newspapers, South Hams Council has revealed a total council tax discount on 4,162 second homes totalling £702,796 for the tax year 2011/2012.

Owners of a second home can claim a 10 per cent discount on council tax.

Councillors and MPs have given us their thoughts on the matter.

Rival political parties appear to be in agreement that these figures sum up the problems with the lack of affordable housing across the South Hams.

South Hams MP Dr Sarah Wollaston said: 'It is shocking to hear that there are 4,162 homes qualifying for the second home discount of 10 per cent.'

The district council have long acted responsibly in charging the maximum allowable and it is a shame that, having made this decision in 2005, only 10 per cent of the rise could be retained locally to be ploughed back into affordable housing.

'That said, we would lose even more revenue if owners switched to business rates and changing the law to prevent any discounting of council tax could drive many more to do so.'

'While welcoming the boost to local employment and businesses brought by our second home owners, there is no doubt that some communities have been particularly hard hit by the scale of second home ownership and it comes as no surprise that there are almost 700 registered second homes in Salcombe.'

'I would like to hear from readers whether they feel that the council should be able to insist on planning permission for change of use in communities which are particularly affected in this way.'

Dartmouth contains 3,416 properties of which 628 are second homes which qualify for 10 per cent council tax discount, amounting to £100,534.

Ben Cooper, the Labour Party's district councillor for Townstal, said: 'While I appreciate that Dartmouth, like neighbouring towns and villages, enjoys the benefits that second

homes bring in terms of visitors to the area, it is difficult to justify the loss in revenue at a time when South Hams Council is beginning to deal with massive cuts in funding from central government.'

'This is especially true when you consider the continued problems local people face finding housing in the South Hams, especially around Dartmouth.'

'That is why it is my belief the £700,000 that the 10 per cent discount costs would be better spent locally protecting services and providing housing than as a reward for owning a second home.'

Kingswear has 830 properties of which 199 are second homes.

Jonathan Hawkins, chairman of the parish council and South Hams councillor for Dartmouth, said: 'I believe there should be no discount for second homes.'

'In fact they should pay more council tax. If they can afford a second home then they can pay more towards them and that contribution could go towards building homes for local people and families.'

Richard Foster, vice-chairman of Stoke

Fleming Parish Council, said he found it 'mind boggling' that there were so many second homes with discount in the area.

He said: 'We, the parish council, feel that those who can afford second homes can afford to pay the extra discount money, and someone has to make up the 10 per cent discount.'

'It doesn't save South Hams Council any money as they have to provide services like the dustbin lorries to go around the same streets, but what it does do is force others to make up the discount by paying more council tax.'

'The discount could encourage people to buy more second homes, and this in turn pushes the house prices up with less affordable homes, particularly smaller homes or starter homes, for the local populace to purchase.'

'As a result more affordable homes are being built to accommodate the local populace, like the ones currently being built in Stoke Fleming.'

'It's unfair to say second home ownership is to blame for all of this but it certainly does

have an impact on the local community and if we're not careful we may end up with plenty of empty second homes.'

South Hams Council chairman Cllr Rufus Gilbert said: 'If second home council tax were to be raised further, it is more than likely that Devon County Council would retain the majority of it. I'm sure that many second home owners would not object too strongly to an increase, if they felt the money was going to provide housing for local people, as many did the last time it was raised.'

County councillor Julian Brazil, who stood for the Liberal Democrats in the South Hams at the last general election, said: 'I have long argued that rather than getting a discount, second homes should pay double council tax, 200 per cent. This would raise over £7m in the South Hams. This extra revenue could then be invested in affordable housing for local families and/or supporting local services including cottage hospitals and local buses.'

'No one likes tax increases but this is a fair tax in that people who are lucky enough

to own not one but at least two properties can afford to pay the extra tax.'

House prices in this area have more than doubled in the last 10 years - in other words if you had a second home worth £300,000 in 2000 it's now worth over £600,000 and you've made over £300,000. All we'd be asking is that you pay a small fraction of that gain as double council tax.'

'Of course, if you didn't want to pay the extra tax you could always let the property out to a local person or family.'

'It would also help to dampen down the second home market as people might think twice on buying a second home here if they have to pay in the region of £4,000 per year council tax.'

'In short a double council tax on second homes is progressive, would bring more homes into the rental market, would dampen down the second home market and raise a massive £7 million plus which could be reinvested in our local communities.'

'In July 2006 I proposed a motion at SHDC, which was

unfortunately defeated by the majority conservatives. In order to change the rate of council tax on second homes there would need to be a change in primary legislation, which can only be done at Westminster - MPs' views on this matter are paramount.'

Cllr Mike Saltern, the district council's housing spokesman, said: 'Clearly South Hams Council has long held concerns over the impact of second homes on the availability and affordability of homes across the district.'

'In 2007, we had a Beacon Research study conducted to aid us in reaching a conclusion on this impact.'

'In 2008, in response to a consultation by Matthew Taylor into the rural economy, we made strong representations that second homes council tax should be increased to the full rate without discount.'

'This remains our position, although it would require legislation by the Government to achieve this.'

'It is particularly notable that the previous Government, in response to the Taylor recommendations,

Due to our second homes investigation, the tide times panel has been moved in this week's paper to page 19

qualifying for the second home discount' less than those of through the year?



Dr Sarah Wollaston MP



Cllr Jonathan Hawkins



Cllr Ben Cooper



Cllr Julian Brazil



Cllr Rufus Gilbert



Cllr Mike Saltern

avoided the issue of second homes other than to propose trials restricting change of use to holiday lets in National Parks.

In 2005, the district council was one of the first in the country to increase second homes council tax from 50 percent to 90 percent, the maximum allowable by law. They could however only retain 10 percent of this increase and ring fence it for affordable housing with the remainder being distributed between

Devon County Council and other authorities.

Initially the county council agreed for their share to be used for affordable housing, but subsequently withdrew this in following years.

District council took the decision in 2010 to no longer ring-fence their second homes revenue funding, but to put the same amount into affordable housing from its capital receipts.

This has retained our commitment to affordable housing.

In relation to the fig-

ures now quoted, it should be noted that the sum referred to is the total 10 percent council tax equating to the legally required discount, not the share that South Hams would receive.

This would be circa £63,000 in apportionment with its share of the council tax.

The majority would again go the county council and would not be spent on affordable housing.

A further negative aspect in relation to

increasing second homes council tax is that owners may decide to let out their properties and switch to national non-domestic rates, business rates, which in some circumstances could make them financially better off and this would therefore actually reduce the amount that councils receive by way of council tax.

This, however, does not deter South Hams from taking a strong moral stance that second home owners

should pay no less than anyone else in relation to council tax.

Green Party county councillor Paula Black, who represents Totnes, said: 'I think these figures sum up the problems that many residents face within the South Hams, a shortage of affordable housing, low wages, and a housing market that is fuelled by the second home demand.'

She added: 'Some of these properties are lived in many weeks of the year, thus creating demand upon the local services, yet paying a reduced level of contribution. Some are only occupied for one week a year, thus denying the locals a house that could be used by the community.'

The reliance upon a second homes and tourist market means that local councils need to raise funds from tourist-related services such as car parking, which may be affordable on London created wealth, yet many in this area who exist on the minimum wage cannot afford the levels set.

'A subsidy system through a council tax reduction clearly does not reflect the impact that second homes have upon their communities.'

Carole Whitty, the Labour Party's candidate for the South Hams at the last general election, said: 'So the Tory/Lib Dem coalition is telling us "we are all

in this together," which means we must strip out our public services, cut child benefits, root out the benefit cheats, remove the benefits crutches - from many with disabilities.'

She added: 'The South Hams has the largest number of second homes in the country excepting Westminster and the Isles of Scilly.'

As well as a high number of people desperately seeking affordable and social housing across the South Hams, we have a depressingly large number of young people without hope of affordable rents let alone the purchase of a property.

'All who live in the South Hams are affected; we lose funding from the perception that we are a wealthy area, we suffer from inflated house prices and of course availability of housing stock and from the fact that in some of our villages schools and health provision are on the brink of viability.'

The last government was on the case; it increased the second home council tax obligation from 50 per cent under the previous Conservative government to 90 per cent.

'Far from discounts to second homeowners which serve as an incentive for property speculators, the time has come to increase the council tax on second homes to at least 100 per cent.'

Parish/town	No. of homes	£ discount	Parish/town	No. of homes	£ discount	Parish/town	No. of homes	£ discount
Ashprington	33	5,788	Ermington	11	1,559	Shaugh Prior	3	454
Aveton Clifford	40	5,861	Frogmose and Sherford	30	4,985	Slapton	48	7,338
Berry Pomeroy	8	1,363	Halwell and Moreleigh	12	1,624	South Brent	27	3,337
Bickleigh	10	1,900	Harberton	37	5,342	South Huish	195	33,370
Bigbury	129	23,936	Harford	3	518	South Milton	59	10,202
Blackawton	38	5,861	Holbeton	21	3,862	South Pool	29	4,993
Brixton	10	1,485	Holne	10	1,670	Sparkwell	6	1,130
Buckfastleigh	9	1,540	Ivybridge	15	2,083	Staverton	6	1,108
Buckland-Tout-Saints	23	4,170	Kingsbridge	186	29,287	Stoke Fleming	86	13,555
Charleton	29	4,590	Kingston	24	4,184	Stoke Gabriel	46	8,169
Chivelstone	62	12,122	Kingswear	199	31,308	Stokenham	171	25,843
Churchstow	21	3,057	Littlehempston	6	717	Strete	43	7,965
Cornwood	11	1,558	Loddiswell	37	5,741	Thurlestone	209	43,003
Cornworthy	19	3,226	Malborough	84	13,025	Totnes	101	14,705
Dartington	15	2,295	Maridon	11	1,692	Ugborough	21	2,732
Dartmouth	628	100,534	Modbury	35	5,376	Wembury	202	22,734
Dean Prior	1	134	Newton and Noss	118	23,092	West Alvington	23	3,851
Diptford	7	1,134	North Huish	10	1,554	Woodleigh	9	1,996
Dittisham	79	15,998	Rattery	9	1,649	Yealmpton	13	2,062
East Allington	35	6,155	Ringmore	23	3,493			
East Portlemouth	65	12,932	Salcombe	692	135,829			
						Total	4162	£702,796

Table shows the number of homes qualifying for second home owner discount of 10 percent and the total amount of discount, by parish/town. Information supplied by South Hams Council