

Response to the Senedd Local Government and Housing Committee's Consultation on its Inquiry into Second Homes

Welsh Local Government Association - The Voice of Welsh Councils

We are The Welsh Local Government Association (WLGA); a politically led cross party organisation that seeks to give local government a strong voice at a national level. We represent the interests of local government and promote local democracy in Wales. The 22 councils in Wales are our members and the 3 fire and rescue authorities and 3 national park authorities are associate members.

We believe that the ideas that change people's lives, happen locally.

Communities are at their best when they feel connected to their council through local democracy. By championing, facilitating, and achieving these connections, we can build a vibrant local democracy that allows communities to thrive.

Our ultimate goal is to promote, protect, support and develop democratic local government and the interests of councils in Wales.

We'll achieve our vision by

- Promoting the role and prominence of councillors and council leaders
- Ensuring maximum local discretion in legislation or statutory guidance
- Championing and securing long-term and sustainable funding for councils
- Promoting sector-led improvement
- Encouraging a vibrant local democracy, promoting greater diversity
- Supporting councils to effectively manage their workforce.

Introduction

1. We welcome the decision of the Committee to focus its first inquiry into the very timely issue of the impact of Second Homes on communities across Wales. We welcomed the publication and recommendations made by Dr Simon Brooks in his Report *Second Homes: developing new polices in Wales* and the Welsh Government's response to the proposals.
2. The strength of Dr Simon Brooks' Report is the way it took a very balanced and evidence-based approach which acknowledged that second homes are one (important) factor, but not the *only* one in terms of sustaining communities.
3. As so many of the recommendations and responses relate to empowering councils with the necessary tools to act in accordance with their local circumstances, they have a key role in informing the necessary policy and legislative changes required at the national level to address the impact of Second Homes in their areas.



4. We look forward to working with the Committee, and our continued engagement with the Welsh Government, to provide the necessary knowledge and data from councils, to inform improved and fit for purpose policy and legislative arrangements to address the impact of Second Homes to ensure the sustainability of communities across Wales, in particular those most affected across rural and coastal areas.

Background

5. The issue of affordable housing within the context of high levels of second home ownership, and the impact of short-term lettings, is an issue that has been repeatedly raised by Council Leaders within different fora of the WLGA. Due to the scale of the impact on rural communities, most the discussion has featured in meetings of the WLGA's Rural Forum, comprising the Leaders and Senior Officials of the 9 most Rural Councils¹.
6. This issue has also been highlighted at Cabinet and Council meetings by Gwynedd Council, Carmarthenshire County Council, Ceredigion Council and Pembrokeshire Council, with calls to clamp down on the proportion of dwelling houses used as short-term holiday lets and second homes in rural areas.
7. The availability and affordability of housing was highlighted in the WLGA's Rural Manifesto and Rural Vision for Wales published prior to the Senedd Election. Further, Members of the Rural Forum tasked WLGA officers to establish a Rural Housing Working Group, comprising housing and planning officers from the rural councils, to consider the issues and to report back to Members with recommendations. These were approved by Members of the Rural Forum in February 2021 as follows:
 - **Introduce a mandatory licensing system for short -term lettings**, so that local planning authorities can place controls on the number of properties in specific area and ensure that rural housing stock is available for primary occupation.
 - **Amend the Use Classes Order to include a specific use clause relation to short-term holiday lets**, leading to the requirement for a formal change of use application to local planning authorities.
 - Engage with Welsh Government to ensure sufficient focus on rural issues within National Planning Policy
 - Support local planning authorities to develop appropriate evidence to enable a rural approach in Strategic Development Plans on a regional basis – Carmarthenshire County Council successfully used LEADER

¹ Carmarthenshire, Ceredigion, Conwy, Denbighshire, Gwynedd, Isle of Anglesey, Monmouthshire, Pembrokeshire and Powys.



funding to develop the 10 rural towns initiative, that will feature heavily in their LDP proposals.

- Suggest that rural councils ringfence the income from the Second Homes Council Tax premium to invest in local affordable housing.

Key Messages

8. We are of the view that the recommendations of Dr Simon Brooks' *Second Homes – developing new policies in Wales* should be implemented in full as soon as possible. Priority should be given to implementing those recommendations that will have the biggest impact in terms of managing the scale of the challenges that the current levels of holiday homes present to secure the sustainability of communities across Wales, in particular those rural and coastal communities across West Wales, as follows:

- **Recommendation 7: The Welsh Government should consult on the possibility of making short-term holiday accommodation exempt from being eligible for small business rate relief.**
- **Recommendation 10:** The creation of a **new use class for short-term holiday accommodation** – the Welsh Government should amend the Town and Country Planning (Use Classes) (Amendment) (Wales) Order 2016 by introducing a new use class for short-term holiday accommodation.
- **Recommendation 3:** Introduction of a **Mandatory Licencing Scheme for Holiday Homes.**

9. Further, we are of the view that the following action is needed to address the challenges presented by the scale of second homes so that our communities remain living, sustainable and thriving communities that enable local people to live and work within:

- Every Second Home owner should pay the Council Tax premium that is collected locally thus available for councils to re-invest in local housing priorities such as increasing affordable housing options to enable young people to live in their local community.
- This could be done by amending Section 66 of the Local Government Finance Act so that every dwelling house is considered under the Council Tax regime whatever use is made of it.

Conclusion



10. We are of the view that urgent action is required to alleviate the impact associated with the scale of second homes to ensure sustainable communities for future generations that offer opportunities for people to live, work and enjoy. This is vital in meeting the Well-Being of Future Generations Act goals of *A Wales of Cohesive Communities* and *A Wales of Vibrant Culture and Thriving Welsh Language*.
11. Further, action to address this issue is central in meeting the Welsh Government's pledge to achieve 1 million Welsh Speakers by 2050.
12. The need for greater control relating to this issue is vital. Councils need appropriate regulatory powers to balance the needs and concerns of local communities whilst balancing the wider economic benefit which the tourism economy provides, in particular across rural and coastal communities.
13. We welcome the ambition outlined for action to address the proliferation of second homes and unaffordable housing in *The Co-operation Agreement* between the Welsh Government and Plaid Cymru published towards the end of last year. We look forward to working with them to ensure that councils will be further enabled to control the number of second homes via proposed and much needed changes across the planning, property, licencing and taxation systems to ensure sustainable communities for current and future generations across Wales.