



Llywodraeth Cymru
Welsh Government

ATISN 14641

15 December 2020

Dear

ATISN 14289 – Local taxes and second homes

Thank you for your request which I received on 9 December.

You asked for copies of the Equalities Impact Assessment and the Language Impact Assessment for the legislation that allows owners to claim small business rates relief for a second home properties which are declared as a small business. You also asked for copies of assessment compiled for the purposes of Sections 5 and 11A of the National Parks and Access to the Countryside Act, 1949 in relation to the number of second homes within Snowdonia National Park.

Following a search of our paper and electronic records, I have established that information in the form you have requested is not held by the Welsh Government.

The definition of property as domestic or non-domestic for local taxation purposes is set out in legislation made under the Local Government Finance Act 1988:

<https://www.legislation.gov.uk/ukpga/1988/41/contents>

A property is classed as domestic, and is therefore subject to council tax, if it is used as living accommodation. This includes living accommodation which someone owns in addition to their main or primary residence, such as an empty property or a property which they occupy periodically (for example, properties used by the owners for holidays or weekends). Such additional properties fall within the council tax system and are not eligible for Small Business Rates Relief.

The law distinguishes between properties kept as first or second homes for private use, which are subject to council tax, and properties which are let as self-catering accommodation on a commercial basis. The latter are subject to non-domestic rates.

A property is classified as non-domestic, and subject to non-domestic rates, if the Valuation Office Agency is satisfied that:

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

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- it will be available for letting **commercially** as self-catering accommodation for short periods totalling 140 days or more in the following 12-month period;
- the ratepayer's interest in the property enables them to let it for such periods;
- in the 12 months prior to assessment, it has been available for letting commercially as self-catering accommodation for short periods totalling 140 days or more; and
- the short periods it has actually been commercially let total at least 70 days during that period.

The Welsh Government's guidance on self-catering properties can be found via the following link:

<https://businesswales.gov.wales/sites/business-wales/files/Business%20rates%20relief%20for%20self%20catering%20properties%20-%20ENG.pdf>

The criteria set out in the bullets above were inserted into section 66(2BB) of the Local Government Finance Act 1988 by the Non-Domestic Rating (Definition of Domestic Property) (Wales) Order 2010 and further amended by the Non-Domestic Rating (Definition of Domestic Property) (Wales) Order 2016. The Orders can be found via the following links:

<http://www.legislation.gov.uk/wsi/2010/682/contents/made>
<https://www.legislation.gov.uk/wsi/2016/31/contents/made>

The criteria for eligibility for Small Business Rates Relief in Wales are set out in the Non-Domestic Rating (Small Business Relief) (Wales) Order 2017 (as amended):

<https://www.legislation.gov.uk/wsi/2017/1229/contents/made>

All non-domestic properties which meet the criteria set out in the Order are eligible for small business rates relief.

As part of its policy and legislation making process, the Welsh Government considers a wide ranging number of measures in appraising the potential impact. These considerations are underpinned by the Well-Being of Future Generations (Wales) Act 2015. Each of the Orders referred to above was subject to public consultation and summaries of the consultation responses were published on the Welsh Government's web-site. Subordinate legislation laid before the Senedd is accompanied by Explanatory Memoranda which include summary assessments of the impact of the legislation and statutory considerations. The explanatory memoranda for the above Orders can be found using the following business search tool on the Senedd's web-site:

<https://senedd.wales/en/bus-home/Pages/Plenary.aspx?assembly=5&category=Laid%20Document>

As the relevant legislation deals with the definition and treatment of self-catering accommodation within the non-domestic rating system, the assessments do not include specific reference to numbers of 'second homes' in Snowdonia National Park.

If you are dissatisfied with the Welsh Government's handling of your request, you can ask for an internal review within 40 working days of the date of this response. Requests for an

internal review should be addressed to the Welsh Government's Freedom of Information Officer at:
Information Rights Unit, Welsh Government, Cathays Park, Cardiff, CF10 3NQ
or Email: Freedom.ofinformation@gov.wales

Please remember to quote the ATISN reference number above.

You also have the right to complain to the Information Commissioner. The Information Commissioner can be contacted at:

Information Commissioner's Office
Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF.

However, please note that the Commissioner will not normally investigate a complaint until it has been through our own internal review process.

Yours sincerely