

**CONSULTATION RESPONSES**

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Please note that the text of the responses has been reproduced as submitted to the Welsh Government in response to the consultation.

**Category: Private Individual**

**Q1. How effective has the use of premiums been in addressing housing issues?**

None at all as owners register them as businesses which are tax exempt meaning a loss in income

**Q2. How could local authorities' best use the premiums to help bring empty or underused properties back into use to improve housing supply and the sustainability of local communities?**

Ring fence any premium

**Q3. Do you have views on how funds raised from the premium should be used? For example, should local authorities be required to be more transparent about how funds raised from the premium have been spent?**

Have funds ring fenced enabling them to be used for housing for young local people

**Q4. Is the current maximum premium of 100% appropriate? If not, what would you consider to be appropriate and fair?**

Yes

as second homes will be converted to businesses jury is out as to whether vthey will be any extra premium collected

**Q5. If a higher maximum premium were proposed, should this be introduced incrementally?**

No

**Q6. What do you see as the impacts, both positive and negative, of self-catering accommodation?**

Being turned into businesses meaning less of an income

**Q7. What are your views on the current criteria and thresholds for defining property as self-catering accommodation and liable for non-domestic rates?**

needs to be considerable tightened

**Q8. Do you think the self-catering accommodation thresholds should be changed and, if so, why?**

Yes

Setting up business with second homes means that young local people can not get on the housing market. This in turn destroys the community, its language and its heritage

**Q9. If the self-catering thresholds were to be changed, what do you suggest the new thresholds should be?**

**Q10. What are your views on the eligibility of self-catering accommodation for Small Business Rates Relief?**

A percentage only of self catering in any given area

**Q11. Are there other ways in which you think the local tax system could be used to support the sustainability of our communities?**

Yes

provide housing for young local people

**Q12. We would like to know your views on the effects that these proposals 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. What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated?**

Allowing second and self catering to take over areas destroys the language, heritage and culture

**Q13. Please also explain how you believe the proposed policy approach could be formulated or changed so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.**

Welsh in Wales should be treated as the main language and not a language that should be treated less favourably. Minimising second homes and self catering accomindation would allow yponung people who speak Welsh to remain in their community

**Q14. We have asked a number of specific questions. If you have any related points which we have not specifically addressed, please use this space to record them.**

Needs legislation to prevent second homes been registered as businesses

**Category: Self-catering/holiday let/B&B**

**Q1. How effective has the use of premiums been in addressing housing issues?**

Probably not as effective as it could be.

**Q2. How could local authorities' best use the premiums to help bring empty or underused properties back into use to improve housing supply and the sustainability of local communities?**

Council tax premiums could be used to support first time buyers to buy run down properties and renovate into a home. Money could be used to offer interest free or payment free loans. Could also set up a register of empty homes for FTB and locals to access.

**Q3. Do you have views on how funds raised from the premium should be used? For example, should local authorities be required to be more transparent about how funds raised from the premium have been spent?**

Yes, definitely more transparent and also funds should be ear marked for improving housing. It's raised from housing should remain in that sector.

**Q4. Is the current maximum premium of 100% appropriate? If not, what would you consider to be appropriate and fair?**

Yes

Empty homes should be incentivised to be used. Empty homes when properties are in short supply is not good.

2nd homes should also be charged more if they are only used a few weeks a year. Pressure or incentivise 2nd home owners to support tourism and let properties out. Holiday accommodation is vital to the tourism industry, 2nd homes are not.

**Q5. If a higher maximum premium were proposed, should this be introduced incrementally?**

Yes

I think 100% premium should be the max.

**Q6. What do you see as the impacts, both positive and negative, of self-catering accommodation?**

I see it as mostly positive. Pembrokeshire is massively supported by tourism, holiday accommodation compliments this. There does need to be property build for home ownership for locals only and that should be a priority. But without holiday let's, there would be substantially less tourism.

**Q7. What are your views on the current criteria and thresholds for defining property as self-catering accommodation and liable for non-domestic rates?**

I don't disagree with it. As long as property is available for a high percentage of the time, I think that's fair.

**Q8. Do you think the self-catering accommodation thresholds should be changed and, if so, why?**

No

I think current rules work. Maybe just include they need to be advertised with booking agents or legitimate websites for a high percentage and make sure this is adhered to. Maybe increase the min of 10 weeks let to 15 or 20 weeks.

**Q9. If the self-catering thresholds were to be changed, what do you suggest the new thresholds should be?**

Maybe from 10 weeks min to 15 weeks.

**Q10. What are your views on the eligibility of self-catering accommodation for Small Business Rates Relief?**

I agree with it. Some use a loop hole to exploit but the majority are legitimate businesses.

**Q11. Are there other ways in which you think the local tax system could be used to support the sustainability of our communities?**

No

**Q12. We would like to know your views on the effects that these proposals 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.**

**What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated?**

Unsure.

**Q13. Please also explain how you believe the proposed policy approach could be formulated or changed so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.**

Unsure

**Q14. We have asked a number of specific questions. If you have any related points which we have not specifically addressed, please use this space to record them.**

I don't.

**Category: Town/Community Council**

**Q1. How effective has the use of premiums been in addressing housing issues?**

Not very.

**Q2. How could local authorities' best use the premiums to help bring empty or underused properties back into use to improve housing supply and the sustainability of local communities?**

Monitor empty properties more closely and impose 100% Premium promptly.

Explore using compulsory purchase of very long term property where there is evidence of neglect and material deterioration.

**Q3. Do you have views on how funds raised from the premium should be used? For example, should local authorities be required to be more transparent about how funds raised from the premium have been spent?**

Transparent yes. Funds could be used to purchase properties for renovation and renting out.

**Q4. Is the current maximum premium of 100% appropriate? If not, what would you consider to be appropriate and fair?**

Yes

**Q5. If a higher maximum premium were proposed, should this be introduced incrementally?**

No

**Q6. What do you see as the impacts, both positive and negative, of self-catering accommodation?**

+ve. Inward investment, some employment, more holiday visitors.

-ve. Property not available for local rent or purchase

+ve & -ve House price inflation

**Q7. What are your views on the current criteria and thresholds for defining property as self-catering accommodation and liable for non-domestic rates?**

Adequate

**Q8. Do you think the self-catering accommodation thresholds should be changed and, if so, why?**

No

**Q9. If the self-catering thresholds were to be changed, what do you suggest the new thresholds should be?**

n/a

**Q10. What are your views on the eligibility of self-catering accommodation for Small Business Rates Relief?**

Not helpful. This should change.

**Q11. Are there other ways in which you think the local tax system could be used to support the sustainability of our communities?**

No

**Q12. We would like to know your views on the effects that these proposals 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.**

**What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated?**

Prob some effects but any mitigation measures should be positive and encouraging.

**Q13. Please also explain how you believe the proposed policy approach could be formulated or changed so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.**

Other than practicing a policy allowing each person to conduct their affairs in the language of their choice and continuing to support education in Welsh. Positive measures make the language more attractive/desirable and restrictions and complications generate a negative attitude to Welsh.

**Q14. We have asked a number of specific questions. If you have any related points which we have not specifically addressed, please use this space to record them.**

## **Category: Representative body, professional body or association**

### **Q1. How effective has the use of premiums been in addressing housing issues?**

For the most part, ineffective. Only a handful of counties have set a premium. Second housing numbers are increasing and some summer houses have been able to avoid paying land tax altogether by converting into self-catering accommodation. While current legislation allows Welsh Councils to charge a council tax premium of up to 100% on second and long-term empty homes, two of the 22 currently charge the maximum – Gwynedd and Swansea, with Pembroke recently voting to raise the premium to 100% from April 2022.

Overall, in Gwynedd the premium has provided the County with more funding for their spending plans. Gwynedd Council's Cabinet adopted the Housing Action Plan in December 2020, with the Council Tax Premium Fund funding a number of the schemes in full or in part. The total value of the projects in the final plan was based on the resources available; there were more proposed schemes than there was funding for them. As a result of increasing the Premium level from 50% to 100% this year, the Council will be able to expand some of the projects in the scheme, bring more projects into the scheme or be able to fund projects with the Premium rather than having to borrow.

Anglesey raised its premium on second homes to 35% in 2019 and now a report -following public consultation - is to ask the Council's Executive to increase this to 50% from April 2022, with a further increase to 100% by 2024. While the recent public consultation reported general support towards this move, it also found that such a move would prompt 45% of second home owning respondents to try and transfer their properties to non-domestic status – a tax “loophole”, while 30% would accept the premium with the remaining 25% planning to either sell their property or rent it to a local resident. The Council says that it uses £350,000 each year from the premium and has so far helped more than 90 residents who did not own a property, to buy their first home. With more than 2,000 properties on the island still currently unoccupied during parts of the year, the council says it now wants to gather extra funding from the premium to help more local residents get on the housing ladder. It is estimated that increasing the premium to 50% would bring in an additional £500,000.

### **Q2. How could local authorities' best use the premiums to help bring empty or underused properties back into use to improve housing supply and the sustainability of local communities?**

Few summer houses return to local houses. The loophole that allows houses to convert into holiday accommodation should be closed – these should be subject to planning approval.

The premium for second homes should be 'ring fenced' so that the income collected in communities is invested back into the communities e.g. in homebuy equity schemes for local people to buy houses. Some of the schemes by Gwynedd Council for the use of the premium are already operational, such as the Empty Homes Scheme, an Innovative Pilot Scheme at Caernarfon Segontium, and a number of other developments are under development in different parts of the County to create housing and support for the homeless. Gwynedd Council is also prioritising some other specific schemes within the Action Plan, such as the creation of a One Stop Shop for

Housing issues, research on potential lands for future construction, expanding on the buy-out support scheme to enable local people to buy houses locally, and establishing a new Energy Conservation service to tackle a climate emergency.

**Q3. Do you have views on how funds raised from the premium should be used? For example, should local authorities be required to be more transparent about how funds raised from the premium have been spent?**

The premium on second homes should be 'ring fenced' so that the money collected in communities is invested back in those very communities e.g. in homebuy equity schemes that enable local people to buy houses.

Council tax premium money should not be used for non-related expenditure so as to enable local people to buy houses. It is very important that County Councils should be transparent in their spend of premium money to ensure that it is not used to make up for funding cuts in other areas.

See above for examples of how Gwynedd and Anglesey Councils are using premium income.

**Q4. Is the current maximum premium of 100% appropriate? If not, what would you consider to be appropriate and fair?**

Yes

However, charging the full 100% premium is not sufficient in addressing the issue. Dr Simon Brooks' report recommends that Welsh Government should look at amending planning policy "hand in hand" with efforts across affected local authorities to charge the full premium. Quoting from his report: "Much recent public debate about second homes has proposed making far-reaching changes to planning law"... "however, from a public policy perspective, it becomes more difficult to justify a change to planning legislation if existing taxation powers are not used.... By not charging the full premium for second homes, county councils that are concerned about the situation are weakening their case... It is in the public interest therefore that county councils in areas where there is a high numbers of second homes use their taxation powers fully.... This, in turn, justifies an appropriate response by the WG including full consideration of other policy option, including those discussed in this report." This is fully supported.

**Q5. If a higher maximum premium were proposed, should this be introduced incrementally?**

No

It should be introduced immediately and without further delay as one element of dealing with the housing crisis – in addition to other measures.

**Q6. What do you see as the impacts, both positive and negative, of self-catering accommodation?**

There is a need to recognise the importance of tourism and its economic benefits while also appreciating that it is very often seasonal. Communities thrive when residents live in them all year round – too much self-catering accommodation and too many holiday homes can therefore have a very negative impact when they lead to deserted communities for extended time periods during the year, thereby

affecting local businesses and schools. It is important to strike a balance between maintaining and growing the tourism industry and maintaining an environment where the culture and the wellbeing of local people are not affected, and that local people are not deprived of housing. The continued increase in house prices in holiday areas (coupled with lack of employment opportunities and well-paid work) makes it difficult for local people to get on the housing ladder. This is exacerbated when the demand for second /holiday homes pushes house prices out of reach. Many local people can't afford to buy houses in their own town/village due to low income and poor employment prospects, especially when they are competing with higher income earners from outside the locality. This is likely to get worse after the pandemic, as people are now working more flexibly i.e. from home etc. Many houses which could be available for local people are sold as holiday accommodation. National legislation is needed to enable planning laws to be implemented at a local level and at the discretion of the local unitary authorities before houses can change to holiday homes.

The housing market needs to be looked at as part of a wider picture as the average local low wage level contributes to the problem of being able to secure affordable housing in a free market. It has to be acknowledged that the issue is a complex one. It is a regional problem that is reflected in other areas of the UK with concerns at how tourism impacts on the future of communities.

**Q7. What are your views on the current criteria and thresholds for defining property as self-catering accommodation and liable for non-domestic rates?**

Current rules mean that if a second home is available for commercial letting as self-catering accommodation for 140 or more days in a year, and actually let for at least 70 days, it qualifies for non-domestic rates rather than council tax. This results in them also being eligible for Small Business Rate Relief and can often mean they end up paying no taxes at all into the Welsh public purse. These current thresholds for defining properties as self-catering are far too low. Dwellings run as a business benefit from the regulations that allow owners to declare that they are a business and then avoid paying council tax. This deprives the local authority of income that it desperately needs to be spent on servicing and improving local amenities. The threshold should be increased (see Q 8 and 9)

**Q8. Do you think the self-catering accommodation thresholds should be changed and, if so, why?**

Yes

The current thresholds are far too low and should be changed. (see Q 7) Dwellings run as a business benefit from the regulations that allow owners to declare that they are a business and then avoid paying council tax. This deprives the local authority of income that desperately needs to be spent on servicing and improving local amenities.

**Q9. If the self-catering thresholds were to be changed, what do you suggest the new thresholds should be?**

In order to qualify as self-catering the number threshold days should be raised to 250 days with the accommodation rented out for at least 190 days. A national licensing system should be established independently of the County Councils with owners of self-catering accommodation having to apply for a licence annually for each property in order to prove and ensure that the accommodation is holiday in the true meaning of the word rather than a house for their owners to use.

**Q10. What are your views on the eligibility of self-catering accommodation for Small Business Rates Relief?**

There should be a change in the law so that self-contained holiday units cannot be declared businesses and avoid liability for paying council tax. Dwellings run as a business benefit from the regulations that allow owners to declare that they are a business and then avoid paying council tax. This deprives the local authority of income that is needed for spending on and improving the local amenities used by residents and holidaymakers alike. Without a change this is having, and will continue to have, a negative impact on communities where there is self-contained accommodation.

**Q11. Are there other ways in which you think the local tax system could be used to the support the sustainability of our communities?**

Yes

Land Transaction Tax or Stamp Duty should be doubled for houses bought as second homes with the revenue used locally at county level.

Ensure that housing associations reduce 'affordable housing' prices. More truly affordable housing is needed and consider the possible ways of achieving this through planning regulations e.g. restricting new building developments, retaining affordable housing for local residents only, increasing stamp duty, local tenure clauses, designated numbers of holiday homes allowed in each way/street or as a percentage of town housing, higher council tax and other local authority regulations that can make a difference, e.g. need for planning permission before a house can change from a domestic home to a holiday home. Also at a regional planning level, local government planning rules should enable a bar on short-term rental for any new domestic houses being built.

**Q12. We would like to know your views on the effects that these proposals 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.**

**What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated?**

It is difficult to answer this question as there is no clarity on what is being offered as "proposals". However, without purposeful management and planning for the local housing market and ensuring affordable housing for local people in Welsh-speaking communities this is bound to have a detrimental effect on the Welsh language.

Any reduction in the number of second houses and the rate of second home purchases would undoubtedly have a positive impact on Welsh-speaking communities and ensure that they are not further undermined. An increase in Council tax and stricter rules on holiday accommodation would be one step towards protecting Welsh-speaking communities.

Could we please have clarification on what is being offered as proposals in this consultation?

**Q13. Please also explain how you believe the proposed policy approach could be formulated or changed so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.**

Clarification is needed on what is meant by the “proposed policy approach” in order to answer this question.

**Q14. We have asked a number of specific questions. If you have any related points which we have not specifically addressed, please use this space to record them.**

The importance of tourism and that many areas of Wales are dependent on it needs to be recognised. We recognise that the issue of summer and holiday homes is not experienced across Wales and that it is a regional problem and that there is no one simple solution;

- The distribution of second homes in Wales is extremely uneven, with thousands of second homes in some counties, and other county council areas having virtually no second homes at all.
- The distribution of second homes in specific counties is also extremely uneven, with some communities overwhelmed by a very high percentage of second homes, and others in the same county with virtually no second homes at all.

It considers the serious problems that can arise for communities as a result of growth in second homes, and the conversion of residential homes into self-contained units that send property prices through the roof and price local people out of the housing market. The focus of this consultation is too narrow – we need a package of inclusive measurements that extends further than the specific questions in the consultation.

The Welsh Government needs to treat the second home crisis as a priority and to ensure a systematic and coherent approach to tackling the problem. As a starting point the recommendations of Dr Simon Brooks' report 'Second Homes - policy development' should be implemented in consultation with principal councils. Welsh Government should:

- Permit policy variation within a national framework: i.e. allow for local and regional policy variation, both within counties as well as within Wales;
- Amend planning laws to ensure that planning permission is required to convert residential properties into second homes or self-contained holiday units.
- Allow local authorities, in consultation with the local community, to set a threshold on the number of second homes in each ward.
- Ensure a change in the law so that self-contained holiday units cannot be declared businesses avoiding liability for council tax.
- Ensure management of short-term holiday homes including AirBnB through a national licensing regime.
- Double the higher rate of Land Transaction Tax or Stamp Duty on houses bought as second homes.
- Raise the tax premium on second homes everywhere to 100%.
- Ensure that funding from council tax premiums is 'ring fenced' so that these funds are used for local people in communities where there are a high number of second homes.

- Ensure that County Councils are transparent showing how how monies from the premium is being spent to ensure it is appropriate and that the communities benefitting from it are identified.
- Develop and implement a framework enshrined in law that guarantees greater development in affordable housing which is reserved exclusively for local residents.

## Category: Businesses

### **Q1. How effective has the use of premiums been in addressing housing issues?**

Very.

### **Q2. How could local authorities' best use the premiums to help bring empty or underused properties back into use to improve housing supply and the sustainability of local communities?**

Build more homes and grants for refurbishment of properties that do not meet current standards.

### **Q3. Do you have views on how funds raised from the premium should be used? For example, should local authorities be required to be more transparent about how funds raised from the premium have been spent?**

Needs to be 100% transparent - i.e. details of beneficiaries should be published in Council Newsletters. Otherwise the scheme would not have confidence that it is being carried out fairly.

### **Q4. Is the current maximum premium of 100% appropriate? If not, what would you consider to be appropriate and fair?**

Yes  
However, if criteria for being eligible for Business Rates be tightened (i.e. harder to achieve), then premium should be increased. We shouldn't have people choosing to renting out their properties deciding that they would be better off not bothering letting out - IT IS MUCH BETTER FOR THESE PROPERTIES TO BE LET OUT AS NOW rather than owners deciding to stop letting out and pay just a 100% Premium.

Note that some Owners who could go on to Business Rates choose to remain on Domestic (for various reasons) - they shouldn't be punished or pushed to go on to Business Rates by an even higher Premium.

### **Q5. If a higher maximum premium were proposed, should this be introduced incrementally?**

No

Why make things even more complicated - bad enough as it is.

### **Q6. What do you see as the impacts, both positive and negative, of self-catering accommodation?**

Bringing employment and wealth to the area. If there is no employment then people will move to England to work. If Wales wants to be independent we have to make full use of our advantages - the main one is as an attractive place to go on holiday.

### **Q7. What are your views on the current criteria and thresholds for defining property as self-catering accommodation and liable for non-domestic rates?**

Criteria are OK. The form is far too onerous to fill in though.

**Q8. Do you think the self-catering accommodation thresholds should be changed and, if so, why?**

No

**Q9. If the self-catering thresholds were to be changed, what do you suggest the new thresholds should be?**

**Q10. What are your views on the eligibility of self-catering accommodation for Small Business Rates Relief?**

Approve - encourages second home owners to make their properties available for visitors and so brings wealth and jobs to the local area.

**Q11. Are there other ways in which you think the local tax system could be used to support the sustainability of our communities?**

Yes

The lower the tax system the better the local economy will be compared to those areas with high local taxes. Lower taxes mean more people will pay the tax rather than try to avoid it.

**Q12. We would like to know your views on the effects that these proposals 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.**

**What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated?**

Less visitors to the area will mean local people not having work and moving away - welsh language goes into spiral of decline again.

**Q13. Please also explain how you believe the proposed policy approach could be formulated or changed so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.**

Why not make it compulsory for self-catering holiday home owners (or their Agents if they employ them), being able to respond in welsh to queries by customers made in welsh.

**Q14. We have asked a number of specific questions. If you have any related points which we have not specifically addressed, please use this space to record them.**

Why not make it compulsory for all self-catering properties in Wales to be registered with Visit Wales, pay them a fee each year, and be inspected every 2 years.

Why are some self-catering properties in Wales are having to do onerous inspections (and documentation) for Fire Safety, between lets, whilst others in Wales are not? This is not fair.

## Category: Local Authority

### **Q1. How effective has the use of premiums been in addressing housing issues?**

Prif nod codi premiwm yw i wneud yn iawn am y golled o'n stoc dai o ganlyniad i'r niferoedd o unedau gwyliau ac ail gartrefi. Mae dros 10% o bob uned preswyl yng Ngwynedd yn lety gwyliau neu ail gartref ac, mewn rhai cymunedau, mae hyn cymaint â 40%.

Mae Cyngor Gwynedd wedi codi Premiwm o 50% ar Dreth Cyngor ail gartrefi ac anheddau gwag hir dymor perthnasol am y blynyddoedd ariannol 2018/19, 2019/20 a 2020/21 a 100% ers 1 Ebrill 2021.

Mae Strategaeth Tai Cyngor Gwynedd yn nodi'r weledigaeth o "Sicrhau bod gan bobl Gwynedd fynediad at gartref addas o safon, sy'n fforddiadwy ac sy'n gwella eu hansawdd bywyd."

Roedd y Strategaeth yn nodi pum amcan yr oedd yn rhaid ceisio eu cyfarch os oedd y Cyngor am gyflawni'r weledigaeth hon:

1. Neb yn ddi-gartref yng Ngwynedd
2. Tai cymdeithasol ar gael i bawb sydd angen un
3. Cartref pawb yng Ngwynedd yn fforddiadwy iddynt
4. Tai Gwynedd yn amgylcheddol gyfeillgar
5. Cartrefi yn cael dylanwad cadarnhaol ar iechyd a llesiant pobl Gwynedd.

Mae'r Cynllun Gweithredu Tai, a fabwysiadwyd gan Gabinet y Cyngor yn Rhagfyr 2020 yn cynnwys 33 o brosiectau gwahanol wedi eu teilwra i geisio ymateb i bob un o'r amcanion hyn. Defnyddir y Premiwm a godir gan Cyngor Gwynedd i ariannu'r Cynllun Gweithredu Tai yn rhannol. Mae'r rhain yn brosiectau hirdymor, felly bydd yn beth amser cyn gweld y canlyniadau, ond mae'r defnydd hwn yn sicrhau fod y Premiwm yn cynorthwyo i fynd i'r afael â materion Tai.

### **Q2. How could local authorities' best use the premiums to help bring empty or underused properties back into use to improve housing supply and the sustainability of local communities?**

Credwn fod angen ystod o offerynnau er mwyn mynd i'r afael ag ail gartrefi ac mai dim ond un o'r rhain yw trethiant.

Mae polisi Cyngor Gwynedd o godi Premiwm ar Dreth Cyngor wedi ei wneud gyda'r amcan glir o sicrhau fod y Cyngor yn gallu defnyddio'r teclynnau cyfyngedig sydd ar gael i ni i gael sefyllfa lle mae pobl yn talu'n gymesur i'r niwed mae ail gartrefi ac eiddo gwag arall yn ei achosi i gymunedau Gwynedd.

Mae'r Canllawiau Statudol Llywodraeth Cymru, Canllawiau Gweithredu Premiymau'r Dreth Gyngor ar Gartrefi Gwag Hirdymor ac Ail Gartrefi yng Nghymru, yn ei gwneud yn glir fod y disgrisiwn a roddir i awdurdodau godi premiwm gyda'r bwriad i fod yn arf i gynorthwyo awdurdodau lleol i:

- Adfer defnydd cartrefi gwag hirdymor er mwyn darparu cartrefi saff, diogel a fforddiadwy;
- Gynorthwyo awdurdodau lleol i gynyddu'r cyflenwad o dai fforddiadwy a gwella cynladwyedd cymunedau lleol.

Mae'r Canllawiau'n mynd ymlaen i nodi rhestr nad yw'n gynhwysfawr o ffactorau a allai helpu i hysbysu awdurdodau lleol wrth benderfynu a ddylid codi Premiwm ai peidio. Yn gynwysedig yn y ffactorau hyn mae'r effaith bosibl ar economïau lleol a'r diwydiant twristiaeth a'r effaith bosibl ar wasanaethau lleol.

Pan yn penderfynu codi'r Premiwm, tynnwyd sylw penodol at bwysigrwydd yr economi ymwelwyr i Wynedd a bod perchnogion ail gartrefi yn dod â manteision ariannol i'r ardal. Fodd bynnag, bu'n rhaid i Aelodau gydbwysu hyn â ffactorau perthnasol eraill, boed yn economaidd neu fel arall.

**Q3. Do you have views on how funds raised from the premium should be used? For example, should local authorities be required to be more transparent about how funds raised from the premium have been spent?**

Mae Cyngor Gwynedd eisoes yn nodi'r defnydd y mae yn ei wneud o'r Premiwm ac yn dryloyw ynghylch y ffordd y mae arian a godwyd drwy'r premiwm wedi'i wario. Roedd y Cyngor wedi parchu'r disgwyliad i wneud hynny beth bynnag, gan fod y Canllawiau Statudol yn nodi:

58. Bydd awdurdod lleol yn cael cadw unrhyw gyllid ychwanegol a gynhyrchir drwy weithredu'r premiwm a gwneir diwygiadau i gyfrifiad sylfaen y dreth er mwyn hwyluso hyn. Fodd bynnag, anogir awdurdodau i ddefnyddio unrhyw refeniw ychwanegol a gynhyrchir i gynorthwyo i ddiwallu anghenion tai lleol, yn unol â bwriadau polisi'r premiymau.

59. Caiff gofynion penodol o ran adrodd am y refeniw ychwanegol a gynhyrchwyd, a'r defnydd ohono yn ddiweddarach, eu hegluro mewn arweiniad pellach. Rhoddir rhagor o fanylion ynglŷn â hyn yn yr adran nesaf.

60. Er mwyn monitro pa mor effeithiol yw'r premiymau ac er mwyn sicrhau bod gwybodaeth ynghylch y defnydd a wneir ohonynt ar gael yn glir i drethdalwyr lleol, bydd Llywodraeth Cymru yn ei gwneud yn ofynnol i awdurdodau lleol fonitro ac adrodd am weithrediad y premiymau.

61. Caiff y gofynion penodol mewn perthynas â hyn eu hesbonio mewn arweiniad pellach a gyhoeddir cyn Ebrill 2017.

Nid oes gan y Cyngor unrhyw wrthwynebiad mewn bod yn dryloyw am ei ddefnydd o'r arian a gesglir, ond byddem yn gwrthwynebu'r syniad o gael ein gorfodi i wneud defnydd penodol o'r incwm a gesglir.

**Q4. Is the current maximum premium of 100% appropriate? If not, what would you consider to be appropriate and fair?**

No

Mae Cyngor Gwynedd yn codi premiwm o 100% ers Ebrill 2021. Er ei bod yn rhy gynnar i ddadansoddi effaith y lefel hwnnw o breimiwm, mae tystiolaeth anecdotaidd yn dangos bod colled y stoc dai i'r sector ail gartrefi yn parhau, neu hyd yn oed yn cyflymu.

Mae'n bosib y byddai lefel uwch o Breimiwm yn arafu'r golled yma, ond heb fod teclynnau eraill yn eu lle i reoli colled cartrefi o'r gyfundrefn Treth Cyngor, yn benodol atal llif y trosglwyddiad i ardrethi annomestig, ni ellir dod i gasgliad. Ymhellach i hynny, petai amrediad o drefniadau pellach yn cael eu cynnig ar wahân i drethiant yn unig (e.e. trwy'r gyfundrefn cynllunio, trwyddedu) ni fyddai angen defnyddio treth fel yr unig arf i ymdrin â'r sefyllfa. Petawn ni'n cael y tŵls ychwanegol hyn mae'n bosib na fyddai angen i'r Premiwm fod mor uchel.

**Q5. If a higher maximum premium were proposed, should this be introduced incrementally?**

Gweler yr ateb i gwestiwn 4.

**Q6. What do you see as the impacts, both positive and negative, of self-catering accommodation?**

Mae'r Cyngor ers sawl blwyddyn wedi bod yn pwysu ar Lywodraeth Cymru i newid Adran 66 Deddf Cyllid Llywodraeth Leol 1988 er mwyn rheoli trosglwyddiad cartrefi domestig i fod yn unedau gwyliau hunan-ddarpar sy'n destun ardrethi annomestig, a'r mwyafrif helaeth yn osgoi unrhyw drethiant lleol am eu bod yn derbyn ryddhad ardrethi busnesau bychain. Siomedig fu'r ymateb hyd yma, gyda'r Llywodraeth yn canolbwyntio mwy ar yr effaith niweidiol honedig ar dwristiaeth yn hytrach na'r effaith niweidiol go iawn ar drigolion lleol mewn cymunedau gwledig ac arfordirol.

Wrth gyflwyno'r Premiwm yn wreiddiol, ac yna penderfynu ei gynyddu, roedd y Cyngor yn ymwybodol o'r risg y byddai hyn yn cymell mwy o berchnogion ail gartrefi i osod eu heiddo a'i drosglwyddo i'r rhestr ardrethi annomestig.

Er hynny, cred Cyngor Gwynedd fod ffactorau eraill hefyd yn cyfrannu at y cymhelliad i drosglwyddo. Yn gyntaf, roedd y grantiau cefnogi busnes a gyflwynwyd yn sgil yr argyfwng Covid-19 yn cynnig hyd at £23,000 dros gyfnod o flwyddyn i fusnesau cymwys.

Roedd y cynlluniau yn seiliedig ar y rhestr ardrethi annomestig a rhwng yr amrywiol gynlluniau grant byddai busnesau mewn eiddo oedd yn gymwys i dderbyn ryddhad ardrethi busnesau bychain – sef y mwyafrif helaeth o unedau gwyliau – wedi bod yn gymwys i dderbyn hyd at £23,000 yn ystod y flwyddyn. Os oedd y gwerth ardrethol dros £12,000 buasent wedi derbyn mwy.

Ar ôl pwysau gan Cyngor Gwynedd, fe ddaeth amodau tynnach ar unedau gwyliau i fod yn gymwys am grant, ond hyd yn oed wedyn roedd nifer helaeth (oddeutu 65%) wedi derbyn grant.

Mae'n wybyddus hefyd fod nifer o unigolion wedi prynu eiddo yng Ngwynedd dros y 18 mis diwethaf fel buddsoddiad, ar ôl gweld cyfle erbyn hyn i brynu eiddo yn benodol er mwyn eu gosod fel unedau gwyliau.

Mae'r trosglwyddo yma yn parhau i gyflymu. Mae'r ffigyrau diweddaraf (hyd at ddiwedd Awst 2021) yn dangos fod cyfanswm o 2,371 eiddo yng Ngwynedd wedi trosglwyddo o'r rhestr Treth Cyngor i'r rhestr Ardrethi Annomestig ers Ebrill 2014. Mae hyn ar ôl i Asiantaeth Swyddfa'r Prisiwr ddynodi'r eiddo yn unedau gwyliau hunan-ddarpar, yn unol ag Adran 66(2BB) Deddf Cyllid Llywodraeth Leol 1988. Mae oddeutu 90% o'r eiddo sy'n trosglwyddo yn derbyn Rhyddhad Ardrethi i Fusnesau Bychain llawn, sy'n golygu nad oes unrhyw drethiant lleol yn daladwy arnynt.

**Q7. What are your views on the current criteria and thresholds for defining property as self-catering accommodation and liable for non-domestic rates?**

Barn gryf Cyngor Gwynedd – sydd wedi cael ei fynegi i Weinidogion Cymru ers blynyddoedd – yw na ddylai anheddau preswyl allu trosglwyddo i'r gyfundrefn annomestig o gwbl.

Yr ateb effeithiol yw gorfodi bob perchennog ail gartref dalu'r Premiwm Treth Cyngor (sy'n cael ei gasglu'n lleol ac felly ar gael i gynghorau ei ail fuddsoddi mewn materion tai lleol) a'r ffordd o gyflawni hyn yw drwy newid Adran 66 Deddf 1988 fel bod pob tŷ annedd yn cael ei ystyried dan y gyfundrefn Treth Gyngor ta waeth beth yw'r defnydd a wneir ohono.

Byddai hyn yn golygu fod y polisi o godi premiwm treth Cyngor yn effeithiol ac yn cyflawni ei bwrpas.

**Q8. Do you think the self-catering accommodation thresholds should be changed and, if so, why?**

Gweler yr ateb i gwestiwn 7.

**Q9. If the self-catering thresholds were to be changed, what do you suggest the new thresholds should be?**

Er mai barn sylfaenol y Cyngor yw na ddylai eiddo allu trosglwyddo gwbl, os bydd trothwyon credwn y dylent fod wedi eu cysylltu â chaniatâd cynllunio yn hytrach na'r nifer o nosweithiau o osod.

Dylai'r drefn ganiatáu gwahaniaethu rhwng unedau sydd wedi cael eu datblygu yn benodol ar gyfer pwrpasau gwyliau a lle mae cyfyngiad cynllunio i'r perwyl hynny, a chartrefi sydd wedi bod ar y rhestr Treth Cyngor fel annedd byw.

**Q10. What are your views on the eligibility of self-catering accommodation for Small Business Rates Relief?**

Petai rhyddhad ardrethi busnesau bychain yn cael ei ddiddymu, byddai mwyafrif y perchnogion yn parhau i dalu llai o dreth, yn enwedig o ystyried fod y modd y cyfrifir y Gwerth Ardrethol ar lety hunan-ddarpar yn golygu ei fod yn isel iawn o'i gymharu ag eiddo busnes mewn sectorau eraill.

Gan fod incwm o'r dreth annomestig yn cael ei ddosrannu'n genedlaethol ar sail poblogaeth awdurdodau unigol byddai incwm Cyngor Gwynedd yn aros yn sylweddol is na phetai'r annedd yn destun Treth Cyngor.

Felly byddai hyn yn arwain at lai o drethi i awdurdodau allu eu hail fuddsoddi mewn materion tai a gan fod y trethi annomestig yn rhatach na'r Premiwm Treth Cyngor bydd mwyafrif yn trosglwyddo i'r dreth annomestig tra fod hynny'n bosib. Golyga hyn fod effeithiolrwydd y polisi i ganiatáu codi premiwm Treth Cyngor wedi ei wario'n sylweddol.

Credwn fod angen i gyfundrefn drethiant adlewyrchu'r niwed a achosir i gymdeithas gan yr hyn a drethir. Wrth gymryd y ffactorau cadarnhaol a negyddol i ystyriaeth barn y Cyngor yw fod unedau gwyliau hunanddarpar heb reolaeth yn cael effaith negyddol ar gymdeithas ar y cyfan a felly dylent fod yn destun trethiant lleol – Treth Cyngor sylfaenol ar gyfer darpariaeth gwasanaethau lleol a Premiwm i ariannu cynlluniau sy'n lliniaru eu heffaith.

Tra fod unedau gwyliau hunanddarpar yn cynnig cyfle i hybu'r economi dwristiaeth leol pan mae cyflenwad rhesymol ohonynt, ymddengys bellach nad yw'r niferoedd yn gynaliadwy, ac mae anheddau byw yn cael eu colli ym mhob rhan o'r sir erbyn hyn gyda pobl sy'n gallu fforddio prynu sawl eiddo yn gweld cyfle i fuddsoddi ond ar draul cymunedau, a theuluoedd na all fforddio cartref o gwbl.

**Q11. Are there other ways in which you think the local tax system could be used to support the sustainability of our communities?**

**Q12. We would like to know your views on the effects that these proposals 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.**

**What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated?**

Mae'r sefyllfa bresennol yn annog dirywiad mewn cymunedau, yn enwedig pan mae teuluoedd ifainc gorfod gadael pentrefi gwledig er mwyn gallu fforddio llefydd i fyw. Mae'n anorfod felly fod pentrefi cyfan yn gweld dirywiad yn yr iaith. Ymhellach, mae rhai aneddiadau o fewn Gwynedd erbyn hyn ble gellir dadlau fod dau gymuned – y brodorion lleol a pherchnogion cartrefi gwyliau sydd yn ffurfio eu cymunedau eu hunain unai fel perchnogion ail gartrefi neu berchnogion unedau gwyliau.

Pan yn ystyried os am addasu'r Premiwm yn 2021, roedd Asesiad Effaith Cydraddoldeb yn nodi:

"Bydd effaith anuniongyrchol ar yr iaith gan mai pwrpas codi premiwm yw i annog perchnogion eiddo gwag hir dymor ac ail gartrefi i ddychwelyd yr eiddo i'r stoc dai lleol, neu i dalu Treth Cyngor ychwanegol. Mae cynnyrch y Premiwm hyd yma wedi ei ddefnyddio i diwallu anghenion tai lleol. Mae cefnogi'r iaith Gymraeg, felly, yn rhan greiddiol o'r polisi yma.

Yn benodol, bydd effaith bositif ar gydbwysedd cymunedau gan fod cynnyrch y premiwm yn ariannu'r Cynllun Gweithredu Tai sy'n cynorthwyo teuluoedd lleol i brynu tŷ fforddiadwy."

**Q13. Please also explain how you believe the proposed policy approach could be formulated or changed so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.**

Gweler yr ateb i Gwestiwn 12.

**Q14. We have asked a number of specific questions. If you have any related points which we have not specifically addressed, please use this space to record them.**

Rydym yn ddiamwys mai'r angen i gael cartref i bobl Gwynedd ydi'r mater pwysicaf i Cyngor Gwynedd. Mae pob rhan o Wynedd – nid yn unig y pentrefi glan môr – yn gweld cartrefi yn cael eu trosi i fod yn unedau gwyliau. Ni allwn or-bwysleisio'r effaith mae'r golled yma o'r stoc dai (boed hynny ar gyfer gosod tymor hir neu er mwyn eu prynu) yn ei gael ar ein cymunedau.

**Category: Local Councillor**

**Q1. How effective has the use of premiums been in addressing housing issues?**

Low to middling

**Q2. How could local authorities' best use the premiums to help bring empty or underused properties back into use to improve housing supply and the sustainability of local communities?**

By increasing the Council Tax to 100% plus. By Welsh Government applying the same rules to empty listed buildings

**Q3. Do you have views on how funds raised from the premium should be used? For example, should local authorities be required to be more transparent about how funds raised from the premium have been spent?**

I believe Pembrokeshire CC are transparent and fair with how the premium is distributed. However, some of the poorer communities are by their very nature less likely to benefit as they are not desirable to second home owners. So, perhaps there should be a formula that top slices the beneficiaries according to their gain and that this be fairly distributed to the challenged areas.

**Q4. Is the current maximum premium of 100% appropriate? If not, what would you consider to be appropriate and fair?**

Yes

This should however be revisited annually so to ensure equity.

**Q5. If a higher maximum premium were proposed, should this be introduced incrementally?**

Yes

**Q6. What do you see as the impacts, both positive and negative, of self-catering accommodation?**

Huge economic benefits, both from the property owners in the development and maintenance of the property and the high economic spend of the visitors. Negatives are the often wrong perception that the visitors bring nothing to the local economy - a better understanding is needed. The problem of locals being priced out of the housing market is for government of whatever colour to resolve. Quite simply, government needs to get back to building social housing,

**Q7. What are your views on the current criteria and thresholds for defining property as self-catering accommodation and liable for non-domestic rates?**

It's a natural to opt for non-domestic rates as there is a 'holiday' for most. It should be automatic that they have to sign a Trade Waste Agreement before their change of status is accepted. Not all properties are within Trade Waste collection areas so every such property, regardless of their location, should be charged by, I suggest, the number of bedrooms they have, this taken into account with their

current Council Tax demand. If their properties aren't let long enough for them to justify the charges then this would encourage them to let them more.....which would further help drive the local economy.

**Q8. Do you think the self-catering accommodation thresholds should be changed and, if so, why?**

Yes

It should certainly be reviewable annually.....which could mean a decrease

**Q9. If the self-catering thresholds were to be changed, what do you suggest the new thresholds should be?**

.....it would depend on the economy at the time

**Q10. What are your views on the eligibility of self-catering accommodation for Small Business Rates Relief?**

..... see previous answers

**Q11. Are there other ways in which you think the local tax system could be used to support the sustainability of our communities?**

Yes

The Local Precept is little understood and I would advocate that all Town and Community Councils issue an annual letter outline the hows and whys of the precept.

**Q12. We would like to know your views on the effects that these proposals 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. What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated?**

All Positive if managed well

**Q13. Please also explain how you believe the proposed policy approach could be formulated or changed so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.**

Full and proper communications to the locals, bilingual....clearly communicated messages will be key

**Q14. We have asked a number of specific questions. If you have any related points which we have not specifically addressed, please use this space to record them.**

**Category: Caravan Parks/Camping Sites/Lodges**

**Q1. How effective has the use of premiums been in addressing housing issues?**

In our community it has had no effect on providing low cost housing.

**Q2. How could local authorities' best use the premiums to help bring empty or underused properties back into use to improve housing supply and the sustainability of local communities?**

Whilst an empty house could provide housing for someone in the community IF IT WERE AFFORDABLE, as long as Council Tax is being collected from the property the community and local authority benefit by not having to supply services to the residents of that home. i.e. they do not use the local amenities or have refuse collection which reduces the cost to the community on a whole

**Q3. Do you have views on how funds raised from the premium should be used? For example, should local authorities be required to be more transparent about how funds raised from the premium have been spent?**

Funds raised from premiums should be used to help support and improve the tourist industry. In our community there would be a severe lack of jobs without tourism. Without jobs people cannot live in that community unless they commute.

Local social housing is no good unless there are jobs, without tourism there are no jobs and by putting premiums on homes you are discouraging tourism.

**Q4. Is the current maximum premium of 100% appropriate? If not, what would you consider to be appropriate and fair?**

No

I do not consider a premium to be helpful to the community.

**Q5. If a higher maximum premium were proposed, should this be introduced incrementally?**

Yes

**Q6. What do you see as the impacts, both positive and negative, of self-catering accommodation?**

Self catering accommodation is of vital importance to our economy. It secures jobs, not only for the people that provide services maintaining that accommodation (cleaners, builders etc.) but also in the wider community ie, people who work in the shops, pubs and restaurants and in the general hospitality sector.

**Q7. What are your views on the current criteria and thresholds for defining property as self-catering accommodation and liable for non-domestic rates?**

The threshold for the paying of non domestic rates is too high. ALL self catering properties should pay either non domestic rate or council tax. Why should the owner of a self catering property registered for non domestic rates not contribute to the cost of the local authority.

**Q8. Do you think the self-catering accommodation thresholds should be changed and, if so, why?**

Yes

Make all properties pay some rates.

**Q9. If the self-catering thresholds were to be changed, what do you suggest the new thresholds should be?**

They should par the same as council tax, but without a premium as they are contributing to the local economy.

**Q10. What are your views on the eligibility of self-catering accommodation for Small Business Rates Relief?**

They should not be eligible for rates relief. They should pay rates or Council Tax

**Q11. Are there other ways in which you think the local tax system could be used to the support the sustainability of our communities?**

Yes

In a community like Aberdyfi that is 99% dependant upon tourism, do not punish owners of second properties by having them pay premiums to their Council Tax. If you consider that most of these owners still have budgets they can either spend their money on Council Tax or with local businesses, who in turn employ local people.

**Q12. We would like to know your views on the effects that these proposals 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. What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated?**

I cannot see how the imposition of a premium on Council Tax will have any impact on the Welsh language. Whilst I believe that the Welsh language should be preserved I do see this should be done at the detriment of the overall economy. Without a strong buoyant local economy there are no jobs. Without jobs people move away usually to England then the language starts to die.

**Q13. Please also explain how you believe the proposed policy approach could be formulated or changed so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.**

I cannot see how the proposed policy changes will be an advantage to the Welsh Language. The only way to secure the language is by having a strong economy that keeps people employed locally. The imposition of Council Tax Premiums will drive some people from the area, this could help drive house prices down so that they are more affordable to locals, but how would they be able to afford them if the employment opportunities are reduced by there not being so many tourist?

**Q14. We have asked a number of specific questions. If you have any related points which we have not specifically addressed, please use this space to record them.**

As a non Welsh speaker, but someone who strongly respects the efforts to promote the Welsh language and culture, I sometimes think that the promotion of the Welsh language is at the detriment to the overall community.

I am aware of several people with well paid local jobs who have left the area because of the dominant use of Welsh in the schools that their children attend, and the fact that they see the education system being sub standard to what is available in England.

Conversely when highly qualified professionals are required, the requirement for Welsh speakers reduces the "pot" of applicants that are available. One then has to ask the question was the best person employed?

How can the imposition of Council Tax Premiums help resolve this conundrum?

## Category: National Park

### Q1 How effective has the use of premiums been in addressing housing issues?

The National Park Authority is a Local Planning Authority. Not being a Local Housing Authority, the National Park Authority does not have the means to monitor the impact of the premium on the number of second homes within the area and is reliant on data from other sources.

Gathering accurate information in relation to the number of holiday homes is difficult because the holiday home market is unregulated. Although Council tax figures are considered the most accurate source of information, they are not totally reliable and dependent on holiday home operators applying the correct council tax/non-domestic business rates category for their property. There are also many properties being marketed and used as self-catering holiday accommodation on peer – to peer platforms, such as Airbnb, which may not be detected by traditional data gathering methods.

Looking at the data shown in Gwynedd's *"Managing the use of dwellings as holiday homes"* report of December 2020, the number of second homes which are paying the premium has been reducing steadily since 2018. However, the number of properties paying the non-domestic rates is steadily increasing. This suggests that second home owners are transferring over to pay the nondomestic business rates. The premium on second homes compounded with the business rates relief available for self-catering holiday accommodation means that it is financially advantageous for second home owners to do so.

Owners must be persuaded, or denied the option, of transferring their property from the council tax list to non-domestic rates. Their options then would be to use it as their main residence, lease it to a permanent tenant, or pay the premium. This would increase the funds collected by the premium, thus allowing greater use by Local Authorities. It could lead to more housing stock being made available to local communities.

In terms of how effective the use of the funds raised by the premium are, Gwynedd Council use the funds in various ways to assist with provision of housing for local communities. Their Housing Action Plan 2020/21 – 2026/27 was published in 2020 and outlines several initiatives which will be using the premium funds to improve the housing situation.

The Authority welcomes the premium as a means of raising funds to address housing issues for local communities. The tax system must ensure that all second home owners can make a fair contribution to the communities in which they buy property. However, the use of the premium alone is not sufficient to address the situation, and the funds raised by the premium cannot adequately compensate for the impacts being felt by local communities where there are high numbers of second homes and holiday homes.

In order to fully address the current housing crisis being experienced in many coastal and rural area of Wales, where local communities are being priced out of the market, the second homes premium alone will not be sufficient. The Authority believes that several measures are needed, as outlined in the letter from Ministers Julie Jones and Jeremy Miles dated July 2021, which was a response to Dr Simon Brooks' report. The measures required include implementing a statutory registration scheme, introducing a new planning use class for short term holiday lets and second homes, changes to the Land Transaction Tax rates, and strengthen national planning policy make it explicit that the local impact of second homes and short-term holiday lets is a factor that authorities should consider when planning for new housing in their Local Development Plans.

**Q2 How could local authorities' best use the premiums to help bring empty or underused properties back into use to improve housing supply and the sustainability of local communities?**

Provide resources for Local Housing Authorities to take effective action, such as funding for direct action.

**Q3 Do you have views on how funds raised from the premium should be used? For example, should local authorities be required to be more transparent about how funds raised from the premium have been spent?**

It is important that all funds raised by the premium are used to address areas that are impacted by second homes / holiday accommodation. Transparency is important; the expenditure of the premium funds by Local Authorities should be visible and in the public domain. For example, Gwynedd Council's Housing Action Plan 2020/21 – 2026/27 includes a range of measures that will be fully or partly funded by the premium. The action plan has been published and is transparent.

The plan demonstrates a range of measures that Local Housing Authorities can implement with a 100% premium. They include:

- Housing for the homeless;
- Self-contained units for individuals with intensive social needs
- Support packages for private landlords to offer tenancy to local people who need housing rather than short term lets;
- Build more social housing than what can be funded through the social housing grant; by the Council or Housing Associations.
- Develop housing in order to increase the opportunities for Gwynedd residents to compete in the housing market.
- Consult with communities to establish their housing needs
- Self-build plots;
- First Time Buyers' Grants to renovate empty houses;
- Council Tax Exemption on empty houses for first time buyers;
- Homebuy scheme;
- Finding and purchasing land for building in the future;
- Innovative Housing Pilot Scheme;
- Extra care housing for the elderly;

- Supported Housing – adults with profound needs;
- Suitable homes for children with severe physical needs;
- Interest-free loans to improve housing conditions;
- Establishing a single access point for Gwynedd residents to gain specialist support with their Housing requirements
- Improve energy efficiency of homes

Other ways that the premium funds could be used:

- Finance language plans in those areas where there has been a decline in the use of the Welsh language.
- Improve infrastructure for local communities, such as local transport networks.
- Finance community led initiatives, such as community centres, community led sustainable tourism, cafes etc.
- Finance community led housing or co-operative housing to provide for the housing needs of local communities.
- Community led tourism schemes. These ensure local communities profit from tourism.
- Local public transport and supporting facilities. For example, improved bus shelters, timetables which suit local resident's needs. Particularly for geographically isolated communities where public transport is essential for everyday needs such as shopping and commuting to work.
- Upgrade communal facilities such as community centres, public toilets, public green spaces/parks/sports fields wtc

Assistance with viability of affordable housing schemes in rural areas. Developers such as Housing Associations are increasingly reluctant to develop housing in small rural communities. Within the National Park, most sites being considered for affordable housing by housing associations are small, between 5 and 10 units, and within small, rural settlements. The economies of scale for such small sites, and difficulty in establishing the needs of the community, has resulted in Housing Association being more reluctant to build such small schemes in rural areas. The National Park Authority sees an opportunity for the premiums to be used to assist in making such schemes viable, for both social and intermediate affordable housing

**Q4 Is the current maximum premium of 100% appropriate? If not, what would you consider to be appropriate and fair?**

Yes

Gwynedd and Swansea currently raise a 100% premium for second homes and there are indications that other local authorities in relevant parts of Wales are about to do the same. If the effect of second and holiday homes are impacting negatively on local communities, it is in the public interest that Local Authorities in areas where there is a high number of second homes use their taxation powers fully. If Local Authorities consider that a premium of over 100% is appropriate, based on their evidence of the numbers and impact of second homes and effective use of the premium, they should have the powers to do so.

The use of a 100% premium will be more effective if second homes are not able to be converted to, or redefined as, short-term holiday accommodation.

**Q5 If a higher maximum premium were proposed, should this be introduced incrementally?**

No

Given the alarming rate of current trends, swift action is required. Given that it already requires a 12-month advance notice for a change to the premium to come into effect, it is considered that this provides a sufficient timeframe.

**Q6 What do you see as the impacts, both positive and negative, of self-catering accommodation?**

Guests will spend in local restaurants, pubs, shops, tourist attractions etc, who are local employers. However, with self-catering accommodation guests may also bring their own food and supplies purchased outside the local area which will not greatly benefit the local area.

Employment in the tourist sector is often characterised by low pay, seasonal work and irregular income. The owners of the properties will benefit financially. If they live in the same area as the property, the benefits will stay locally. If they do not, the financial gain will leave the area.

Following the relaxation of restrictions after the first lockdown, the National Park saw an increase in visitor numbers above previous years, as more decide to take their holidays within the UK. Overnight, we saw a substantial increase in home-working, which has triggered an increased demand for properties from outside the local area from those who wish to have a more balanced life when working from home resulting in potential conflict with local residents about the availability of properties. The demand for second home and holiday accommodation has also pushed prices up with more permanent resident dwellings being used as holiday accommodation thus reducing the available stock for local communities. Areas such as National Parks in particular are under pressure. The increase in competition for houses for sale may be leading to price increases. Housing stock sold at high values prevents younger generations repopulating communities, so their future is uncertain and in jeopardy. Many small settlements are under threat of being hollowed out through a mixture of vacant, second and holiday homes

The Welsh Government has set an ambition to see the number of people able to enjoy speaking and using Welsh reach 1 million by 2050. To deliver on this aim, the National Park Authority must support, promote and enhance the Welsh language as a viable community language by ensuring there are sufficient and proportionate employment and housing opportunities to sustain local communities. Tackling the holiday home issue by providing mechanisms for control of the holiday home sector would assist in achieving these goals.

**Q7 What are your views on the current criteria and thresholds for defining property as self-catering accommodation and liable for non-domestic rates?**

An owner of a dwelling can under the present threshold, have the property available for holiday letting for 140 days a year, and must be used for at least 70 days. This allows the rest of the year of be used as a primary or second residence, for which they will pay no council

tax or premium. The owner will make no contribution to the many services that council tax funds, thus increasing pressure on local services. This system is considered to be unfair to local communities.

**Q8 Do you think the self-catering accommodation thresholds should be changed and, if so, why?**

Yes

An owner of a dwelling can under the present threshold, have the property available for holiday letting for 140 days a year, and must be used for at least 70 days. This allows the rest of the year to be used as a primary or second residence, for which they will pay no council tax or premium. The owner will make no contribution to the many services that council tax funds, thus increasing pressure on local services. This system is not considered fair to local communities.

The present framework gives financial incentive for second home owners to transfer their property from Council Tax to 'non-domestic rates', and can then benefit from the Small Businesses Rates Relief Scheme. It encourages current/prospective owners to use/buy residential property for permanent use as 'Short Term Holiday Accommodation' only. Second home owners can lawfully let their property for the minimum period to escape Council Tax (and a premium) qualifying then for Small Business Rate Relief, having nothing to pay and subsidising their overheads.

Short term holiday accommodation should be exempt from small businesses rates relief, as there would be no incentive to avoid having to pay the Council tax premium on second homes.

Short-term holiday accommodation should be prohibited from qualifying as a non-domestic business premises. This would mean that the property would not be eligible for the Business Rates Relief and the owner would pay Council Tax on the property.

The Tax system should be aligned with the planning system. A change from a permanent or second home unit to one that qualifies for non-domestic rates should also require planning permission, with the planning system changed to create a new use class.

**Qn 9 If the self-catering thresholds were to be changed, what do you suggest the new thresholds should be?**

Short term holiday accommodation should be exempt from small businesses rates relief, as there would be no incentive to avoid having to pay the Council tax premium on second homes.

Short term holiday accommodation could also be prohibited from qualifying as business premises. This would mean that the property would not be eligible for the Business Rates Relief and the owner would pay Council Tax on the property.

**Q10. What are your views on the eligibility of self-catering accommodation for Small Business Rates Relief?**

Short term holiday accommodation should be exempt from small businesses rates relief, as there would be no incentive to avoid having to pay the Council tax premium on second homes.

Short term holiday accommodation could also be prohibited from qualifying as business premises. This would mean that the property would not be eligible for the Business Rates Relief and the owner would pay Council Tax on the property.

**Q11. Are there other ways in which you think the local tax system could be used to support the sustainability of our communities?**

Yes

The concept of a tourism tax should be explored further by the Welsh Government to support the sustainability of our communities. Visitor Giving was a scheme whereby visitors make a small voluntary donation that goes towards local projects. These donations are usually made by adding a few pounds to a restaurant, accommodation, or activity bill. In general, the scheme was supported and raised funds for local projects. It was considered important that the funds raised be spent within the area they were raised, as opposed to going to a larger regional or national pot, where the funds could be distributed elsewhere. Following from the experience of the last two years; investment is required at a local and regional level in services and infrastructure that will improve the experience of people and support the sustainability of local communities.

The Land Transaction Tax system could also be reviewed, as suggested by recommendation 8 of Dr Simon Brook's report. This would allow the higher rates of the land transaction tax to be varied in counties or local government wards in order to reflect local circumstances.

**Q12. We would like to know your views on the effects that these proposals 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.**

**What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated?**

The growth of second homes is harmful to the Welsh language in all parts of traditional Welsh-speaking Wales where they constitute a significant percentage of the housing stock. Addressing this will be beneficial to the Welsh language in every Welsh-speaking community where second homes now constitute a substantial part of the housing stock, and is also important in terms of social justice.

**Q13. Please also explain how you believe the proposed policy approach could be formulated or changed so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.**

As mentioned in the answer to question 13, the growth of second homes is harmful to the Welsh language in all parts of traditional Welsh-speaking Wales where they constitute a significant percentage of the housing stock. Addressing this will be beneficial to the Welsh language in every Welsh-speaking community where second homes now constitute a substantial part of the housing stock.

**Q14. We have asked a number of specific questions. If you have any related points which we have not specifically addressed, please use this space to record them.**

The National Park Authority is in agreement with the recommendations made by Cyngor Gwynedd's report, 'Managing the use of dwellings as holiday home' (2020), and Dr Simon Brooks' report, Second homes: Developing new policies in Wales (2021).

In order to fully address the current housing crisis being experienced in many coastal and rural area of Wales, where local communities are being priced out of the market, changing the tax system alone will not be sufficient. The Authority believes that several measures are needed, as outlined in the letter from Ministers Julie Jones and Jeremy Miles dated July 2021, which was a response to Dr Simon Brooks' report. The measures required include implementing a statutory registration scheme, introducing a new planning use class for short term holiday lets and second homes, changes to the Land Transaction Tax rates, and strengthen national planning policy to make it explicit that the local impact of second homes and short-term holiday lets is a factor that authorities should consider when planning for new housing in their Local Development Plans.

**Category: No details provided**

**Q1. How effective has the use of premiums been in addressing housing issues?**

Not at all. Local communities need proper family housing. I have not seen enough evidence of the local authorities attempting to provide suitable accommodation.

**Q2. How could local authorities' best use the premiums to help bring empty or underused properties back into use to improve housing supply and the sustainability of local communities?**

They are empty or under used for a reason. The local authorities need to speak with the young people and listen. New communities need to be formed with 3 bedroom housing with parking and gardens an essential for today's modern living in North Wales. Not 2 bedroom terrace with no parking or garden. This type of housing does not attract the young families or encourage them to stay. Use that housing stock that nobody wants for holiday lets. Bringing in the money for the young families to be able to seek employment in the leisure industry and other industry's supporting it whilst providing them with more suitable accommodation.

**Q3. Do you have views on how funds raised from the premium should be used? For example, should local authorities be required to be more transparent about how funds raised from the premium have been spent?**

Yes transparent and involve the young in what they want for their community.

**Q4. Is the current maximum premium of 100% appropriate? If not, what would you consider to be appropriate and fair?**

Yes

**Q5. If a higher maximum premium were proposed, should this be introduced incrementally?**

No

Why drip feed. If you're going to increase prices then a mass exodus will occur. You will then be able to build from that, or not as the case may be.

**Q6. What do you see as the impacts, both positive and negative, of self-catering accommodation?**

Self-catering is positive if provided in accommodation that was not wanted by local people. The local community are accepting of this but there needs to be a limit. A cap put on so no more are able to become self-catered. Perhaps increase the fees for the newly registered self-catering. I currently have a local family staying for a few months whilst their house is getting ready.

**Q7. What are your views on the current criteria and thresholds for defining property as self-catering accommodation and liable for non-domestic rates?**

If it is available 365 days a year for paid holidays then it is a business and should be treated as such. It certainly is from a tax point of view. Those that do not rent it out year round should not be able to use the business rates.

**Q8. Do you think the self-catering accommodation thresholds should be changed and, if so, why?**

No

**Q9. If the self-catering thresholds were to be changed, what do you suggest the new thresholds should be?**

**Q10. What are your views on the eligibility of self-catering accommodation for Small Business Rates Relief?**

As above. 365 days and able to prove this.

**Q11. Are there other ways in which you think the local tax system could be used to support the sustainability of our communities?**

Yes

Shops. Please more shops. Good food establishments. A lick of paint to the outside of the shops.

**Q12. We would like to know your views on the effects that these proposals 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. What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated?**

All advertisements should be on both Welsh and English as well as easy read documents. Free Welsh speaking classes more widely available especially online. I would love to learn my great grandfathers language which has been lost in our family.

**Q13. Please also explain how you believe the proposed policy approach could be formulated or changed so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.**

**Q14. We have asked a number of specific questions. If you have any related points which we have not specifically addressed, please use this space to record them.**