



RTPI Cymru

Royal Town Planning Institute
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e-mail response sent to: LGFR.Consultations@gov.wales

Dear Sir/Madam,

Response to: Local taxes for second homes and self-catering accommodation

The Royal Town Planning Institute (RTPI) is the largest professional institute for planners in Europe, representing some 26,000 spatial planners. RTPI Cymru represents the RTPI in Wales, with 1,300 members. The Institute seeks to advance the science and art of planning, working for the long-term common good and well-being of current and future generations. The RTPI develops and shapes policy affecting the built environment, works to raise professional standards and supports members through continuous education, training and development.

Thank you for the opportunity to respond to the above consultation. RTPI Cymru supports the Welsh Government's three-pronged approach incorporating taxation measures, a registration scheme and planning measures to addressing the imbalances caused by the increased use of market housing for holiday use.

The planning measures which could be taken forward are not straightforward and none offer quick solutions to effectively managing the use of market homes for holiday use, whether second homes or short-term lets. RTPI Cymru has published a paper to explore the issues and potential solutions with specific relevance to planning. This is a complex matter and as such will require multi-faceted solutions. The document can be read [here](#). Our recommendation to Welsh Government in relation to planning would be to focus their efforts on amending legislation to change the definition of development, to include short-term holiday lets. This however would not be a quick solution and such a proposal for planning would only be effective if accompanied by a licencing scheme and taxation changes, as well as resourcing Local Planning Authorities to be able to implement the changes.

The consultation document states that there are just under 24,900 second homes in Wales and 25,700 long-term empty properties. This is a significant amount of accommodation not in use at a time when Wales is facing issues around the demand for affordable housing, homelessness and sustainable development etc. This adds complexity and uncertainty for Local Authorities preparing their housing figures for their area and appropriate housing allocations. For example, it is not the best use of land to allocate greenfield sites for development, when there are underused existing properties in the area. It would be helpful for Local Authorities to have more detail on empty homes in their area, to inform an empty homes strategy, which in turn can inform investment, housing figures and allocations. However, we recognise the difficulties in gathering this information and the resources that would be involved.

We equally recognise the significant contribution that rural tourism provides. Self-catering accommodation can help support the rural economy but needs to be carefully managed. Local taxation needs to be structured in such a way that it does not penalise local people who may depend on it for a sole or partial income. It could also be graded depending on the intensity of the use. Cyngor Gwynedd Council and Pembrokeshire County Council have implemented the second homes Council Tax premium, but what appears to be happening to overcome the 100% increase is for the property owner to pay to set up as a business and pay business rates, which is significantly lower, as an alternative. Any proposal must therefore look to overcome any loopholes to ensure they do not undermine the spirit of the proposals. Linking the taxation proposals to a compulsory licensing scheme would support this, as well as bring forward other benefits in terms of the health and safety of users and managing the properties effectively.

If you require further assistance, please contact RTPI Cymru on 020 7929 8197 or e-mail Roisin Willmott at walespolicy@rtpi.org.uk

Yours sincerely,



Dr Roisin Willmott OBE FRTPi
Director
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