

Agenda – Local Government and Housing Committee

Meeting Venue:

Committee Room 3

Meeting date: 11 May 2022

Meeting time: 08.45

For further information contact:

Manon George

Committee Clerk

0300 200 6565

SeneddHousing@senedd.wales

Pre-meeting (08.45 – 09.00)

- 1 Introductions, apologies, substitutions and declarations of interest**
(09.00)
- 2 Housing Ukrainian refugees – Briefing from Housing Justice Cymru**
(09.00 – 09.45) (Pages 1 – 4)
Bonnie Williams, Director, Housing Justice Cymru
- 3 Motion under Standing Order 17.42 (ix) to resolve to exclude the public from the following items: 4, 5 and 8**
(09.45)
- 4 Consideration of the briefing in relation to housing Ukrainian refugees**
(09.45 – 10.00)
- 5 Consideration of responses received from stakeholders in relation to homelessness**
(10.00 – 10.15)
[Responses received from stakeholders](#)
Break (10.15 – 10.30)
- 6 Inquiry into second homes: evidence session 9 – Minister for Climate Change**
(10.30 – 11.30) (Pages 5 – 53)
Julie James MS, Minister for Climate Change



Debra Carter, Deputy Director Local Government Finance Reform, Welsh Government

Neil Hemington, Chief Planner, Welsh Government

Huw Maguire, Head of Second Homes Policy, Welsh Government

7 Papers to note

(Pages 54 – 55)

7.1 Letter from the Chair of the Legislation, Justice and Constitution Committee to the Minister for Finance and Local Government in relation to electoral pilots in the local government elections held on 5 May 2022

(Page 56)

7.2 Letter from the Chair of the Health and Social Care Committee in relation to its inquiry into mental health inequalities

(Pages 57 – 60)

7.3 Letter from the Chair of the Finance Committee in relation to the Welsh Government Draft Budget 2023–24: Engagement

(Pages 61 – 63)

7.4 Letter from the Chair of the Equality and Social Justice Committee in relation to its annual scrutiny of the Future Generations Commissioner's report

(Page 64)

7.5 Letter from the Chair of the Legislation, Justice and Constitution Committee to the Llywydd in relation to the Welsh Government's Supplementary Legislative Consent Memorandum (Memorandum No. 2) on the Animal Welfare (Kept Animals) Bill

(Pages 65 – 67)

7.6 Letter from the Counsel General and Minister for the Constitution in relation to the Legislative Consent Memorandum on the Elections Bill

(Pages 68 – 70)

7.7 Letter from Jane Dodds MS in relation to building safety

(Page 71)

- 7.8 Additional evidence from the Wales Tourism Alliance, UK Hospitality Cymru and PASC UK (Wales branch) in relation to the inquiry into second homes**
(Pages 72 – 89)
- 7.9 Additional evidence from Cymdeithas yr Iaith in relation to the inquiry into second homes**
(Pages 90 – 92)
- 7.10 Additional evidence from Dyfodol i'r Iaith in relation to the inquiry into second homes**
(Pages 93 – 96)
- 7.11 Letter from the Minister for Climate Change in relation to building safety**
(Pages 97 – 99)
- 8 Inquiry into second homes – consideration of the draft report**
(11.30 – 12.30) (Pages 100 – 170)

Briefing for the Senedd Local Government and Housing Committee

Subject: The Hosting Schem 'Homes for Ukraine'

Written by: Bonnie Williams, Director, Housing Justice Cymru

Date: 8 April 2022

Context: The role and involvement of Housing Justice Cymru

[Housing Justice Cymru](#) is a national homelessness and housing need charity, working across England and Wales. In Wales we run projects which help to end homelessness at an individual level by working with those in crisis and at a local and national level by increasing the supply of truly affordable homes. Our main three workstreams are:

1. **Citadel** A successful, volunteer-led, rapid rehousing and tenancy sustainment project, which uses trained volunteers to support people experiencing homelessness to find and sustain a home.
2. **Faith in Affordable Housing** We work with churches and chapels across Wales to help them to identify redundant land and buildings for the development of affordable homes. We broker sales between all denominations and suitable housing associations.
3. **Seeking Sanctuary** We run an all Wales collaborative project to develop accommodation solutions for people seeking sanctuary in Wales. We receive funding from Comic Relief and Welsh Government for this work. We use some of this money to grant fund eight other organisations.

Background: Hosting in Wales

Hosting has been running in Wales for many years. As immigration as a policy area is retained by Central Government, there is a lack of funding available and it has largely been achieved through informal, voluntary efforts.

However, in January 2019 the Welsh Government committed to becoming a Nation of Sanctuary. This required us all to better understand the accommodation needs of asylum seekers and refugees in Wales and to identify ways in which we could increase the provision of accommodation. Consequently, Welsh Government commissioned a feasibility study on '[Providing Accommodation for Refused Asylum Seekers in Wales](#)' published in April 2020.

The report recommended that Housing Justice Cymru took the lead in building on existing hosting networks and expanding hosting into other areas in Wales, with a focus on the four dispersal areas of Cardiff, Newport, Swansea and Wrexham.

As a result we started our work, leading the sector in Wales, to develop a comprehensive pathway of accommodation provisions, with the main focus being hosting. In addition to the understanding and expertise we have of this policy area in Wales at both an operational and strategic level, we also have the corporate knowledge of hosting from our long standing, successful hosting project in London.

Hosting, whereby a private household welcomes another individual or family who are seeking sanctuary to reside at their home address, is a complex situation. There are many factors which need to be considered before a placement should take place.

Part of the work we already do for Welsh Government, commissioned and funded by the Equalities Division, is to improve the standards, particularly in relation to safeguarding, of hosting in Wales. Therefore, one of the challenges to consider with the Homes for Ukraine scheme is the standards which we will expect for the hosting placements. Particularly, how we balance the need of getting people into hosting places quickly, versus requiring the same level of safeguarding we would with other hosting schemes running in parallel in Wales.

We are currently using funding received from Welsh Government to set the standards for hosting in Wales (outside of the Homes for Ukraine scheme). Therefore, we are working to embed minimum standards to ensure hosting placements remain safe for everyone involved.

If appropriate, we would attend a committee session to provide evidence and answer any further questions the committee may have.

Considerations: For the design and delivery of the Homes for Ukraine Scheme in Wales

A key requirement is a Disclosure and Barring Service (DBS) check for each adult in the hosting household. It is envisaged that the Homes for Ukraine scheme will require hosts/sponsors to undertake a DBS check. However, the current legislation for DBS checks does not recognise the vulnerability of people fleeing war. People seeking asylum are often traumatised from the conflict they have experienced and from their journeys to the UK. Furthermore, they often arrive without family or a support network, without possessions or money, without employment or access to benefits (at least not immediately) and without a home.

They will be immersed into a different culture and possibly unable to communicate in English. There is a risk of destitution and susceptibility to sexual exploitation, human trafficking and modern-day slavery. Some of the registrations of interest we have received from prospective hosts clearly demonstrate the ill intentions of some people and the highly unsuitable and potentially very damaging hosting placement being offered.

Despite this clear vulnerability, the current DBS legislation does not recognise these individuals as vulnerable or the role of the host as a 'Home Based Role'. Therefore, we would recommend close monitoring of how the safety checks associated with this scheme are undertaken. Particularly given the potential role of Local Authorities (LAs) to roll out the hosting scheme in their areas. This could be more challenging for some local authorities than others. For example, the eleven LAs with housing stock may have the skills and resources to undertake the required safety checks but this may be much more challenging for those who no longer own their housing stock.

Further considerations which should be undertaken, to ensure the safety and success of hosting placements, include:

- A risk assessment to ascertain if the person offering to host is appropriate to do so. This includes a home visit by an experienced professional as an essential safety measure. This is recognised by the existing hosting sector as the most vital step in assuring the safety of a placement.
- Property safety measure checks such as a gas safety certificate, a carbon monoxide monitor, a smoke alarm and consideration of fire exits.
- The location of the house and accessibility of local services.

- The potential for overcrowding.
- Acceptable shared facilities.
- Security of the property.

In order to support the placement and give it the best chance of success, a contract between the two parties should be drawn up to outline expectations and 'house rules'.

Where effective planning has not been carried out, placements can break down. Even with these measures in place, there are sometimes changes in circumstances which lead to the breakdown of a placement. It is vital that the Homes for Ukraine scheme includes emergency options for those whose placement breaks down unexpectedly, for example through dispute, medical emergency or the needs of the host's wider family. Respite hosting by way of a pool of short-term placements could play a role in shoring up longer term placements by providing breaks. Respite hosting can be a contingency plan but can also be an in-built part of planning for a resilient placement.

A fundamental stage of the process of becoming a host is enabling people to understand what hosting will entail, and the impact a six-month placement might have on the household. We have been running Introduction to Hosting talks which are a vital opportunity for people to reflect on whether it is suitable and workable for them, thus reducing the number of people who will go through the process outlined above and then drop out of the scheme or begin a placement which may not be sustainable.

We welcome the Welsh Government's approach to balancing speed and caution by developing Welcome Centres. Welcome Centres will provide time and space for safety measures to be put in place before people go into their hosting placements. We recognise that Welsh Government intend for Ukrainians to move through the Welcome Centres quickly. However, it is worth noting that there remains a significant number of refugee families from the Afghanistan crisis residing in hotels in Cardiff because they have not yet been housed. The two situations are different, but this is nonetheless an example of an aspiration which has been difficult to achieve.

We welcome the fact that Homes for Ukraine has brought hosting to the attention of the public and to statutory agencies. We expect that some of the precedents being set to facilitate the placements will be put in place also for those hosts who welcome people seeking sanctuary from other countries. For example, a single person hosting a Ukrainian person through Homes for Ukraine will receive £350 each month and not lose their single person's council tax discount. We would welcome clarification that single person's council tax discounts will not be affected by hosting people fleeing war or persecution from other countries.

While both Central Government and Welsh Government are having to respond to this crisis with rapid solutions, we would urge consideration of the legislation in Wales which requires us to have one eye on the future impact of the decisions we are making. The Well-being of Future Generations (Wales) Act, outlines that decisions by Welsh Government should be made with the five ways of working and the future prosperity of Wales at their centre. Therefore, we recommend that while setting up this programme and delivering it across Wales, proper consideration is given to the ways in which it might impact the long-term plans for hosting as a key part of the Nation of Sanctuary ambition.

Potential areas for scrutiny: Local Authorities responses to hosting Ukrainian refugees and their role in the Wales Super Sponsor Scheme

- While we need to provide housing at pace to accommodate refugees fleeing Ukraine, we need to ensure we maintain the safety standards we would expect of housing in Wales. Therefore, what measures have Local Authorities taken to ensure the safety of the hosts, the home address and the people being hosted.

Under this question we would want to ensure the safety checks referred to above, such as DBS checks for all adults of 18 and over, any existing links to social services, gas safety certificate, carbon monoxide detector etc.

- It is vital for Local Authorities to work with existing, frontline organisations to make this scheme work. Can they demonstrate how they are using the experience and resources of local, community based organisations to enhance their response to the Homes for Ukraine Scheme.
- While hosting can be an enjoyable and beneficial experience for all involved, it can also be very challenging to share your home with a stranger. Consequently, some hosting placements breakdown. What contingency measures have been put in place to rehouse the people being hosted (sometimes immediately).
- Can the Local Authorities demonstrate effective collaboration between key departments, namely: education, social services and housing, to ensure their role in resettling Ukrainians is effective?
- It will be vital to ensure new refugees are able to integrate into the communities they are placed in. What steps have Local Authorities taken to ensure all children's education needs have been met and the wider language/translation needs of the individuals and families, are being addressed?
- How will we identify vulnerable people on their arrival and how will Local Authorities ensure they remain safe and well during their time in the UK?
- Fleeing war and resettling into a new country can be a traumatic experience. What considerations have been given to identifying any wellbeing concerns of those arriving?
- We recognise there is already significant pressure on our health services, particularly following the backlog of waiting lists, caused by Covid and the increased pressure on mental health services following the impact of the pandemic. Is there sufficient capacity within existing services to meet this new need? Alternatively, are there plans to increase resilience of existing services or develop new ones?
- Resettling people arriving on mass, from a different culture, with sometimes limited understanding of Welsh or English, could lead to some tensions within communities. What precautions have been made to ensure communities remain cohesive.
- While developing responses to the immediate situation, it will be important to ensure we are planning medium and long term strategies for accommodating and providing services for those unable to return to Ukraine, following the initial six months hosting period. What capacity do Local Authorities have to undertake this work and what plans are in place?
- How will the Super Sponsor Scheme and the role of various responsible bodies within it, be effectively monitored.

Document is Restricted

Local Government and Housing Committee

11 May 2022

Second Homes and Affordability in Wales

Background

The issues related to the impacts associated with large concentrations of second homes have long stimulated debate. It is an issue brought into even sharper focus by the current increases in house prices in Wales. Since the start of the Covid pandemic, the Welsh Government and others have considered this phenomenon with renewed scrutiny and energy.

The supply and cost of housing impact on its availability, both to buy and for long-term rent; issues that go beyond areas with large concentrations of second homes.

The challenge in terms of affordability and availability can also affect the balance and sustainability of communities and the vitality, in them, of Welsh as a thriving language. Many of the second home 'hotspots' are also those where Welsh is the community language.

In addressing the complex challenges, the Welsh Government has been clear that there is no single solution and of the need to avoid unintended consequences.

Approach and Coordination

In respect of the broad approach to addressing supply issues, one of the ways the Welsh Government is tackling this challenge is through the commitment to building 20,000 new low carbon homes for rent in the social sector; a target that includes social homes for rent, intermediate homes for rent and shared ownership schemes.

In terms of second homes, specifically, Dr Simon Brooks, in his report of March 2021, *Second Homes in Wales: Developing new policies*, made a number of recommendations, which were accepted by the Welsh Government. Subsequently, we have taken, and are taking, coordinated actions as part of the 'three-pronged approach'.

That approach, brigading interventions in respect of system change; a fair contribution through taxation; and practical support to communities, entails significant work across a number of portfolio interests.

The lead for coordinating Welsh Government activity rests within the Minister for Climate Change's portfolio, but other portfolio interests include those of the Minister for Finance and Local Government, the Minister for Economy, and the Minister for Education and Welsh Language.

The Welsh Government has been clear that the answers to the various challenges do not rest solely with the party of government. The cooperation agreement includes a specific focus and commitments on second homes and actions are being co-constructed with Plaid Cymru. In addition, we continue to meet spokespeople within an informal cross-party group on second homes.

Consultations on Key Proposals

The Welsh Government has developed a broad range of policy proposals and conducted a number of consultation exercises. As of now, the following consultations have been completed:

- Local taxes for second homes and self-catering accommodation (closed 17 November, 2021);
- the Welsh Language Communities Housing Plan; and
- Planning legislation and policy for second homes and short-term holiday lets (both having closed on 22 February 2022).
- Second homes: local variation to land transaction tax rates (closed 28 March 2022).

We have also completed a technical consultation on the Draft Non-Domestic Rating (Definition of Domestic Property) (Wales) Order 2022. This closed on 12 April and the responses are being analysed.

Each of the completed consultations has drawn large numbers of responses, reflecting the strength of feeling across the various interests. Currently, more than 1,650 responses to the planning consultation are being analysed - balancing careful consideration with final decision-making and appropriate actions.

The consultations are addressed below, save for the Welsh Language Communities Housing Plan, as the Minister for Education and Welsh Language will be providing evidence on this plan.

Local Taxation

Following consultation, the Minister for Finance and Local Government made a statement on 2 March concerning changes to council tax premiums and the thresholds for self-catering holiday lets to be listed for non-domestic rates.

Wales remains the only UK country to provide local authorities with a discretionary power to levy council tax premiums on both second homes and long-term empty properties. Those powers, applicable since 2017, have enabled local authorities to use the revenue raised to support the development of affordable housing solutions. It can be seen, for example, that this revenue makes a significant contribution to Gwynedd Council's five-year 'Housing Action Plan'.

The current maximum levy of 100% is currently deployed by Gwynedd, Swansea and Pembrokeshire Councils in respect of second homes.

The Minister for Finance and Local Government's statement confirmed that the maximum charge, from 1 April 2023, will rise to a maximum of 300% and the relevant regulations were approved on 22 March. The powers to apply a premium remain discretionary and it is for individual authorities to decide whether to apply a premium and at what level. The increase to the maximum charge enables local authorities to settle on a level that takes account of local circumstances and to do so at an appropriate time.

While Dr Brooks recommended local authorities avail themselves of this discretionary power, and to the maximum permitted level, it is a finely balanced decision. One reason cited by authorities for not doing is a view that second home owners may seek to transfer their properties into the non-domestic rates (NDR) system. Currently, owners who operate as providers of short-term holiday lets are liable for rates rather than council tax if they make their properties available to let for at least 140 days in a twelve-month period and actually let them for at least 70 days within that period.

We plan to raise the thresholds to make it clearer that properties liable for NDR are operating as businesses. Like other small businesses, most holiday lets qualify for Small Business Rates Relief (SBRR) and, thus, pay neither council tax nor NDR. This approach will help ensure that owners are paying an appropriate amount in taxation and make a contribution to the local economy.

Accordingly, the Minister for Finance and Local Government also announced that for properties to be liable for NDR rather than council tax, owners will need to make their properties available for at least 252 days a year and actually let them for at least 182 days. The Order to effect this change has been the subject of a technical consultation, the results of which are being analysed. The increase will have the combined benefit of helping ensure that our communities are vibrant (rather than having 'lights off' for long periods of the year) and that they benefit from tourism spend and associated employment. We are also supporting the Valuation Office Agency to increase monitoring of the letting criteria and the supporting evidence.

The Welsh Government remains in the vanguard of these approaches, in terms of the powers to apply premiums, and of the thresholds and their monitoring.

Planning

As Dr Brooks and others have recognised, the issue of second homes is not a pan-Wales phenomenon; neither is it one that is seen often on a county-wide basis. Where there are concentrations of second homes and/or short-term holiday lets, these can pose challenges in terms of housing supply, changing demographics, and affecting service provision and the Welsh language. They can also make contributions to the local economy and to employment. The appropriate balance to be struck must reflect local democracy and, in turn, the decisions each authority feels are the right ones for their communities.

There is a paradox here because the Welsh Government is responsible for the planning system nationally and as such planning policy and legislation is made on an all-Wales basis. The national consultation on proposed planning interventions invited views on changes that could, if effected locally, place more control in the hands of local planning authorities – where they have the necessary supporting evidence.

Briefly, the consultation considered changes to the Town and Country Planning (Use Classes) Order 1987, which, if implemented, would create new use classes for Primary Homes, Secondary Homes and Short-term Holiday Lets. Allied to this, the proposals sought views on amending the Town and Country Planning (General Permitted Development) Order 1995 to allow permitted changes between those new

use classes across Wales without the need for specific planning permission. A local authority would then be able to *disapply* permitted changes between the use classes through an Article 4 Direction if it had evidence that there was an issue and had fully considered and consulted on its proposals.

This could result in local authorities requiring planning permission for change of use to a Secondary Home or Short-term Holiday Let where it constitutes a 'material change of use' to the existing land use. A Direction would be able to be applied across county or in specified areas within the area, or to a specific type of development. These local planning policy approaches could apply to new development or changes of use.

Making enabling legislation, and supporting guidance, would constitute a ground-breaking development. It is, though, particularly complex, not without implications (both for planning departments and for vendors/buyers) and requires careful thought in terms of next steps and final decision-making.

Land Transaction Tax (LTT)

We have also consulted on increasing the higher rates of LTT in areas where there are large numbers of second homes and holiday lets. The consultation, which closed on 28 March, sought views on the size of areas where local variation could apply (i.e. at local authority-wide or smaller community-levels); the process for identifying the areas where higher rates could apply; and whether the existing higher rates (which apply to *all* additional residential properties) should be increased or new rates should be applied only to second homes and holiday lets. The responses are currently being analysed.

Statutory Registration and/or Licensing of All Holiday Accommodation

The Welsh Government is also taking forward work towards the development of a scheme to require that all holiday accommodation, including short-term holiday lets, is either licensed or registered. An initial exercise to scope out establishing a statutory registration and/or licensing scheme for all holiday accommodation has been undertaken.

Whilst the contractor's work has not drawn clear conclusions about what a scheme should look like and what it should include, the research undertaken draws out a number of options which are currently being considered.

As well as supporting other Welsh Government policy areas such as the Tourism Levy and the work on second homes, a statutory registration scheme will ensure a level playing field for all tourism businesses; provide added assurance for visitors to Wales; a mechanism for communication and far more robust intelligence about numbers and proliferation (which could in turn support any planning decisions arising from the consultation outlined above).

Whilst a statutory scheme will inevitably take some time to establish, the Welsh Government is keen to test practicalities including systems, monitoring and enforcement, and resource costs as part of a pilot.

Pilot and Evaluation

One of Dr Brooks' recommendations was that the Welsh Government pilot changes to the planning regime. It was announced on 23 November that a pilot in Dwyfor would be developed with Gwynedd Council and Snowdonia National Park. The pilot will test any new planning powers and decisions that the two Local Planning Authorities take, but will also seek to evaluate, independently, the cumulative impact of decisions that might be taken and implemented arising from the consultations referred to above. Equally, the pilot will provide an opportunity for pilot partners to consider trialling different uses of their current powers.

Two dedicated posts, based in Dwyfor, have been appointed. In taking forward their work, they will liaise with the community, pilot stakeholders and the evaluation contractor. Work is also well advanced with partners, including Grwp Cynefin, to flex the existing HomeBuy Wales scheme within the pilot – so that it better meets local circumstances. Further details of the scope and funding will be announced shortly.

Already, £11m has been committed in-year to support buyback of empty properties in Welsh-speaking communities. £3m was awarded to Gwynedd, with at least £1m of that earmarked for Dwyfor. Again, schemes are in development to extend that support, both within and outside the pilot area, to help ensure that appropriate buildings are not left empty, but are instead of tangible benefit to communities.

Summary

None of this is without significant complexity, but the Welsh Government, together with Plaid Cymru, is continuing to make strides in its broad and systemic approach to addressing the multifactorial issues relating to second homes in Wales.

Agenda Item 7

Local Government and Housing Committee

11 May 2022 – papers to note cover sheet

Paper no.	Issue	From	Action point
Paper 3	Matters related to the Constitution – Legislation, Justice and Constitution Committee	Chair of the Legislation, Justice and Constitution Committee	To note
Paper 4	Mental health inequalities	Chair of the Health and Social Care Committee	To note
Paper 5	Welsh Government Draft Budget 2023–24	Chair of the Finance Committee	To note
Paper 6	Scrutiny of the Future Generations Commissioner	Chair of the Equality and Social Justice Committee	To note
Paper 7	Legislative Consent: Animal Welfare (Kept Animals) Bill	Chair of the Legislation, Justice and Constitution Committee	To note
Paper 8	Legislative Consent: Elections Bill	Counsel General and Minister for the Constitution	To note
Paper 9	Forward work programme – Local Government and Housing Committee	Jane Dodds MS	To note
Paper 10	Inquiry into second homes	Wales Tourism Alliance, UKHospitality Cymru and PASC UK (Wales branch)	To note
Paper 11	Inquiry into second homes	Cymdeithas yr Iaith	To note

Paper 12	Inquiry into second homes	Dyfodol i'r laith	To note
Paper 13	Forward work programme - Local Government and Housing Committee	Minister for Climate Change	To note

**Legislation, Justice and
Constitution Committee**

Welsh Parliament
Cardiff Bay, Cardiff, CF99 1SN
SeneddLJC@senedd.wales
senedd.wales/SeneddLJC
0300 200 6565

Rebecca Evans MS
Minister for Finance and Local Government

1 April 2022

Dear Rebecca,

Electoral pilots in the forthcoming local government elections

Thank you for your letter dated 23 March which outlined the legislation you have made to enable electoral pilots during the local government elections in May 2022.

We would be grateful to receive further information about these pilots, specifically:

- what support will be provided to the relevant local authorities to enable the pilots to be successful;
- how they will be implemented in practice;
- how they will be monitored; and
- how they will be evaluated following the elections.

I am copying this letter to the Chair of the Local Government and Housing Committee and the Chair of the Llywydd's Committee.

Yours sincerely,

Huw Irranca-Davies

Huw Irranca-Davies
Chair

Jayne Bryant MS

Chair, Children, Young People and Education Committee

Jenny Rathbone MS

Chair, Equality and Social Justice Committee

John Griffiths MS

Chair, Local Government and Housing Committee

5 April 2022

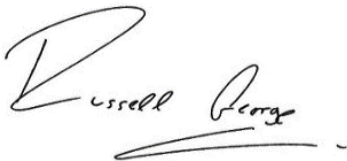
Dear Jayne, Jenny and John

Health and Social Care Committee inquiry into mental health inequalities

Further to my [letter of 14 December 2021](#) to the Children, Young People and Education Committee and the Equality and Social Justice Committee, I am writing to update you on the next steps for the Health and Social Care Committee's inquiry into mental health inequalities.

The evidence we have already heard clearly demonstrates the cross-cutting nature of the determinants of mental health inequalities, and the potential solutions. I was pleased that members of the CYPE and ESJ Committees were able to participate in some of the focus groups we arranged in February. I look forward to continuing to work with you and your Committees to identify areas of mutual interest and opportunities to work together.

Yours sincerely



Russell George MS

Chair, Health and Social Care Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg. We welcome correspondence in Welsh or English.

Health and Social Care Committee inquiry into mental health inequalities: update

Work to date

The Health and Social Care Committee launched an inquiry into mental health inequalities in January 2022. The terms of reference were very broad, seeking to identify which groups were most likely to experience mental health inequalities, what barriers they face, whether Welsh Government policy does enough to recognise and address these groups' needs, and what more needs to be done.

So far, we have gathered evidence by:

- Launching an open call for written evidence, which received over 90 responses. A summary of the written evidence prepared for internal use by the HSC Committee is attached in confidence.
- Running a digital communication campaign to promote the inquiry and encourage people to share their views.
- Working with twelve partner organisations to arrange a series of thirteen focus groups and two in depth interviews with participants across Wales. In total 77 people from across Wales took part. The focus groups and interviews were facilitated by the Senedd's Citizen Engagement Team, and, where possible, attended by members of the HSC, CYPE and ESJ Committees. A report summarising the findings has been published.
- Holding oral evidence sessions on 24 March with the Centre for Mental Health, the Mental Health Foundation, the Children's Commissioner for Wales and the Older People's Commissioner for Wales.

Emerging themes

Having reflected on the evidence we have gathered so far, we now plan to explore four key emerging themes in greater detail:

1. **Mental health and society:** the wider determinants of mental health, and the role of society and communities in promoting and supporting mental health.
2. **Community solutions:** the role of communities in promoting and supporting mental health, and social prescribing.
3. **The impact of mental health inequalities on people with neurodiverse conditions:** we have heard significant concerns about this group in the evidence that we have gathered so far. This is also a diverse group, many of whom may also experience inequalities relating to their other characteristics. The evidence suggests that some of the barriers experienced by



this group—such as a lack of joined up services, limited awareness and training, and diagnostic overshadowing—may also be experienced by other groups and communities. Looking at the experience of people with neurodiverse conditions will therefore also help us to explore broader themes that affect other groups.

4. **Role of the healthcare and wider workforce:** including mental health and equality awareness across the whole workforce, training, joined up working within the health service and with other organisations, and the role of GPs as the ‘front door’ to mental health services.

We plan to gather evidence on these themes through a range of mechanisms, including formal oral evidence, visits and further engagement activity. This will help us to hear a wide range of voices, including people with professional and lived expertise and experience of the matters we are considering.

Welsh Government

We will hold an oral evidence session in the autumn with the Welsh Government. During this session we will draw on all of the evidence we have gathered during our inquiry, including issues raised in our initial focus groups and written evidence submissions, as well as the evidence we gather during the summer term in respect of our four emerging themes.

As previously agreed, we will also coordinate with the CYPE Committee to seek a written update from the Welsh Government on progress made on key recommendations made by Fifth Senedd committees in respect of mental health.

Advisory group

To ensure that lived experience is at the heart of our inquiry, we will establish an online advisory group. The group will include 10 to 15 people with lived experience of mental health inequalities, who will be asked to consider discussion topics at key milestones during the inquiry and provide us with summaries of their views. This is likely to include, for example, before and after the Ministerial evidence session, before we finalise our report, and before any Plenary debate on our report.

We’ll be working with partner organisations to identify and support advisory group members, drawing where possible from the pool of people who took part in our initial focus groups, and taking account of characteristics such as geographical location, sex, age, and membership of specific communities such as neurodiversity, minority ethnic, sensory impairment, LGBTQ+ and unpaid carers.

Welsh Youth Parliament

As the Welsh Youth Parliament has identified ‘Our mental health and wellbeing’ as one of its priorities, we also plan to look for opportunities to work with WYPMs as appropriate.

Chair, Children, Young People, and Education
Committee
Chair, Climate Change, Environment, and Infrastructure
Committee
Chair, Culture, Communications, Welsh Language,
Sport, and International Relations Committee
Chair, Economy, Trade, and Rural Affairs Committee
Chair, Equality and Social Justice Committee
Chair, Health and Social Care Committee
Chair, Legislation, Justice and Constitution Committee
Chair, Local Government and Housing Committee

11 April 2022

Dear Committee Chairs



Welsh Government Draft Budget 2023-24: Engagement

At our meeting on 25 March 2022, the Finance Committee (the Committee) considered its programme of engagement for the forthcoming Welsh Government's Draft Budget 2023-24, ahead of the Committee's Plenary debate on spending priorities, provisionally scheduled for 13 July. I am writing to Chairs of subject committees to share our thinking.



The Committee has agreed to undertake a number of engagement activities prior to the publication of the Draft Budget, in the autumn. These include, a stakeholder event, focus groups held with the general public, and working with the Youth Parliament.



Senedd Cymru
Bae Caerdydd, Caerdydd, CF99 1SN

 SeneddCyllid@senedd.cymru
 0300 200 6565

Welsh Parliament
Cardiff Bay, Cardiff, CF99 1SN

 SeneddFinance@senedd.wales
 0300 200 6565

Stakeholder Event

Following the restrictions over the past two years, the Committee is delighted to be able to return to holding an in-person stakeholder event to hear directly from interested organisations/individuals on the expected draft budget proposals, as well as the Welsh Government's approach to setting the budget and prioritising resources.

Cross-Committee engagement with stakeholders on the budget is crucial to effective scrutiny and therefore I would like to invite Committee Chairs or a Member of your Committee to join the event which will take place on the morning of Wednesday 15 June at Llanhilleth Miners Institute, Abertillery, Blaenau Gwent. If Chairs or Members are interested in attending, please contact the clerking team seneddfinance@senedd.wales by 1 June 2022.

Focus groups with the Welsh public

On behalf of the Committee, the Senedd's Citizens Engagement Team will be holding a series of focus groups on the Draft Budget with the Welsh public. The team undertook a similar exercise last year and will facilitate focus sessions over the summer term, asking the same or similar questions posed last year. The aim of this work is to improve public understanding and engagement with the Welsh Budget process. In addition, over the longer-term we hope to form a longitudinal study to allow the Committee to monitor perspectives and attitudes over time. Participants will be sourced through similar partner organisations to cover the same demographics as last year, and groups will be organised to focus on particular policy areas.

The Citizens Engagement Team will circulate the dates of sessions to all Committees, should any Members wish to participate. This will allow an opportunity for Members to hear first-hand from the citizens of Wales where spending should be prioritised.

Youth Parliament

To further complement our engagement work, the Committee has agreed to work with the Youth Parliament. Members of the Youth Parliament will be invited to take part in their own focus group session before the summer. It is hoped this will allow the best opportunity for Youth Parliament Members to influence the Welsh Government spending priorities.

Finance Committee Plenary Debate on the Welsh Government spending priorities

As mentioned above, the Committee intends to hold a Plenary debate on Wednesday 13 July on the Welsh Government's spending priorities for 2023-24. The outcomes of our engagement work will inform and feed into this debate. We



believe this debate allows the best opportunity for Members to potentially influence the Welsh Government's spending priorities prior to the formulation of the Draft Budget in the autumn.

Approach to Budget scrutiny

I will shortly be writing to Chairs, with regard to the Committee's approach to budget scrutiny, including information on the consultation and timetable. Whilst the Finance Committee's core function is to undertake financial scrutiny of the Welsh Government and associated public bodies, financial scrutiny should be embedded into the scrutiny work undertaken by all Committees. Therefore, I would welcome suggestions from Chairs to explore ways of working collaboratively to ensure the most effective financial scrutiny of the Welsh Government.

If you have any questions about any aspect of the Draft Budget process, please feel free to contact me or the Clerk to the Finance Committee, Owain Roberts, 0300 200 6388, seneddfinance@senedd.wales.

Yours sincerely



Peredur Owen Griffiths MS
Chair of the Finance Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.



Equality and Social Justice Committee

Senedd Cymru

Bae Caerdydd, Caerdydd, CF99 1SN

SeneddCydraddoldeb@senedd.cymru

senedd.cymru/SeneddCydraddoldeb

0300 200 6565

Welsh Parliament

Cardiff Bay, Cardiff, CF99 1SN

SeneddEquality@senedd.wales

senedd.wales/SeneddEquality

0300 200 6565

Chair, Children, Young People and Education Committee
Chair, Climate Change, Environment and Infrastructure Committee
Chair, Committee for the Scrutiny of the First Minister
Chair, Culture, Communications, Welsh Language, Sport, and
International Relations Committee
Chair, Economy, Trade and Rural Affairs Committee
Chair, Finance Committee
Chair, Health and Social Care Committee
Chair, Legislation, Justice and Constitution Committee
Chair, Local Government and Housing Committee

11 April 2022

Dear Chair,

Annual scrutiny of the Future Generations Commissioner: update report

The Equality and Social Justice Committee held its annual scrutiny session with the Future Generations Commissioner on 7 February 2022. Following the session, we agreed to publish a short report highlighting some of the key themes that arose during our scrutiny, which is available online.

We have set ourselves the objective of championing equality, social justice and the well-being of future generations across the Senedd, including its Committees. Our intention is to request a Plenary debate on the issues raised in our report, but in the meantime we would like to draw it to your attention as some of the issues raised warrant further consideration by Members in their scrutiny work.

Yours sincerely,



Jenny Rathbone

Chair, Equality and Social Justice Committee



Elin Jones MS
Llywydd
Chair, Business Committee

12 April 2022

Dear Llywydd

The Welsh Government's Supplementary Legislative Consent Memorandum (Memorandum No. 2) on the Animal Welfare (Kept Animals) Bill

Our report on the Welsh Government's Supplementary Legislative Consent Memorandum (Memorandum No. 2) on the Animal Welfare (Kept Animals) Bill was laid on 4 April 2022.

Our consideration of Memorandum No. 2 has again highlighted issues with the timeliness of legislative consent memoranda being laid before the Senedd.

On 7 January 2022, the Minister for Rural Affairs and North Wales, and Trefnydd, laid Memorandum No. 2 before the Senedd in respect of amendments made to the Bill on 16 and 18 November 2021 during Committee stage in the House of Commons.¹

Following our initial consideration of Memorandum No. 2 on 7 February 2022, we wrote to the Minister on 8 February raising concerns with the quality of Memorandum No. 2 and a lack of clarity regarding the information presented within it. On 3 March 2022, the Minister laid a revised version of Memorandum No. 2 and wrote to us to confirm that the previous version laid on 7 January had been formally withdrawn.

¹ We are aware that there was an earlier version of Memorandum No. 2 initially laid before the Senedd in December 2021.

In Memorandum No. 2, the Minister notes that “it was not possible to lay this LCM within the normal two weeks prescribed in [Standing Order 29], owing to the volume and complexity of the amendments tabled”.

The Business Committee will be aware that Standing Order 29.2 requires the Welsh Government to lay a legislative consent memorandum normally no later than two weeks after relevant provisions have been proposed in a Bill or by amendment. In this instance it has taken much longer than two weeks and beyond what we consider to be appropriate.

As we state in conclusion two of our recent report, it is not acceptable that we were unable to fully consider amendments tabled in November 2021 until last month because the original supplementary legislative consent memoranda was not suitable for scrutiny. It has hampered the ability of Members of the Senedd to scrutinise the amendments in a timely and meaningful way.

As you will know, the late arrival of legislative consent memoranda is, unfortunately, not an infrequent occurrence. In recent weeks the delays in the Welsh Government bringing forward the required supplementary consent memoranda for the Elections Bill and the Building Safety Bill, and the impact this had on the Senedd’s ability to consider important provisions in those bills, have been raised by both my Committee and the Local Government and Housing (LGH) Committee.

With regards to the Building Safety Bill, the Chair of the LGH Committee has written to us expressing concerns with the Welsh Government’s handling of legislative consent memoranda for that Bill. While we have yet to consider that correspondence in detail, I take this opportunity to draw it to your attention.

As a Committee we would prefer not to have to raise concerns with the Welsh Government regularly laying memoranda such that our ability to scrutinise them is limited. However we do not believe that this matter can go unaddressed. The Welsh Government’s current approach to extensively seek provisions for Wales in UK Bills passing through the UK Parliament is adding to an increasing democratic deficit because the Senedd is being excluded from shaping law that will apply in Wales. In such circumstances, we believe the Welsh Government must do more to ensure that Members of the Senedd are provided with more timely information so that they can do as much as possible within the natural confines caused by another Parliament legislating for Wales on devolved matters.

I am copying this letter to the Minister for Rural Affairs and North Wales, and Trefnydd, and to the Chair of the LGH Committee.

Yours sincerely,

Huw Irranca-Davies

Huw Irranca-Davies
Chair

Agenda Item 7.6

Y Cwnsler Cyffredinol a Gweinidog y Cyfansoddiad
Counsel General and Minister for the Constitution



Llywodraeth Cymru
Welsh Government

John Griffiths MS
Chair
Local Government and Housing Committee

Senedd Cymru

SeneddHousing@senedd.wales

19 April 2022

Dear John,

Thank you for your letter of 25 March 2022 regarding the timing of the laying of the Supplementary Legislative Consent Memorandum (SLCM) on the Elections Bill. I note your concerns and it is regretful that both the Local Government and Housing Committee and the Legislation, Justice and Constitution Committee did not have sufficient time to consider the SLCM before the Legislative Consent Motion debate on 29 March 2022. As I mentioned during the debate, this was an unfortunate consequence of the nature of engagement with the Westminster government, and the speed at which we have to deal with issues, amendments and changes.

An SLCM was not laid within two weeks of the amendments being tabled on 11 January as it would not have been possible to reflect the outcome of the Welsh Government's protracted negotiations and discussions with the UK Government in respect of a number of the Bill's provisions. As a result of much positive engagement with the UK Government, we successfully secured the carve out amendments to the Bill and my previous concerns, set out in the original Legislative Consent Memorandum, regarding undue influence, the Electoral Commission, notional expenditure and other political finance measures were addressed by the UK Government.

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Gohebiaeth.Mick.Antoniw@llyw.cymru
Correspondence.Mick.Antoniw@gov.Wales

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.

I want to again convey my apologies for the short timeframe between laying the SLCM and the Legislative Consent Motion debate. I know this caused the committees immense difficulty in not providing sufficient time to consider the SLCM ahead of the debate and I am sorry you were put in that position. I appreciate all the work that both committees have done in this area and welcome your constructive engagement on this Bill.

I am copying this letter to the Chair of the Legislation, Justice and Constitution Committee.

Yours sincerely,

A handwritten signature in blue ink that reads "Mick Antoniw". The signature is written in a cursive style. Below the signature, there is a short horizontal blue line.

Mick Antoniw AS/MS

Y Cwnsler Cyffredinol a Gweinidog y Cyfansoddiad
Counsel General and Minister for the Constitution

Jane Dodds

Aelod o'r Senedd dros
Canolbarth a Gorllewin Cymru

Member of the Senedd for
Mid and West Wales


Haslemere
Park Crescent
Llandrindod Wells
Powys
LD1 6AB


Agenda Item 7.7

Senedd Cymru
Bae Caerdydd, Caerdydd, CF99 1SN
Jane.Dodds@senedd.cymru

Welsh Parliament

Cardiff Bay, Cardiff, CF99 1SN
Jane.Dodds@senedd.wales

0300 200 6565 

@janedoddsWLD 

@DoddsJane 

/JaneDoddsWLD 

Dyddiad | Date: 25th April 2022
Pwnc | Subject: Building Fire Safety

Annwyl John,

I am writing to you in your capacity as Chair of the Local Government and Housing Committee.

You will be aware that I have raised the issue of Building Fire Safety on a number of occasions since last May, and I have been working with a number of fire safety campaigners across Wales in recent months.

I wonder if your committee could give time in its forward workplan to consider matters relating to building fire safety and the progress of the Welsh Government's own proposed Bill and legislative progress in England?

I would be happy to speak to yourself or committee support staff if that would be helpful.

Yn gywir,



Jane Dodds MS/AS

Agenda Item 7.8



Cangen Cymru  Wales Branch

OPEN EVIDENCE BASE TO UNDERPIN THE INDUSTRY RESPONSE TO THE 'TECHNICAL CONSULTATION ON THE DRAFT NON-DOMESTIC RATING (AMENDMENT OF DEFINITION OF DOMESTIC PROPERTY) (WALES) ORDER 2022

Wales Tourism Alliance, UKHospitality Cymru & PASC UK

8th April 2022

UKHospitality represents over 740 companies operating around 100,000 venues across the breadth of hospitality within England, Scotland, and Wales. In Wales, our members are responsible for the employment of around 140,000 people directly and a further 40,000 supply chain employees indirectly. UKHospitality Cymru represents the whole industry with one voice- from small independents to large multi-national sites, embracing the self-catering, serviced accommodation, F&B, events, attraction and leisure sectors and the supply chain. Many of our independent pubs and restaurant Members have letting rooms

PASC UK is the largest sector association representing the professional self-catering sector in England and Wales. It has over 1300 Members including over 60 agencies and represents over 50,000 letting properties. Our focus is on a level playing field across the whole sector for both taxation and health and safety compliance and to help our sector become more sustainable and more profitable.

Wales Tourism Alliance: The tourism industry membership of the WTA reflects the whole of Wales; national, regional and local representative bodies and businesses. Through its member organisations and forums resting within its general membership, this amounts to around 7,000 working operators and means WTA contacts and representatives are found in every part of Wales.

Contents

1. Introduction
2. Process
3. Welsh Government Evidence
4. Our Evidence
5. Conclusion

Appendix 1 - Analysis of the Original Consultation responses

Appendix 2 - Owner Case Studies

1) Introduction

The announcement, on the 2nd of March 2022, of the proposal to raise the occupancy criteria by 160% to 182 days came as a shock to the tourism industry in Wales. It particularly came as a blow to small self-catering businesses (furnished holiday lettings or FHLs) which are the most directly affected.

As we have heard from officials in Visit Wales, this threshold was proposed on the basis of its own occupancy data (Tourism Cross Party Group meeting, 30/03/2022), and from the results of the original consultation on local taxes for second homes and self-catering accommodation (25 August to 17 November 2021).

Nevertheless, we note that the consultation carried out by Welsh Government last year (25 August to 17 November 2021; “the Original Consultation”) secured only **nine** responses which agreed with the proposal of 182 days.

The majority of respondents to that consultation proposed an increase to the HMRC threshold of 105 days occupancy.

As the primary, independent representatives of the industry, this is the occupancy threshold we recommend.

The majority response to the ‘Original’ Consultation was not reflected in the proposals put forward in the current technical consultation. Despite responses which clearly challenge assumptions made on the back of officials’ occupancy data, we see that the latter has prevailed - and without explanation.

We take this opportunity to submit our own detailed evidence, supplied by over 1500 businesses across Wales, to demonstrate directly why reliance on one set of pre-covid occupancy data is an unsafe way for Welsh Government to proceed.

Our methodology and summarised findings are set out in Section 3.

Briefly, through our research, we have received survey responses from **almost a quarter of Wales’s estimated 6000 self-catering operators (across around 8000 properties)**. We have also, as requested, sought detailed case studies and received over 400 in less than four days. A good selection of these are provided in Appendix 2: Owner Case Studies.

These clearly show that the proposal to raise the thresholds will cause genuine hardship, particularly to those families whose properties are restricted to commercial use only. Subject to GDPR considerations, we are content for you to see all the submissions.

In short, the real-time submissions to our consultation do not align with the historic data collected by officials. This is unsurprising. While we all wish for a speedy recovery from the acute challenge of covid, it has a long tail.

As well as providing evidence for this consultation on technical detail, respondents have also articulated their nervousness about the fragility of current bookings and the sustainability of recovery in the face of

- The vast increase in energy costs. The average commercial tariff for electricity across these businesses was 14.5 pence per unit in April 2021, it is now in excess of 60 pence per unit with some being forced to even higher tariffs
- The crisis in Ukraine
- The cost-of-living crisis (which affects them and their potential customers)
- Renewed competition from overseas
- Continued staffing shortages and increased costs of employment
- Procurement costs; and
- VAT returning to 20%

These threats are chronic in their nature and the timing of these proposed changes could not be worse

There is, as you know, further disquiet across the wider visitor economy in Wales relating to other Welsh Government policy proposals:

- Tourism tax,
- NDBR,
- LTT,
- school year.

As each affects the consequences of the others, we ask Welsh Government to make it plain how they are managing and assessing these inter-related impacts.

The evidence we have collated, from over 1500 responses, demonstrates the disproportionate and damaging economic impact the proposed new occupancy threshold will have on the self-catering sector, both on individual livelihoods as well as collectively on communities.

It also demonstrates that a change that applies across the whole of Wales will not achieve the Welsh Government’s stated aim of achieving a greater pool of affordable housing in those communities where a high proportion of second homes has contributed to purchase prices beyond the reach of local people.

2) Process

(A) LIMITED WELSH GOVERNMENT EVIDENCE BASE

We have made our observations of the original Consultation process in **Appendix 1** whereby the proposal for 182 days has been based on the least number of responses. There appears to be an over reliance on WG occupancy data in preparing the technical document.

Welsh Government officers have confirmed that they have not relied on Wales tourism accommodation occupancy surveys post 2019 because of the economic impact caused by the Pandemic. However, according to a verbal assurance from Welsh Government Officials pre-2019 occupancy figures have been utilised.

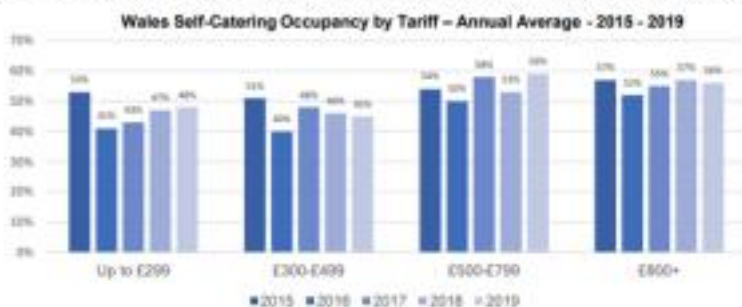
These survey reports provide trend information however we believe that the sample size is too small and potentially flawed - *The self-catering sample is usually around 300 - 500 operators* - the effect of the weighting for certain regions or size bands can therefore be exaggerated.

Wales Self-Catering Occupancy by Tariff

This section of the report outlines annual average unit occupancy rates by tariff for the period between 2015 and 2019.

Wales (Overall) - Annual Average - 2015 - 2019

Properties in the tariff band £500-£799 achieved the highest annual average unit occupancy rate (59%) in 2019, – an increase of six percentage points when compared with 2018. The lowest annual average unit occupancy rate (45%) was found in those charging between £300 and £499 – 1% below the figure recorded in 2018. The only year-on-year drops between 2018 and 2019 was found in the £300-£499 and £800+ tariff bands where occupancy was a single percentage point lower in 2019 than in 2018 (48% in 2018 down to 45% in 2019 and 57% down to 56%).



Even the Occupancy data from pre-2019 from the Welsh Government's own published research of 2018 and 2019, of the average occupancy by region, shows that South East Wales has average occupancy below 50% for both years, and mid-Wales was 48% average occupancy in 2018, and 52% in 2019, across a limited sample. However, if you look at the occupancy by tariff, on the above graph, the cheaper half of the four price bands have NEVER achieved average occupancy rates over 50% in the last 4 years.

While value, quality and spend are (usually) drivers of Welsh Government tourism policy, where we have seen balance in the past is an understanding that lower-income families should not be prejudiced by that. Wales inevitably faces competition from lower-price offers from within the UK and overseas, we would like to see everyone enjoy more holidays at home. This proposal could also see the complete loss of these lower priced offerings during the peak season.

These are the individuals and families who will be hit the hardest by the cost-of-living crisis. They will be thinking about whether to take a holiday at all. Taking out the cheaper end of the FHL offer as a result of this policy reduces the offer to lower-income households. As these properties are more likely to lie outside the coastal hotspots, taking them out of the market also reduces the scope for growing tourism in the less popular inland destinations.

To be utilising this pre-covid occupancy data to make a decision which will have such a seismic impact on the Self-Catering industry in Wales is, we believe, flawed. In order to make such a large change in the legislature this decision needs the due process of a full economic impact assessment.

(B) VOLUME AS A DETERMINANT

As you will have heard us say on other occasions, we too are keen to distinguish between FHL businesses and second homes/casual lets. While we responded to the Original Consultation on its own terms, there is a question in the first place about defining a business as "a business" based solely on volume of trade. We would be interested in hearing from Welsh Government of other types of business which are defined in this way, and how the decision was reached in the case of FHLs.

The setting of an artificial benchmark based on volume goes against over twenty years of Welsh Government policy and experience. Welsh Government tourism strategies have, **correctly**, concentrated on value, quality and spend - not volume - for good reasons. They have identified the following:

- Our number one strength - the countryside, natural and outdoor attractions - being at the same time our number one weakness, making Wales more weather dependent than any other home nation
- Discouraging over-tourism in high traffic "honey pot" areas.

Much of Wales's infrastructure and local communities cannot handle volume over value.

In order to gain volume to meet the new threshold, FHLs will make the unwelcome decision to drop prices at a time when business costs are rising.

The reactions in the feedback that we have received and across wider social media suggests that many are already being forced to consider lowering their prices, just at a time of spiralling costs being forced upon their businesses.

We all should be driving for a greener, more sustainable tourism economy for Wales, not trying suddenly to chase volume which goes against all that has gone before, as business are forced to hit an artificially high threshold of let days to avoid punitive taxation.

'The most popular motivations for coming to Wales were to enjoy the country's natural landscape mentioned by almost eight in ten visitors'.

(Wales Visitor Survey – Welsh Govt – 2019).

Due to the lack of wet weather attractions for young families we have been concentrating on higher paying couples – ‘the over 55s and affluent young actives for the shoulder months. This has meant great investment in good value quality accommodation and other supplementary products in the shoulder months with success.

‘Couples were more likely to visit Wales during the shoulder months than the peak season in 2019 (at 40% shoulder and 31% peak respectively), while the reverse was true for families with young children (at 29% peak and 17% shoulder). Families with young children accounted for 30% of Welsh staying visitors but only 24% of staying visitors from the rest of the UK.’

(Wales Visitor Survey – Welsh Govt – 2019).

The most recent figures demonstrate this –

In order to grow volume whilst maintaining quality will mean businesses spending more to promote their business. This means offering uncompetitive prices compared to comparable properties (in competitor destinations) which are not subject to this and other Welsh Government price-inflating policies. Even without the new pressures referred to in the Introduction, lowering costs remains an inherent risk as *guaranteeing* occupancy levels is still not possible.

Margins are squeezed further in autumn and winter, as smaller number of visitors expects to pay less when running costs are higher. Occupancy is reduced to mainly Friday and Saturday bookings due to poor weather and reduced opening hours for secondary seasonal businesses and attractions.

Therefore, to make up the additional volume is not possible as there is little or no market for most Sundays to Thursday, with many operators already offering up to 40% discount (Airbnb, 2022) on these days.

‘Almost two thirds of UK staying visitors in the shoulder months (65%) described their trip as a short break’

(Wales Visitor Survey – Welsh Govt – 2019).

Indeed, the self-catering sector has invested heavily over the last ten years to build value over volume in order to increase spend precisely because our peak season is so limited and opportunities to spend are limited. Many investing in ancillary facilities to create micro destinations (e.g spa facilities).

“ABC1 and travelling with children, C2DE are most likely to have been based in one location during their trip (at 90% and 91% respectively, compared with 84% of visitors overall”).

(Wales Visitor Survey – Welsh Govt – 2019).

Rural or even isolated coastal properties are unlikely to be based near attractions and therefore not attractive to young families staying for a week, especially outside of the peak school holiday season.

It is a non sequitur that these proposals will help develop the tourism sector as a year-long sector...by ensuring more nights spent in Wales will help develop the sector and also allow new money to be spent in our communities outside the main tourist season.

We cannot agree with this. We suggest that businesses lowering pricing to try to hit artificially high targets will not invest while the spectre of the consequences of missing the 182-day threshold hangs over them.

Even on Welsh Government's own 50% pre-covid occupancy figure, it is unrealistic to suggest that the very modest budget made available to Visit Wales would help a significant number of at-risk businesses raise occupancy levels to the point of survival post April 2023.

Further, whilst there have been some great successes in recent years (such as transforming North Wales into the Adventure Capital) this new technical order will take real effect from 1st April 2023 and there is no conceivable way in which in-door attractions, from high streets to theme parks, can be developed within twelve months in order to build up the sheer number of businesses that will fall short of the 182-day threshold.

Finally, if you look at the occupancy by tariff, the cheaper half of the Welsh Government's four price bands have **NEVER** achieved average occupancy rates over 50% in the last 4 years.

While value, quality and spend are (usually) drivers of Welsh Government tourism policy, where we have seen balance in the past is an understanding that lower-income families should not be prejudiced by that. While Wales inevitably faces competition from lower-price offers from within the UK and overseas, we would like to see everyone enjoy more holidays at home.

These are the individuals and families who will be hit the hardest by the cost-of-living crisis. They will be thinking about whether to take a holiday at all. Taking out the cheaper end of the FHL offer as a result of this policy reduces the offer to lower-income households. As these properties are more likely to lie outside the coastal hotspots, taking them out of the market also reduces the scope for growing tourism in the less popular inland destinations.

On a per person per night basis FHLs offer astonishingly good value for money.

(C) A SECOND HOMES ISSUE?

We do not underestimate the need for new, efficient affordable homes and we certainly do not condone second homeowners not paying a fair contribution to local taxes.

However, in framing these proposals in terms of the second homes debate, it has not been possible to identify how Welsh Government has examined the full impact on the wider visitor economy in Wales and how much if that is reliant on a buoyant self-catering sector.

We are not aware of any Economic Impact Assessment of these proposals, either on risk-taking owners and their businesses or the cumulative effect on jobs in tourism, hospitality and local retail.

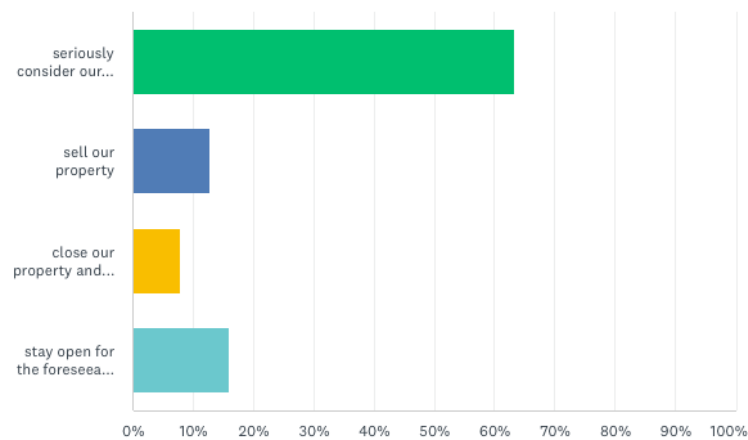
We understand that Welsh Government has to balance priorities, but we have not been able to identify any attempt to find such a balance. This is difficult to understand when the economic health of individual communities (let alone more widely) is an essential element in their sustainability and wellbeing.

The assertion is that belief that this will only be an issue for "some" businesses." Our evidence shows that the quantum of that "some" is much greater than pre-covid figures might suggest - and that was 50%.

Our research shows a completely different picture. Only 16% currently think that they can work with the 182-day threshold.

If the current proposals from the Welsh Government come into effect, (182 days let to go onto Business Rates or pay a possible 300% premium on Council Tax) what impact will it have? We will need to: (Please answer only one)

Answered: 1,029 Skipped: 183



Where our evidence does align with Welsh Government's is the finding that the majority - though nowhere near 50% - of businesses that are able to meet the threshold are in the coastal "hotspot" communities. These are also the communities most severely affected by high property prices.

There are businesses within those hotspots that will still have difficulty meeting the thresholds.

However, the majority of FHLs that will not be able to meet the thresholds lie outside these hotspots in parts of Wales where second homes play a much smaller role in the question of local affordability (see Brooks report) and where there is potential for tourism growth without tipping the balance against community wellbeing.

They will either close or fall into the council tax regime if planning permission allows. Some may survive the change of status but will add to the corpus of properties identified as second homes rather than as businesses. Welsh Government will not want to be credited with creating more "second homes".

Others will fall into a council tax regime where local authorities have adopted higher council tax premiums for second homes. Some of these less popular areas are in the same local authority area as hotspots, but they will still have to pay the elevated premiums.

Businesses which close will not necessarily release affordable residential property onto the market. Those units on an owner's own property or with commercial-only planning permission will close or fall into the council tax regime.

Policy consultation clearly outlined the policy objectives, none of which have any bearing on properties that are legally unable to be used as permanent accommodation, such as properties restricted by planning conditions to holiday only use. Whilst planning is a different area to taxation, Welsh Government have a duty to consider the presence and impacts of the market and wider legislation. Welsh Government have shown no evidence linking such properties to the stated policy objectives. There is therefore no reasonable justification for including such properties within the scope of this legislation.

The research reports commissioned by Welsh Government omitted to even mention how such properties already positively assist in deflecting visitor demand away from normal domestic housing (conversions to holiday-lets) and thereby act towards the stated policy objectives currently.

There are also other restrictions for example: the catchment of the River Teifi in Wales is currently under a SSSI with Natural Resource Wales. All developments that pose an increase in phosphates into the watercourse are not being approved. The Local Authority is not allowing uplift of commercial premises onto residential within the catchments. Has the WG consulted the NRW over the proposed increase of phosphates as a result of these new policies?

<https://www.ceredigion.gov.uk/resident/planning-building-control-and-sustainable-drainage-body-sab/phosphates-on-the-teifi-river-sac/?fbclid=IwAR2N24FxgdNtoUc68B17wKzxEqooN-BkLV1Y8jsMWzKwXQEnMwdghriPI7E>

Therefore, if you are in this area, you would not be able to change from holiday lets permissions to residential because of the uplift in occupancy. It specifically says holiday accommodation. Basically because of the fragility of the local environment.

Owners who do decide to sell will not be looking to sell at an undervalue, especially if they have invested in the standard of the property. They will advertise their properties in parts of the country where incomes are higher and sell to people from outside the area for whom the higher price and higher tax costs are not a deterrent.

It will shut out new entrants to the self-catering industry in those parts of Wales where there is under-tourism and no threat to community identity or cohesion (see the Brooks report).

The proposal will discourage the bringing back into use of empty properties, especially those where mortgage valuations are low compared to asking price, and where renovation/maintenance costs are too high in comparison to the size and value of the property. We suggest that the NDR threshold and council tax proposals will both stifle investment in older properties, undermining the purpose for which these changes have been proposed.

All this applies to second homeowners but, more crucially, it applies to FHLs which lose their business status because of these proposals.

While some of these properties will have been bought by non-locals to run as businesses, some will be owned by local people through inheritance or investment. These proposals could mean local families having to give up their erstwhile businesses in favour of providing a new second home to wealthy outsiders.

This is not the effect on affordability, community sustainability and security of the Welsh language that Welsh Government is seeking.

3) Our Evidence

Over the years we have gathered a great deal of data into the self-catering sector in Wales. It is a richly diverse sector, offering a wide variety of product, from castles to glamping, from luxury beach retreats to bunkhouses in the mountains, from farm stays to city living and everything in between. All are intrinsically different and operate their own business models. There is no one size fits all.

Demand varies across all parts of Wales; some hotspots are incredibly busy whereas some inland areas are quiet and peaceful.

What the evidence and feedback has shown us is that a simple over-arching high threshold simply cannot be met by many 100% legitimate businesses (FHLs).

Many of these businesses have invested substantially in their offer, and by doing so in Welsh tourism as a whole. These very businesses are now under serious threat from the proposed 182-day threshold.

In addition, the sector, having mainly survived the incredibly bruising effects of the pandemic, where any reserves were used up to simply survive, with huge impacts on mental health in the sector are now entering another perfect storm. The market is going 'soft' as the impact of the devastating war in Ukraine and the

massive increases in energy and insurance prices has brought continued uncertainty to the sector and bookings begin to slow right down.

This is not a time to try and drive these businesses to massively higher occupancy. This will only be done in the short term by reduced pricing and offers. Surely not the image that we all want for a vibrant Welsh Visitor Economy? We should be continuing with the long-standing Government tourism policy of **Value not Volume**.

Trying to drive up visitor nights in one sector alone is not a strategy and is most likely to impact adversely in the areas that need it least; the hotspots where we are already suffering from 'over-tourism' as they are top of the visitors list. Extending the season has always been the nirvana of all tourism strategies: Few have really made any real impact on substantially increasing seasons outside the holiday and good weather boundaries.

Unreasonable Notice Period: Welsh Government have stated in correspondence to self-catering property owners that **"..self-catering properties should aim to meet the new criteria during the year beginning on 1 April 2022, so that they can meet the evidence requirements from 1 April 2023"**

The scale of that change requires owners to re-plan their businesses, adapting marketing, operational, investment and financial practices in order to achieve the new criteria. All already have bookings for this year based on their current business and availability strategy. These changes could bring a high risk of financial failure to these businesses and force owners to move away from their current target market, changing their propositions, primarily pricing to achieve substantially higher bookings. Given this season has already started and they already have bookings based their original business strategy, and given the business changes would need time to effect, it is unreasonable to place this burden, impacting this season's business when the legislation has not yet been passed.

Whilst we acknowledge Visit Wales's quality promotion work on this issue at the moment, and we wish it success, unless Welsh Government is prepared to guarantee this with financial pay-outs in the event of market failure due to the introduction of this threshold, it is an unproven claim that hard work by Visit Wales with the industry will create the necessary demand to avoid the need for compensation. There has not even been a pilot study.

Below we set out illustrative highlights and lowlights from our research into the sector, whilst giving you GDPR-compatible access to the full reports.

Case Studies into the Impact of the proposed 182-Day threshold.

At a Cross Party Meeting on the 30th March 2022, we were asked if we could provide some 10-20 case studies into the impact that the proposed threshold would have on businesses.

We put out a call on Friday 1st April with a four-day deadline, so that we could have them in time for this report and collate them for the Appendix. We received well over 400 responses and have been able to include over 200 in the time allowed.

The Case Studies can be found in Appendix 2.

There are some really heart-rending studies. The overall impact of the proposed threshold is to create fear, uncertainty, and doubt, adding to mental health pressures already exacerbated by the experience of the pandemic and the new pressures referred to in the Introduction.

Please analyse these studies and you will see the unintended consequences of the proposed threshold. Businesses that the Welsh Government have funded to diversify from farming will be ruined, owners will lose their homes, businesses, and income as a result of this proposal.

You will see that the case studies confirm who is actually captured by these proposals. They are not the higher-income second homeowners whose contribution to the community and economy is minimal. These are small micro-businesses, no burden on the state, working hard to earn a legitimate living from hospitality. Many have no option but to do short-term letting as they are limited by planning consents.

If this measure is carried through as proposed, any property, outside a hotspot, limited to only operate as a holiday let will become a blighted property. How will that help rural communities in particular?

Larger properties, bunkhouses, specialised charities and adventure accommodation are almost totally reliant on the weekend trade and will never be able to make the threshold. Converted redundant farm buildings and glamping will struggle too, with very few able to meet this threshold, with potentially dire consequences for them.

Even those that can make the 182-day threshold currently are frightened by the prospect of the impact of heavily increased marketing by their peers, most likely at discounted prices, driving their occupancy down to below the threshold.

None of us want to see headlines of businesses closing, people losing their livelihoods, their job and their homes, so **please read** the real impact for so many, contained in the Case Studies.

PASC UK, WTA and UK Hospitality Cymru Survey on the 182-day threshold: Methodology & Key Findings

The full report can be seen here: <https://bit.ly/3KqRx6z>

With little time from the announcement of the Welsh Governments intention to increase the threshold from 70 days to 182 days on the 2nd of March and closing of the Consultation on this on the 12 April, the first thing that we did was to commission a survey to assess the impact of this proposal.

This survey ran for ten days and generated 1212 responses. This is the largest self-catering sector only survey in Wales. Only 16% of respondents believe that they will be able to carry on.

This is lowest confidence indicator we have seen, even at the peak of the pandemic.

The key findings from this report were that a much smaller proportion of the sector achieves the 50% occupancy, or 182-day rate proposed than published by official figures.

Key data points emerging from this survey of which there were 1212 respondents:

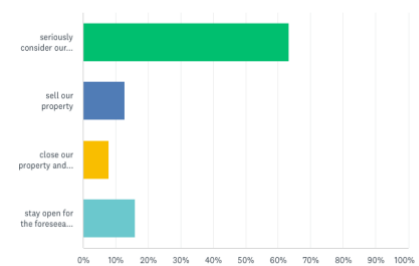
- 40% said properties were in high demand areas, 60% in medium or low demand areas
- 31% of owners generated over 50% of their income from short term lettings
- 85% of properties are on the Non-Domestic Rating list
- 32% have specific Planning Permissions to ONLY operate as short term lets
- 10% have a limit on how many days they can let in a given year

- 34% said that they were currently able to make the 182-day threshold
- 43% never use the properties personally
- 40% said that they closed for 3 weeks a year for maintenance
- 26% spend more than £10k annually in their economy, with a further 22% spending £7.5k
- 50% of all respondents felt that the 105-day threshold was the best solution, 13.5% want it to stay at 70 days and only 7.5% supported 182 days or more
- 63% are seriously considering their future in this sector and only 16% showing any confidence moving forwards.

This is an unparalleled threat level for any business sector, especially at this time, and we urge readers of this report to read the Appendix of Owner Case Studies.

If the current proposals from the Welsh Government come into effect, (182 days let to go onto Business Rates or pay a possible 300% premium on Council Tax) what impact will it have? We will need to: (Please answer only one)

Answered: 1,029 Skipped: 183



Membership Survey by Mid Wales Tourism

Mid Wales Tourism undertook an early survey to test the water in relation to the proposal. They received 148 responses. It was decided that a further, more detailed survey needed to be undertaken to establish a more in-depth body of evidence which could be added to. The initial headline results:

- 75% were NDR Exempt / 19% NDR Not Exempt / 6% Not NDR registered.
- 80% will be able to reach the 252 days available but 80% not reach the 182 days let
- **Out of the 148 businesses who responded to the survey 80 said they would be forced to close (54%)**
- 39% of those stating they would close are NDR registered (Not Exempt)
- 70% of multi businesses said they would be able to reach the 252 days available but not the 180 days let / 50% have said that it would close their business.

With 80% returning that they would not be able to make the threshold this initial survey was an alarming result.

For the full survey results: <https://eu.iotform.com/report/22062488996707004>

Impact upon Mental Health of owners.

In April 2021. Just as Covid Restrictions were beginning to ease across Hospitality, PASC UK in Conjunction with other organisations in Wales (See below) carried out a Survey on how effective Grant support had been in the pandemic. We took the opportunity towards the end of the survey to ask respondents if they had suffered any mental health issues as a result.

Please bear in mind that the purposes of accuracy, all respondents were required to give their name address and contact details so that any data provided could be cross checked.

Over 46% of respondents have either had signs of mental health or are experiencing some form of anxiety or depression.

This was also borne out by the telephone support calls received at the PASC UK office during the pandemic.

PASC UK & ASSC UK-WIDE SECTORAL SURVEY INTO SELF-CATERING FEEDBACK ON FUNDING AND GRANT SUPPORT

Introduction

- The Professional Association of Self-Caterers (PASC-UK) and the Association of Scotland's Self-Caterers (ASSC) are the leading source of knowledge on short-term letting and holiday homes in the UK and Scotland respectively.
- As a UK wide approach, the ASSC and PASC UK seek to harness empirical data about the self-catering sector across the UK in order to be able to inform the UK and devolved governments in terms of future policy decisions.
- A UK-wide sectoral survey was conducted in March 2021 relating to eligibility and access to the various packages of economic support from the UK, Scottish and Welsh Governments in response to the COVID-19 pandemic.
- The results offer valuable insights into the experiences and problems faced by the UK's self-catering operators in accessing the support required to safeguard their businesses during the Covid-19 pandemic.

Survey Overview

- PASC UK and the ASSC gathered data about the grant schemes, due to many self-catering operators highlighting concerns about the eligibility criteria associated with the grants from the UK, Scottish and Welsh Governments in particular, as well as inability to access the Coronavirus Job Retention Scheme or Self-Employed Income Support Scheme from the UK Government.
- PASC UK and ASSC ran an online survey consisting of a series of sector specific questions. This was publicised via PASC UK and ASSC newsletters, as well as via social media channels.
- The online survey elicited 1395 responses from self-caterers in England, Scotland and Wales, from both PASC, ASSC members and non-members alike, across the UK's local authority areas.
- 59% of responses were from members of PASC UK or the ASSC. 41% of responses were from non-members.
- With special thanks to the Wales Tourism Alliance, North Wales Tourism, Visit Pembrokeshire, Tourism Alliance, SW Tourism Alliance and the FHL Business Support Group for circulating the survey throughout Wales.

Summary

It is hoped that the survey results will inform greater discussion regarding the support provided to self-catering operators in the UK during the Covid-19 pandemic.

Some of the key findings include:

- A good proportional split of responses were from across the UK, predominantly from **rural locations** with 47.38% being from England, 38.63% from Scotland and 15.63% from Wales.
- NOTE: the survey did not extend to operators in Northern Ireland due to limitations in sources for circulation.
- The majority of self-catering businesses have been running for at least 6 years. A large proportion of self-catering businesses have been running for 11 to 20 years or more, with some operating over 40 years.
- **Over 46% of respondents have either had signs of mental health or are experiencing some form of anxiety or depression, there is evidence of the impact of the Covid-19 crisis being felt across the sector.**
- Currently there is a mixed picture in terms of business confidence, with 38% of respondents being somewhat optimistic and 20% somewhat pessimistic and almost 27% taking a neutral view at the moment, not knowing what to expect.

The Full report is available here:

<https://www.pascuk.co.uk/reports/> Where it can be downloaded. Look for this icon.



The Economic Impact of the Self-Catering Sector on the Welsh Economy

In August 2021 PASC UK published the most extensive report into Welsh Self-catering, utilising live booking data from numerous booking platforms plus visitor surveys.

The full report can be found on this page and downloaded:

<https://www.pascuk.co.uk/reports/>



Key highlights were as follows:

Wales



7,895
properties



0.7 million
visitor nights per year



£173.1 million
total visitor spend



4,787
FTE jobs supported



£134.2 million
Contribution to the
Welsh economy



Gross Visitor Spend by Item (Wales)



£87.2m
Accommodation fees



£13.4m
Travel to and from property



£7.7m
Food and drink
(in local shops)



£27.5m
Food & drink
(bars, cafes & restaurants)



£4.4m
Outdoor recreation and other sport



£49.7m
Visitor attractions



£5.5m
Travel during stay



£15.1m
Food and drink
(in supermarkets)



£7.2m
Other shopping

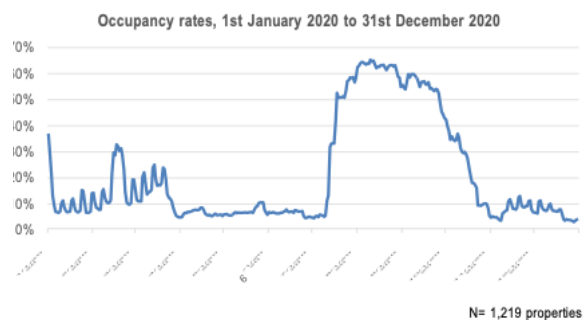
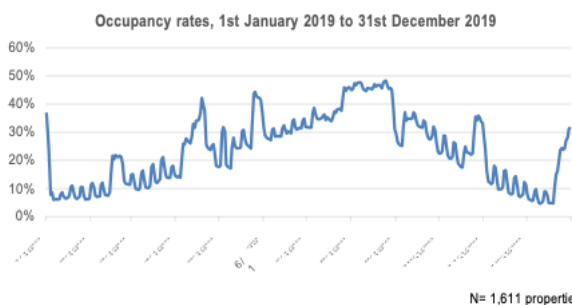


Areas with the greatest number of properties

1. Dyfed (3,130)
2. Gwynedd incl. Conwy (2,520)
3. Anglessey (735)
4. Powys (690)
5. Clwyd (270) & West Glamorgan (270)

In the appendix to this report, you can see the data provided by the booking platforms on actual occupancy. This is based upon paid bookings only.

Wales



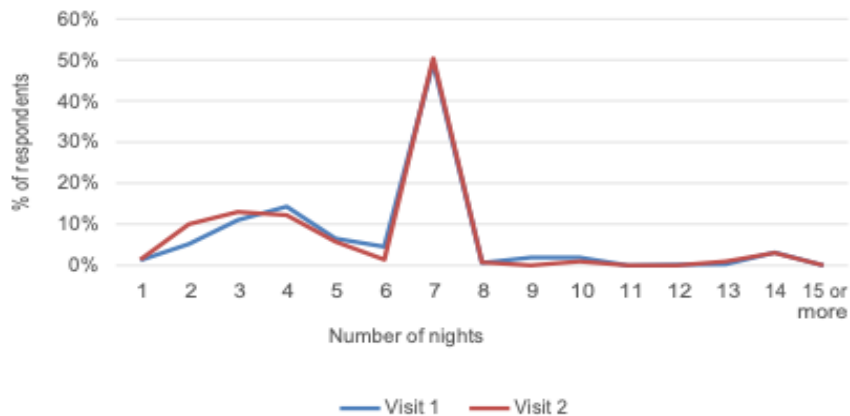
The Short Break Staycations

The popularity of the short break is on the rise, with most operators now only able to sell seven-night stays in peak times, the summer holiday and Whitsun being the most likely. The visitor wants an experience filled two-to-three-night stay. These most commonly have to fit around weekends, making out of season midweeks really hard to fill. If you are in a hot spot area, this will be easier, but for many rural businesses filling midweek for around six months of the year is going to be nigh on impossible.

Visitor characteristics

This section looks at findings from visitors for up to two visits to a self-catering property. Visit 1 is the most recent visit i.e., 2020 and visit 2 is pre-Covid-19 i.e. 2019. On average visitors spent 5.9 nights during visit 1 and 5.7 nights in visit 2. The distribution of responses is shown in Figure 3.3 and demonstrates a very consistent trend between visit 1 and 2.

Figure 3.3: Number of nights stayed per visit



Actual Booking Data across 792 Properties

This spreadsheet shows the number of nights let across the various ‘sleeps’ sizes of properties in Wales. In general terms the larger the property the harder it is to achieve the same occupancy as a smaller property, simply because there are fewer large groups that want to go away together than family sized units.

This is real reason why a one size fits all threshold, at a heightened level, will particularly penalise certain types of business in non-high demand areas.

Sleeps	No of properties	Avg 2019 nights	Avg 2020 nights	Avg 2021 nights	Avg of 2019 £	Avg of 2020 £	Avg of 2021 £
(blank)							
1-5	433	155	96	158	£ 14,611	£ 9,165	£ 17,004
6-10	291	125	80	128	£ 18,205	£ 11,531	£ 20,863
11-15	37	127	78	132	£ 38,503	£ 22,373	£ 43,399
16-20	17	78	44	83	£ 46,078	£ 23,025	£ 46,948
21-25	6	79	44	63	£ 53,865	£ 25,241	£ 35,185
26-30	4	144	48	101	£ 141,148	£ 49,014	£ 119,061
31-35	2	96	21	68	£ 80,657	£ 14,744	£ 72,804
36-40	1	90	31	16	£ 90,324	£ 34,189	£ 23,380
46-50	1	28	22	39	£ 44,220	£ 23,805	£ 59,581
Grand Total	792	140	87	143	£ 18,959	£ 11,336	£ 21,154

This data has been provided by the SuperControl Booking System and shows actual bookings placed and paid for on their system. The vast majority of these are professionally let business who have opted to pay

for a booking system. As can be seen there is not one column of nights let that averages anything close to 182.

Impact of the increased threshold on Women and Carers

We have received some compelling data on the impact of the proposed threshold increase on women, and particularly those who are also carers.

Below we have included some data from a report into this, and it's clear that there is a real issue here. Women play a huge role in this sector, and in most cases are the driving force in these businesses. Many of them have other responsibilities too.

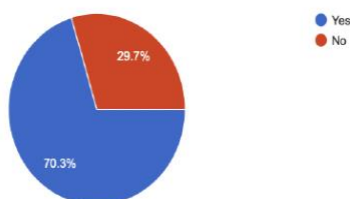
This survey clearly highlights the need for the Welsh Government to carry out a full Economic Impact Study, into the proposed measure, to include what impacts it will have on different parts of society.

Once again, this illustrates how the target of the proposed measure is the wealthy second homeowner, depriving a local from buying a house, yet will have hugely detrimental effects through unintended consequences.

The full report can be accessed here. <https://docs.google.com/forms/d/1iNNZ56ebZi-bBlsgOgRUDWnmFwDOme4v0mIEeLZeTLU/viewanalytics>

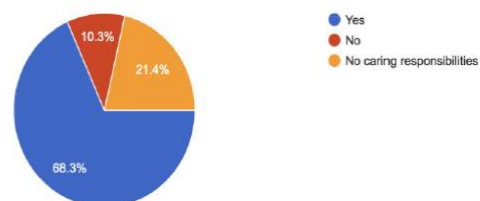
3. Do you have caring responsibilities - perhaps for school-age children, a disabled child/partner or elderly parents?

145 responses



4. Does your self-catering accommodation business have to fit around these responsibilities?

145 responses



5. Conclusion

Our evidence shows many micro locally run family FHL businesses will simply shut down: Some of the buildings will be sold, possibly to buyers outside of Wales because they will not be in the right location or price bracket, others converted back to farm buildings or re-absorbed into owners' own primary residences.

There is a risk that some will be abandoned in an attempt to avoid paying tax on an un-productive building.

As a tool to bring properties back into a market which is affordable to local people, it will not work. Rather it will reduce local owners' ability to earn an income and cause a decline in secondary jobs in hospitality, retail, house maintenance and cleaning etc.

It will not safeguard the Welsh language as these businesses will be lost to wealthier outsiders prepared to meet the higher costs of having a second home or self-catering businesses in Wales.

We recommend that:

- (a) Welsh Government observes the majority response to the Original Consultation and Increase the threshold from 70 Days to 105 Days (that's a 50% increase) and align with FHL HMRC taxation rules;
- (b) We adopt the term 'Holiday Let Businesses' for FHLs that comply with 105 days letting and full HMRC tax compliance;
- (c) Properties that are limited by (i) planning permission to only be short term commercial lets and (ii) lie within the curtilage of an owner's primary residence are not made liable to pay the additional council tax premiums if they do not hit 105 days let;
- (d) Allowances can be made when whatever threshold is finally determined upon, accommodating limitations on availability (as opposed to occupancy) such as, carrying out repairs, property improvements, closure due to ill-health or caring responsibilities. We would be pleased to work with the Welsh Government in determining what these might be;
- (e) We work with Visit Wales to drive quality and nightly yield up to improve profitability and sustainability of this sector of the industry;
- (f) We work with Visit Wales, Welsh Government and other partners to push forward the green, low-zero carbon agenda in the self-catering business sector.

Appendix 1

The Welsh Government 'Local Taxes for second homes and self-catering accommodation' Response evidence:

The Welsh government has proposed legislation that does not reflect the consultation responses, the following analysis of the data presented in the published response document is shown below. In each case, the proposed legislation takes no account of the majority views expressed by those who took part in the consultation, and in many cases creates legislation that represents the opinion of just a tiny fraction of the respondents who took part.

Q. How effective are premiums in addressing housing issues?

A. 79% said little or no effect, 9% said positive effect.

Result: go with the 9% and push forward with the council tax premiums as a means of addressing housing issues

Q. Is current max of 100% appropriate?

A. 64% said appropriate or too high, 20% said too low.

Result: go with the 20% and raise the maximum

Q. Should self-catering accommodation thresholds be higher?

A. 75% said either no change or no support for higher thresholds, 22% supported higher.

Result: go with the 22% and raise the thresholds

Q. If thresholds changed, what should new available to let threshold be? A. 149 replies suggested greater than the current 70 days (15% of respondents), 38 suggested 210 days (4% of respondents).

Result: go with the 15% of all respondents who supported an increase and set the level in line with the 4% of all respondents who suggested 210 days

Q. If thresholds changed, what should new actually let threshold be?

A. 118 replies suggested greater than the current 70 days (12% of respondents), 38 suggested 105 days (4% of respondents), 9 suggested 182 days (0.9% of respondents).

Result: go with the 12% of respondents who supported an increase and set the level in line with the 0.9% of respondents who suggested 182 days

Of keynote are the responses to Q9 'If the self-catering thresholds were to be changed, what do you suggest the new thresholds should be'.

*Of the 155 responses suggesting a rise on the **availability** criterion, 149 proposed thresholds higher than the current 140 days, ranging from 150 to 365 days. The most common specific suggestion was **210 days** a year. The most common specific suggestion for **commercial occupancy** was **105 days**. Only 9 responses supported a range of between 182 days or 6 months (9 responses).*

Agenda Item 7.9

Ymateb i ymholiadau pellach y Pwyllgor Tai a Llywodraeth Lleol fel rhan o'u Hymchwil i Ail Dai

• Pa fylchau sydd yn y data/gwybodaeth o ran diffinio ardaloedd lle ceir sensitifrwydd ieithyddol, a rôl y Comisiwn arfaethedig wrth ddatblygu tystiolaeth empirig i gefnogi ymyriadau polisi?

Mae Cymdeithas yr Iaith yn gryf o'r farn bod y Gymraeg yn perthyn i bawb yng Nghymru ac nad oes budd creu ardaloedd o sensitifrwydd ieithyddol

Hyd y gwyddom, nid oes tystiolaeth chwaith sy'n dangos bod ardaloedd o sensitifrwydd ieithyddol arbennig yn effeithiol, ac nid oes modelau llwyddiannus mewn gwledydd eraill mewn sefyllfa debyg i Gymru.

Mae yna ardaloedd lle mae mwy o siaradwyr a chymunedau Cymraeg, ac mae nifer o'r ardaloedd hynny mewn ardaloedd twristaidd, neu ardaloedd sy'n profi ystod o broblemau o ran y farchnad dai a'r economi leol, felly mae'r Gymraeg dan fygythiad. Ond mae angen gwahanol fesurau ar wahanol ardaloedd i adfer a chryfhau'r Gymraeg, nid creu ardaloedd o sensitifrwydd ieithyddol.

Rydyn ni'n argymhell creu 'continwmm' ieithyddol ar gyfer cymunedau, gyda'r nod o symud pob cymuned i fod yn fwy Cymraeg, yn lle gwahanu ardaloedd i gategorïau ieithyddol mympwyol nad ydyn nhw'n adlewyrchu'r nod o dyfu a chryfhau'r iaith ar draws Cymru.

• Sut mae'r pandemig a Brexit wedi effeithio ar y ddadl ynghylch ail gartrefi a pha mor real yw pwysau 'gwrth-drefoli', pan fo pobl yn symud o ardaloedd trefol i ardaloedd gwledig?

Dydy ail dai ddim yn broblem newydd ond mae'r pandemig yn enwedig wedi dwysáu'r broblem. Mae arwerthwyr tai yn adrodd bod galw mawr am dai mewn ardaloedd gwledig a bod tai yn cael eu gwerthu yn sydyn iawn, weithiau heb i'r perchennog newydd ymweld ag e. Mae hysbysebu ar-lein yn galluogi hynny a thai yn cael eu targedu at y farchnad ail dai, sydd eto yn cyfrannu at y broblem.

Nodwn hefyd effaith penderfyniadau Llywodraeth Prydain a Llywodraeth Cymru i atal *Stamp Duty* a'r Dreth Trafodiadau Tir yn ystod y pandemig, a chafodd yr effaith niweidiol o chwyddo'r holl farchnad dai a chynyddu prisiau ar draws y farchnad.

Mae ail dai yn amddifadu pobl leol o gartref, yn creu prinder tai ac yn cynyddu prisiau tai. Mae pris tai yng Ngheredigion rhyw ddeng gwaith uwch na'r cyflog cyfartalog; ac mae'r nifer o ail dai bron yn cyfateb â'r nifer o bobl sydd ar y rhestr aros am gartref yn Sir Benfro.

• Beth y gall cymunedau ei ddysgu o'r dulliau a ddefnyddir mewn rhannau eraill o Gymru, a chymunedau y tu allan i Gymru, y mae'r mater hwn yn effeithio arnynt?

Yn Lloegr mae nifer o gynghorau'r gorllewin wedi cytuno i fesurau i sicrhau bod unrhyw dai newydd sy'n cael eu hadeiladu yn cael eu defnyddio fel prif gartref yn unig.

Mae budd i hynny, ond does dim rheolaeth ar y tai mae pobl yn symud ohonynt, a gallai hen dŷ gael ei brynu yn ail gartref. Yn ardal y Llynoedd, mae hefyd rheolau sy'n rhoi ffafriaeth i bobl leol yn y farchnad dai.

Yng Nghatalonia er mwyn rhentu llety dros-dro rhaid ei gofrestru fel llety twristiaidd a bodloni meini prawf wrth gofrestru. Cafodd hyn ei wneud er mwyn mynd i'r afael â phroblem AirBnB yn bennaf. Ym Merlin, mae'r sector llety gwyliau ac AirBnB yn cael ei reoli'n llym, sydd wedi cael effaith bositif ar y farchnad i drigolion y ddinas.

Document is Restricted



DYFODOL I'R IAITH

SYLWADAU AR GYFER:

**Y PWYLLGOR LLYWODRAETH LEOL A THAI YN DILYN Y
CYFARFOD A GYNHAILWYD AR 09/02/22**

Ebrill 2022

Cyswllt:

Ruth Richards, Prif Weithredwr

Dyfodol i'r iaith

Mae Dyfodol i'r iaith yn fudiad amhleidiol sy'n gweithredu er lles yr iaith Gymraeg. Nod y mudiad yw dylanwadu drwy ddulliau cyfansoddiadol ar sylwedd a chynnwys polisïau cyhoeddus a deddfwriaeth er mwyn hybu twf a ffyniant y Gymraeg ym mhob maes polisi. Bydd yn gweithredu er budd Cymru a'i phobl, gan ennill cefnogaeth a pharch i'r iaith a sicrhau bod y Gymraeg yn fater byw ar yr agenda gwleidyddol.

Diolchwn i Gadeirydd y Pwyllgor am y cyfle hwn i gynnig sylwadau ychwanegol i'r drafodaeth allweddol ar ail gartrefi a llety gwyliau.

Pa fylchau sydd yn y data / gwybodaeth o ran diffinio ardaloedd lle ceir sensitifrwydd ieithyddol a rôl y Comisiwn arfaethedig wrth ddatblygu tystiolaeth empirig i gefnogi ymyriadau polisi?

Credwn ei bod yn hanfodol fod awdurdodau lleol yn casglu a monitro data'n ymwneud â gwerthiant a chyfraddau prisiau tai fesul cymuned a'u bod yn rhannu'r wybodaeth gyda'r Comisiwn. Dyma'r unig ffordd o gadw llygaid ar raddfa'r broblem ar lawr gwlad. Daw hefyd yn fodd i sicrhau nad yw'r ymyriadau'n arwain at drosglwyddo'r broblem o un gymuned i un arall.

Nodwn yn ogystal fod Dyfodol, mewn materion tai a chynllunio, yn argymhell ystyried unrhyw gymuned gyda mwy na 25% o siaradwyr Cymraeg fel bod yn ardal o sensitifrwydd ieithyddol.

Sut mae'r pandemig a Brexit wedi effeithio ar y ddadl ynghylch ail gartrefi a pha mor real yw pwysau gwrth drefoli pan fo pobl yn symud o ardaloedd trefol i ardaloedd gwledig?

Sbardunodd y pandemig ruthr i brynu ail gartrefi a thai ar osod yng Nghymru. Ategwyd yr hyn y mae mudiadau iaith wedi bod yn ei ddatgan ers degawdau: sef, bod y galw hwn yn prisio pobl leol o'r farchnad dai, yn cynrychioli bygythiad uniongyrchol i'r Gymraeg fel iaith gymunedol, heb sôn am fod yn adlewyrchiad truenus o'r anghyfartaledd cyfoeth sy'n tanseilio cydlynid cymunedol a chyfiawnder cymdeithasol. Unwaith eto, byddwn yn galw ar y Llywodraeth fynd i'r afael â'r broblem ar fyrder.

O safbwynt y niweidiau tebygol a ddaw yn sgil Brexit, ac yn gysylltiedig â'r argyfwng tai, byddwn yn galw am sylw brys i economi'r gogledd-orllewin a phob ardal arall sydd wedi eu heffeithio gan y twf mewn ail gartrefi. Tra'n grymuso Arfor i ddod yn gyfrwng i adnabod yr anghenion mewn cydweithrediad agos â'r Comisiwn mae angen bod yn ymwybodol o ardaloedd tu hwnt i diriogaeth Arfor, megis Sir Benfro, sydd yn dioddef o effaith ail gartrefi a cholli pobl ifanc. O gymryd amaeth fel esiampl, mae angen gweithio gyda ffermwyr a chymunedau gwledig i sicrhau eu bod yn cael y budd mwyaf o raglenni hanfodol i warchod yr hinsawdd. Y sawl sy'n byw ar y tir a chynnal ei chymunedau, ac nid cwmnïau mawrion sydd am wyrdd-olchi eu ôl-troed carbon, ddylai gael budd o blannu coedwigoedd a manteisio ar werthiant y pren a gynhrychir.

Gyda chyfuniad o ddulliau gweithio amgen, y galw am wyliau, ac anghyfartaledd cyflogaeth, cynyddodd y nifer o bobl sydd am brynu ail gartrefi yng Nghymru ar garlam ac i raddau sy'n anghynladwy o safbwynt gwarchod bywyd cymunedol a'r Gymraeg. Ond, rhaid ystyried bod newidiadau mewn patrymau gwaith hefyd yn cynnig cyfle, gyda chynllunio cynhwysfawr, i wneud yr ardaloedd hyn yn hygyrch ac atyniadol i'r bobl ifanc hynny a orfodwyd i adael eu cymunedau yn sgil prisiau uchel a diffyg cyfleoedd.

Beth y gall cymunedau ei ddysgu o'r dulliau a ddefnyddir mewn rhannau eraill o Gymru a chymunedau y tu allan i Gymru y mae'r mater hwn yn effeithio arnynt?

Mae Cynllun Tai Cymunedau Cymraeg y Llywodraeth yn rhoi pwyslais cwbl ddilys ar rymuso cymunedau yn wyneb yr holl heriau. Cytunwn yn llwyr â'r egwyddor hon, ond byddwn yn datgan yr un pryd fod angen cymorth hir dymor gan y Llywodraeth i fagu'r fath wytnwch ac i gydlynu'r broses o rannu profiadau ac ymarfer da.

Ceir, wrth gwrs, esiamplau o gymunedau'n meddiannu a rheoli eu hadnoddau yn unol â'u hanghenion lleol. Mae'r Cynllun Tai Cymunedau Cymraeg yn nodi nifer o'r rhain a modelau i'w efelychu.

Manteisiwn ar y cyfle i dynnu sylw'r Pwyllgor at argymhellion Dyfodol I'r Iaith ynglŷn â throi tai gwyliau'n ased cymunedol (gweler yr atodiad).

Yn ogystal â chymorth ymarferol ac ariannol gan y Llywodraeth, byddwn yn rhagweld y bydd y broses o rannu gwybodaeth ac arferion yn rhan allweddol o waith y Comisiwn.

Mae hi'n werth casglu gwybodaeth fanwl o ymdrechion yn Ardal y Llynnoedd, Lloegr, Cernyw, a'r Swistir am ddulliau o ddarparu cartrefi i bobl leol.

Document is Restricted

Julie James AS/MS
Y Gweinidog Newid Hinsawdd
Minister for Climate Change

Ein cyf/Our ref – BSDC - 041

Llywodraeth Cymru
Welsh Government

John Griffiths MS
Chair, Local Government
and Housing Committee

SeneddHousing@senedd.wales

4th May 2022

Dear John,

Thank you for your letter of 16 March, highlighting your concerns on behalf of leaseholders and residents about the progress made in Wales with regard to Building Safety issues and sharing the letter you received from the Welsh Cladiators.

The tragedy at Grenfell and the subsequent report by Dame Judith Hackett highlighted failures across the home building sector, and I am under no illusion, there is much that needs to be done to rectify these systemic issues.

Remediating buildings with existing fire safety defects, whilst holding those responsible to account wherever possible, is very complex. This complexity is further exacerbated as not all aspects of these matters are within the powers of the Welsh Government. The Welsh Government response must be holistic, proportionate and effective. This requires a range of policy solutions, including some developed in partnership with the UK Government where that is the quickest and most appropriate route. However, the response in Wales must also reflect Wales' unique situation, and the approach we have developed reflects that.

The Building Safety Programme has two strands. The first focuses on the large scale legislative and cultural reforms necessary to ensure as far as is practicable that a tragedy like Grenfell can never happen in the future in Wales. We are working with UK Government on aspects of the Building Safety Bill, and have already implemented the Fire Safety Act here in Wales. We have changed Building Regulations so a ban is now in place on use of all combustible materials on residential buildings over 18m in height. Our White Paper, [Safer Buildings in Wales](#), was published last year and set out our proposals for legislative reform and the introduction of a new Building Safety Regime for Wales. These extensive reforms will see significant improvements to safety throughout the lifecycle of multi-occupied residential buildings in Wales. We received a large number of responses to this consultation, and have published a [summary of responses](#). This consultation is only the

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Gohebiaeth.Julie.James@llyw.cymru
Correspondence.Julie.James@gov.Wales

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.

first step. We are committed to putting residents at the heart of these reforms, and a programme of engagement and informal consultation will begin in the summer to ensure all views are captured and fully considered in the development and implementation of these reforms.

However, there are already buildings in Wales where fire safety defects are known or suspected, whose residents are experiencing significant hardships as a result. The second strand of the Programme therefore focuses on the effective remediation of those buildings.

I believe it is the responsibility of the developers to remedy defects in the buildings they built. I am pleased a number of large developers have set aside funds to replace cladding and address other fire safety work on properties in Wales, and that in some cases this work has already begun. However, I will continue to engage with developers to press them to take responsibility and action.

I have always been clear that leaseholders should not be made to pay for fire safety defects that are not of their making, and so Welsh Government has committed £375 million over the next 3 years to remediate affected buildings. This is in addition to more than £15m funding to remove ACM cladding from social sector buildings. As a result, all 15 affected buildings have now either completed work or have clear plans to do so.

I have also always been clear that, in Wales, remediation work will go beyond cladding to take a holistic approach, encompassing evacuation alert, compartmentation and fire suppression systems where appropriate. This is the right approach, but it is more complex than simply tackling cladding, and will take time to implement. The vital first step in remediating a building is a comprehensive survey that identifies the issues and sets out the appropriate route to remediation for that building. In September 2021 I opened Expressions of Interest for Building Owners or Responsible Persons to submit, on behalf of their buildings, a request for a survey. So far, 248 expressions of interest have been received and acted upon, and the process remains open to new applicants. All 248 submissions have now received digital surveys, drawing on a range of data to capture vital information about the building, and to identify whether a further, intrusive survey is needed. Over 100 buildings have been identified as needing intrusive surveys. These surveys have already begun and we anticipate that they will be completed by the end of the summer.

I appreciate for Leaseholders having to live in affected buildings, it may feel that we are not working fast enough to fix the issues they are facing. I can assure you, that everything possible is being done to develop and implement a response. The pace of change reflects the complexity of the issues rather than any lack of commitment on the part of Welsh Government.

I am deeply aware of how building safety issues and the subsequent increases in service charges and insurance costs are affecting leaseholders. I have met with a number of residents who have shared their stories with me, for which I am grateful, and my officials are putting in place regular stakeholder engagement sessions with residents and representative groups to ensure that we are continuing to listen.

My written statement on 29 March provided further details of the development of the Leaseholder Support Scheme. The scheme will help individual leaseholders who cannot sell their properties and find themselves in significant hardship, due to escalating costs associated with fire safety issues. The Leaseholder Support Scheme is currently being finalised and will open for applications in June this year. This scheme is being offered in addition to our work to fund building surveys.

Whilst I cannot comment on individual circumstances, with regards to service charges, it may be possible for leaseholders to challenge the rate of service charges if they are deemed unfair. For more information on this process, please see the link below:

[Leasehold Valuation Tribunals | Residential Property Tribunal \(gov.wales\)](#)

While the Welsh Cladiators are correct in stating Housing is a devolved matter; some related issues, such as building regulations, are not devolved. This means it is not always possible to move forward in Wales without having to consider where responsibilities lie. Additionally, there may be times where it is more efficient to adopt the route pursued by UK Government.

My officials work alongside their counterparts in UK Government to ensure any developments made there, which can apply to Wales, do so in a measured way. For example, my officials have worked with their UK Government colleagues to help develop a Residential Property Developer Tax, which will be a UK-wide tax of the largest developers in the UK, including in Wales. The tax is planned for implementation from April 2022.

The Welsh Government is committed to supporting **all** leaseholders and residents in buildings with building safety issues regardless of tenure. Remediating buildings with fire safety defects and holding to account those responsible, are complex issues that bring in matters not always within the powers of the Welsh Government. Different rules govern whether and how Welsh Government is able to provide financial support to the public and private sectors. Where Welsh Government is able to take swift action it has done so.

This is a highly complex area and we are working at pace to find a solution, but it must also be the right one for each building affected by fire safety issues. Our aim is to develop effective support options and reforms that will improve building safety both in the here and now and in the future.

Yours sincerely



Julie James AS/MS

Y Gweinidog Newid Hinsawdd
Minister for Climate Change

Agenda Item 8

By virtue of paragraph(s) vi of Standing Order 17.42

Document is Restricted