



Rheolwr Polisi Cynllunio Strategol / Strategic Planning Policy Manager –
James Harland MSc, BA (Hons), MRTPI

John Griffiths MS
Chairman Local Government and Housing
Committee,
Welsh Parliament

Gofynnwch am / Please ask for: James
Harland



Ein Cyf / Our Ref: P-2-2.1

Eich Cyf / Your Ref:

Dyddiad / Date: 14/01/2022

Dear Mr Griffiths,

Inquiry into second homes

Please see below for Conwy County Borough Council's response to providing additional evidence to the Inquiry on second homes. The response is in-line with the terms of reference noted in your letter, which are as follows:

- To examine the recommendations made by Dr Simon Brooks in his report, Second homes: developing new policies in Wales, and the Welsh Government's response to those proposals.
- To consider the policy objectives and evaluate the evidence base for policy change in this area and to identify any gaps in knowledge and data.

Conwy CBC has conducted some research into the level of second and/or holiday homes in the County Borough (see attached for detail). Table 2 of Dr Simon Brooks report looks only at a county level, although the report does acknowledge that there are variances at smaller levels. The table shows that Conwy CB has a low percentage of 2.97%. Our own analysis shows that there are areas with significantly higher percentages of dwellings with no usual residents. The sources used are the 2011 and 2001 Censuses. Though the information is now very out of date, it gives us some idea of the scale of second home ownership and holiday accommodation within our housing stock. Work is underway to get a better – and more up-to-date – understanding of the impact of second homes and holiday lets on our communities in Conwy County Borough by looking at Council Tax and National Non-Domestic Rates records. Research is also being undertaken by colleagues in the Strategic Housing team to look at the impact of AirBnB properties on the local housing rental market. However this paper gives us a starting point whilst we await the completion of that work.

Recommendation 5 – the need for policy intervention across a range of policy areas

CCBC is progressing a Replacement Local Development Plan (RLDP) and is due to publicly consult on the Deposit Plan later this year. A Task and Finish Group has been established to progress the Principal Residence Policy for new build dwellings in the RLDP where a clear impact is evidenced. Any policy would apply to areas of the plan area where second/holiday homes are above 4%. This is a small proportion of the overall housing numbers in the County Borough. Its impact will therefore be limited. It should be noted that this proposal has not yet had political approval.

Rydym yn croesawu gohebiaeth yn Gymraeg. Byddwn yn ymateb i unrhyw ohebiaeth yn Gymraeg ac ni fydd hyn yn arwain at unrhyw oedi.

We welcome correspondence in Welsh. We will respond to any correspondence in Welsh which will not lead to a delay.

There is no mechanism currently applied to restrict existing housing on the open market to local ownership only, or limiting their use to full-time occupancy only in CCB. Existing affordable housing have local ownership restrictions in place, linked to affordable eligibility criteria and are also prevented from being used as second or holiday homes.

Conwy are preparing a new policy approach through the RLDP, which will apply a local ownership restriction in some parts of the County Borough. As this policy will only apply to new build properties, and not the existing stock, it will have a limited impact.

Conwy has a long established rural exceptions policy in place, which allows for 100% affordable units on the edge of rural settlements. Feedback from consultations has been that prospective residents find it difficult to get a mortgage for a self-build affordable unit. The self-build Wales initiative should resolve this once implemented. Financial viability of a site has also prevented delivery in some areas. Allowing a small element of market dwellings on these sites (for local need), would assist in delivering these sites, however, this is currently not permitted by national planning policy.

It should also be noted that Conwy's current LDP policy supports farm diversification and the rural economy through permitting changes of use of redundant rural buildings to tourism use. These properties are unlikely to be appropriate for permanent homes due to their isolated locations and shared access arrangements.

Local level policy will take time to be prepared and advanced through the various stages of LDP review, preparation and adoption. Appropriate evidence base will be required to justify its inclusion. CCBC are currently collecting evidence so that a policy on this can be considered for inclusion in the RLDP, however, adoption of the plan is some way off.

Recommendation 6 – Local Council Tax Premium

Conwy CBC currently charges an additional 25% premium for second homes. A report was considered in November 2021 by CCBCs Cabinet (minutes and report available here: [Conwy Local Democracy : Agenda for Cabinet on Tuesday, 23 November 2021, 2.00 pm](#)), where continuing with a 25% premium on second homes, and 50% on empty homes was endorsed. An indicative level of 50% has been recommended (subject to review) for 2022/23. This decision was based on the following points:

- That the levels of both leakage and bad debts increase as higher levels of premium are applied (based on the experiences of other Local Authorities).
- That the administrative burden of dealing with the correspondence, challenge, inspection and recovery increases with higher levels of premium (we have already experienced an increase in workload).
- That the Valuation Office Agency, in confirming a property can transfer to NNDR, back dates a high proportion of the cases resulting in multiple year refunds.

CCBC estimate that increasing the Council Tax premium, would not necessarily result in more income for the Council, where more properties are transferred to non-domestic rates, rather than returned to use as full-time homes.

Projected Income	100% both £000	75% both £000	50% both £000	50% LTE 25% SH £000	
Long-term empty homes	425	389	341	341	
Second Homes	97	91	143	267	
Total	522	480	484	608	
Less additional capacity required (employees)	-180	-150	-120	-60	
Potential net Premium income	342	330	364	548	
Budgetary Application					
Homelessness	200	200	200	200	Approved in 2019/2020
Housing	157	157	157	157	Approved in 2019/2020
Housing	183	183	183	183	Approved in 2020/2021
Total	540	540	540	540	
Potential Deficit	197	210	176	-8	Estimated Budgetary Pressure

The table below shows the number of properties that have switched from domestic Council tax properties to non-domestic. There has been a significant increase since the additional premium was introduced.

Year	Properties to NNDR	Council Tax Band D	£
2012/13	33.00	1,130.28	37,299.24
2013/14	37.00	1,176.25	43,521.25
2014/15	53.00	1,228.65	65,118.45
2015/16	56.00	1,286.20	72,027.20
2016/17	89.00	1,342.37	119,470.93
2017/18	86.00	1,401.39	120,519.54
2018/19	72.00	1,469.16	105,779.52
2019/20	134.00	1,603.13	*268,524.28
2020/21	183.00	1,681.83	*384,718.61
Total	743.00		1,216,979.02

* Includes lost premium in those years.

Implementing recommendation 7 (short-term holiday accommodation and business rates) would resolve this issue to some extent.

Recommendation 10 – the creation of a new use class for short-term holiday accommodation

A proposal regarding this is currently out to public consultation. Local and/or national level policy to support this and provide guidance on where changes would be appropriate would also be required. The proposal includes allowing changes between 'Primary Homes', 'Secondary Homes' and 'Short-term Holiday Lets' as permitted development, unless removed by Article 4. This would need appropriate evidence base to justify the policy stance. CCBC is in the process of collecting this evidence base. There would be a gap in guidance until the RLDP is adopted in Conwy. The impact of these changes to short-term holiday lets could also be mitigated for through policy. For example, Welsh language, noise and parking.

Conwy County Borough Council are grateful for the opportunity to be able to provide further evidence to the Inquiry. Close collaboration with relevant bodies will be required to ensure that any measures are applied appropriately in future.

Yn ddiffuant/Yours sincerely



James Harland

Rheolwr Polisi Cynllunio Strategol / Strategic Planning Policy Manager
Polisi Cynllunio Strategol / Strategic Planning Policy