



Ein cyf/Our ref: RE-00088-23

Suzy Davies
Chair
Wales Tourism Alliance
suzy@wta.org.uk

14 March 2023

Dear Suzy,

Thank you for your letter regarding my recent announcement on exceptions from council tax premiums.

I am grateful for the responses from tourism sector operators and representatives to our recent consultations on local taxes for second homes and self-catering accommodation. The Welsh Government has listened to the representations from the sector. While I understand that you remain opposed to some of our policy changes, I note that you welcome improvements that have been made as a direct consequence of consultation responses. I do not, therefore, consider it fair or accurate to claim that the Welsh Government has ignored voices from the sector. We have balanced these voices against the differing views from a range of other stakeholders.

My decisions to extend exceptions from a council tax premium and issue revised guidance to local authorities were a consequence of the views provided in response to our consultation on the legislation to implement the new letting criteria. Following responses to our most recent consultation on the legislation to implement further exceptions, I have amended the drafting of the legislation to ensure there are no unintended exclusions where a planning condition does not specify “short-term” holiday letting. These are clear actions I have taken in response to feedback from the sector.

There has not been a delay in confirming the Welsh Government’s policy on exceptions. Over the past six months, I have consulted on draft legislation to deliver the policy, considered the responses received and finalised the legislation following consultation. We have also revised and consulted on the associated guidance.

Your letter raises some of the same matters as previous correspondence. I have explained the Welsh Government’s approach to further exceptions from a council tax premium and the scope of those considerations. In particular, I refer you to my reply of 28 July 2022.

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

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Correspondence.Rebecca.Evans@gov.wales
Gohebiaeth.Rebecca.Evans@llyw.cymru

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.

As I have set out previously, it is important that statutory exceptions are clearly definable in legislation and would be appropriate in all circumstances where they apply. Planning conditions satisfy those requirements as they have their own legislative basis and, where they apply, will limit the options of property owners in a consistent way. Some of the circumstances suggested for exceptions would not necessarily preclude owners from making their properties available for long-term let to a member of the local community, rather than continuing with short-term letting for less than half the year. It would depend on the individual circumstances of the property and the choices of the owner.

Where a self-catering property does not meet the letting criteria and is not subject to a planning condition, I want to ensure that local authorities have as much discretion as possible to consider the approach to take for the benefit of their communities. I consider that our local taxation changes will help local authorities to incentivise the right balance between capacity within the self-catering tourism sector, and the economic benefits that brings, and supporting viable communities of local residents to live and work in these areas.

Revised guidance for local authorities on implementing and enforcing council tax premiums was published on 9 March. This highlights the discretionary powers and additional options that are available to local authorities if self-catering properties do not meet the letting criteria. These options include discretion to reduce standard rate of council tax liability for certain properties, where considered appropriate by the local authority. Local authorities may apply this discretion to particular properties or to classes of property. They could use this discretion, for example, to support operators in particular circumstances or facing particular challenges, which could include those you have suggested.

The examples given in the guidance, with respect to the use of discretion, are not exhaustive. Discretion may be considered appropriate in other cases where the owner's use of a property is restricted by circumstances not covered by an exception from the premium. This could include properties used wholly or mainly for charitable purposes, depending on the specific circumstances.

An Explanatory Memorandum and Regulatory Impact Assessment was [laid](#) before the Senedd, alongside the Council Tax (Exceptions to Higher Amounts) (Wales) (Amendment) Regulations 2023.

Yours sincerely,



Rebecca Evans AS/MS

Y Gweinidog Cyllid a Llywodraeth Leol
Minister for Finance and Local Government

