



ATISN 16490

28 July 2022

Dear _____,

ATISN 16490 – Impact assessments undertaken in relation to local tax changes for second homes and self-catering holiday lets

Information requested

Thank you for your request which I received on 20 July. You asked for:

1. The impact assessments that were undertaken in relation to the new tax regime that is being introduced for second home owners and holiday let businesses in 2023 in Wales, where owners will have to pay 400% council tax if they don't meet the 182 letting threshold.
2. In particular, the impact the changes will have on local tourist communities in a worst case scenario, for example, what would happen if all second home owners put their properties on the market, and holiday let businesses closed leading to job losses in various local sectors like cleaning, maintenance, hospitality, etc.

Our response

The Welsh Government carried out a Regulatory Impact Assessment in preparing the Non-Domestic Rating (Amendment of Domestic Property) (Wales) Order 2022, which can be found at: <https://senedd.wales/media/40gf3dzt/sub-ld15122-em-e.pdf>

The Welsh Government also carried out a Regulatory Impact Assessment in preparing the Council Tax (Long-term Empty Dwellings and Dwellings Occupied Periodically) (Wales) Regulations 2022, which can be found at: <https://senedd.wales/media/h4pbo1ud/sub-ld14989-em-e.pdf>

The Welsh Government does not hold any data on the number of second homes that are expected to be sold, or holiday let businesses that are expected to cease to operate as such, as a result of the changes.

The Welsh Government does not hold sufficient data to accurately assess the impact on local economies and the tourism sector, or the impact on employment. The introduction of legislation is, in part, intended to bring about behaviour change which would increase the proportion of properties that meet the new letting criteria.

Next steps

If you are dissatisfied with the Welsh Government's handling of your request, you can ask for an internal review within 40 working days of the date of this response. Requests for an internal review should be addressed to the Welsh Government's Freedom of Information Officer at:

Information Rights Unit
Welsh Government
Cathays Park
Cardiff
CF10 3NQ.
Or email: Freedom.ofinformation@gov.wales

Please remember to quote the ATISN reference number above.

You also have the right to complain to the Information Commissioner. The Information Commissioner can be contacted at:

Information Commissioner's Office
Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF.

However, please note that the Commissioner will not normally investigate a complaint until it has been through our own internal review process.

Yours sincerely,