

## **Explanatory Memorandum to The Town and Country Planning (General Permitted Development etc.) (Amendment) (Wales) Order 2022.**

This Explanatory Memorandum has been prepared by the Planning Directorate and is laid before Senedd Cymru in conjunction with the above subordinate legislation and in accordance with Standing Order 27.1.

### **Minister's Declaration**

In my view, this Explanatory Memorandum gives a fair and reasonable view of the expected impact of The Town and Country Planning (General Permitted Development etc.) (Amendment) (Wales) Order 2022.

I am satisfied that the benefits justify the likely costs.

Julie James MS  
Minister for Climate Change  
28 September 2022

## **PART 1 – EXPLANATORY MEMORANDUM**

### **1. Description**

- 1.1 The Town and Country Planning (General Permitted Development) Order 1995 (the “GPDO”), as amended, allows some development to be undertaken, within certain parameters, without the need to submit a planning application. This is known as “permitted development”.
- 1.2 The Town and Country Planning (General Permitted Development) (Amendment) (Wales) Order 2022 (“the GPDO Amendment Order 2022”) amends the GPDO as follows:
  - Article 4 of the GPDO permits local planning authorities and the Welsh Ministers to direct that any or particular development permitted under article 3 of the GPDO is not to apply in relation to a specified area. Article 2(2) amends article 4 of the GPDO.
  - Article 2(a) substitutes “Welsh Ministers” for “Secretary of State” in article (1).
  - Articles 2(2)(b) and (d) omit paragraphs (2) and (5) from article 4.
  - Article 2(2)(e) inserts paragraph (5A) which introduces a new Schedule 2A. Schedule 2A sets out new procedures which must be followed in making, varying or withdrawing any direction that is made under article 4(1) of the GPDO. In addition, Schedule 2A introduces two types of direction that can be made: a direction with immediate effect and a direction without immediate effect.
  - Article 2(3) omits articles 5 and 6 of the GPDO.
  - Article 2(5) amends Part 3 (changes of use) of Schedule 2 to the GPDO by inserting two new classes, Class I and Class J.
    - Class I introduces a number of new permitted development rights for unlimited changes of use, including mixed uses, between use Class C3 (Dwellinghouses, used as sole or main residences); use Class C5 (Dwellinghouses, used otherwise than as sole or main residences) and use Class C6 (Short-term lets). The permitted development is subject to limitations.
    - Class J introduces a number of new permitted development rights from use as a betting office to use within Class A1 (shops); or Class A2 (financial and professional services); or mixed use of either Class A1 or Class A2, plus a single flat. Class J also permits a change of use from a mixed use as a betting office and a single flat to use within Class A1 or Class A2, or a mixed use of either Class A1 or Class A2, plus a single flat, and to use as a betting office. The permitted development is subject to limitations.
  - Article 3(2) amends the Town and Country Planning (Compensation) (Wales) (No.2) Regulations 2014 (SI 2014/2693 (W.268)) (“the 2014

Regulations”) by adding a new class of development into the list of permitted development rights for which compensation on withdrawal of the right is limited in various ways provided in the 2014 Regulations. The new rights in Class I permit various changes of use, as inserted into Part 3 of Schedule 2 to the GPDO by article 2(5).

- Articles 3(3) and (4) make minor consequential amendments to the 2014 Regulations.

## **2. Matters of special interest to the Legislation, Justice and Constitution Committee**

2.1 None

## **3. Legislative background**

3.1 The powers to make the GPDO Amendment Order 2022 are in sections 59, 60(1), (3), 61(1), 74, 108(2A)(a), (3C), (5) and (6) and 333(7) of the Town and Country Planning Act 1990 (“the 1990 Act”). These sections give the Secretary of State power to grant (or to enable local planning authorities to grant) planning permission for categories of development specified in a development order. The GPDO is made under these powers. The functions of the Secretary of State were transferred to the National Assembly for Wales by article 2, and Schedule 1 to, the National Assembly for Wales (Transfer of Functions) Order 1999 (S.I. 1999/672). The functions of the National Assembly for Wales were transferred to the Welsh Ministers by virtue of section 162 of, and paragraphs 30 and 32 of Schedule 11 to, the Government of Wales Act 2006 (c. 32). These powers are thus now exercisable by the Welsh Ministers.

3.1 Section 333(5B) of the 1990 Act provides that the procedure for a statutory instrument which contains a development order is a negative resolution procedure.

## **4. Purpose and intended effect of the legislation**

### Dwellinghouses

4.1 The Town and Country Planning (Use Classes) (Amendment) (Wales) Order 2022 (“the Use Classes Amendment Order 2022”) amends Part C of the Schedule to the Town and Country Planning (Use Classes) Order 1987 (“the UCO”) by amending use class C3 (dwelling houses) to (dwellinghouses; used as sole or main residences) which limits the use as a dwellinghouse as a sole or main residence, which is occupied for more than 183 days in a calendar year (i.e. “primary homes”). It also introduces two new use classes, use class C5 (Dwellinghouses; used otherwise than as sole or main residences) which covers use as a dwellinghouse other than as a sole or main residence and occupied for 183 days or fewer in a calendar year (i.e. “second homes”); and use class C6 (Short-term lets) which covers use of a dwellinghouse for commercial short-term letting not longer than 31 days for each

period of occupation. This provides a new legislative framework for managing the use of dwellinghouses in Wales.

- 4.2 The GPDO Amendment Order 2022 introduces new permitted development rights for changes of use of properties within use class C3 (Dwellinghouses, used as sole or main residences), new use class C5 (Dwellinghouses; used otherwise than as sole or main residences) and new use class C6 (Short-term lets). Specified changes of use to and from a mixed use are also introduced.
- 4.3 Not every local authority has concentrations of second homes and/or short-term lets, or has concerns with such uses. The amendments to the UCO may therefore create unnecessary resource pressures for many local planning authorities as a result of an expected increase in the volume of planning applications for changes of use, which is out of proportion to the scale of any concerns they have with such uses.
- 4.4 The GPDO Amendment Order 2022 permits unlimited changes of use between the use classes for a primary home (use class C3), second home (use class C5) or a short-term let (use class C6). Where they have the appropriate evidence, local planning authorities would be able to issue a direction using Article 4 of the GPDO to remove these permitted development rights and may require planning applications (where the local planning authority can show that a material change of use has occurred) for the specified change of use. In all other cases, changes of use would be permitted by the GPDO.
- 4.5 This approach could enable local planning authorities to put in place local solutions in areas that have concentration of second homes and short-term lets without imposing an unnecessary burden on unaffected areas and property owners. Changes of use between primary homes, second homes and short-term lets can take place freely unless the local planning authority considers such development would pose a real or specific threat to a particular area. In addition, the permitted changes of use ensure properties in use as second homes or short-term lets can return to primary homes for occupation by the local population without impediment, particularly in areas where there are localised housing pressures.

#### Article 4 Directions

- 4.6 Article 4 Directions provide a means for local planning authorities to address local circumstances in response to changes to permitted development rights. They provide local planning authorities with the ability to withdraw permitted development rights which would otherwise apply by virtue of the GPDO. An article 4 Direction does not prevent the development to which it applies but instead may require planning permission to be obtained from the local planning authority for that development.
- 4.7 In the case of managing second homes and short-term lets, the Welsh Government wants to support local planning authorities in controlling the exercise of the new permitted development rights in specific, targeted locations within their administrative area where evidence suggests such uses are currently harming local amenity,

community wellbeing or the proper planning of the area, or where further exacerbation of such uses would cause harm.

- 4.8 The use of an Article 4 Direction could be enforced by those local authorities who wished to seek to control the level of additional second homes and short-term lets, whilst changes of use in all other areas would be permitted development (where a material change of use occurs).
- 4.9 As a result of making the changes to the UCO (as set out in paragraph 4.1 above) and Part 3 of Schedule 2 to the GPDO (as set out in paragraph 4.2), where they have the appropriate evidence of negative impacts, local authorities may decide to utilise Article 4 Directions to remove the new permitted development rights for changes of use within the defined affected area. In such cases, a planning application may be required where a material change of use occurs when changing use between a primary home, second home or short-term let (or as specified in the Direction).
- 4.10 To facilitate and assist local planning authorities with making Article 4 Directions, the GPDO Amendment Order 2022 amends Article 4 of the GPDO and introduces a new Schedule 2A which sets out the new procedures that must be followed when making, varying or withdrawing any direction that is made under article 4(1). Schedule 2A set out two types of direction - an expedited direction known as 'direction with immediate effect' and a 'direction without immediate effect'. It also removes the need for Welsh Ministers to confirm Directions before they can take effect.

*Directions with immediate effect*

- 4.11 If the Welsh Ministers or the local planning authority is satisfied that it is expedient that development described below should not be carried out unless permission is granted for it on an application, they may make a direction that planning permission granted by Article 3 of the GPDO does not apply immediately. The development for which directions with immediate effect can be applied is:
- Part 1 (Development within the curtilage of a dwellinghouse);
  - Part 2 (Minor Operations);
  - Part 3 (Changes of Use), other than development permitted by paragraphs (b)(i) and (c)(i) of Class I;
  - Part 4 (Temporary Buildings and Uses);
  - Part 31 (Demolition of Buildings);
- 4.12 The prescribed procedure for making, varying or withdrawing any direction made under the new article 4(1) are set out in Schedule 2A.
- 4.13 A Direction with immediate effect would last six months beginning with the date on which it takes effect unless confirmed by the local planning authority following public consultation (see paragraphs 1(8) and (9) of Schedule 2A) before the end of the six month period.

### *Directions without immediate effect*

- 4.14 A direction without immediate effect will need to be issued where a local planning authority seeks to remove permitted development rights within classes of development other than those identified above.
- 4.15 The prescribed procedure for making, varying or withdrawing a direction without immediate effect is set out in Schedule 2A. This includes a publicity and consultation period.

### *Exclusions*

- 4.16 Some permitted development rights cannot be withdrawn via an article 4 direction. These are set out in article 4(3) of the GPDO. These exemptions are to ensure permitted development rights related to national concerns, safety, or maintenance work for existing facilities cannot be withdrawn.

### *Varying or withdrawing a direction*

- 4.17 A local planning authority can withdraw an article 4 direction by making a subsequent direction. A direction can be varied by withdrawing the existing direction and replacing it with a new one. In both cases the procedures for making an article 4 direction apply.

### *The role of the Welsh Ministers*

- 4.18 The need for directions to be confirmed by the Welsh Ministers has been removed. Local planning authorities confirm all article 4 Directions (except those made by the Welsh Ministers) in the light of local consultation.
- 4.19 In most cases, a local planning authority must however, as soon as practicable after confirming an article 4 direction, give notice to the Welsh Ministers of the confirmation and provide a copy of the confirmed direction.
- 4.20 The Welsh Ministers have a reserve power to make a subsequent direction to withdraw or vary a direction made by a local planning authority at any time before or after it is confirmed.
- 4.21 The Welsh Ministers may also make both Directions with immediate effect and Directions without immediate effect to remove permitted development rights.

### Betting Office

- 4.22 The Use Classes Amendment Order 2022 also removes use as a betting office from use class A2 (financial and professional services) and specifies it under Article 3(6) as not falling within any specified use class (i.e. a unique use/sui generis).
- 4.23 The GPDO Amendment Order 2022 reinstates permitted development rights from use as a betting office to uses that are considered to have reduced planning impacts

that previously applied as a A2 use. Specifically, express planning permission from the local planning authority is not required to change use from a betting office to either a use falling within use class A1 (Shops) or a use falling within use class A2 (Financial and professional services). Change of use to a mixed use consisting of a betting office and a single flat and an A1 use or A2 use and a single flat is also permitted.

4.24 These permitted development rights will expedite the change of use of properties in use as betting offices to other uses that are considered to contribute positively towards the viability and vitality of town centres, whilst ensuring proposals for new betting offices can be subject to scrutiny by the local planning authority through the planning application process.

Town and Country Planning (Compensation) (Wales) (No.2) Regulations 2014 (“the 2014 Regulations”)

4.25 When an Article 4 Direction is made withdrawing permitted development rights (and subsequently the local planning authority refuses permission for an application required as a result of that direction or approves permission, subject to conditions) it is possible that the local planning authority may be liable to pay compensation for the abortive work or other loss or damage directly attributable to the withdrawal. Compensation is provided for by Section 108 of the 1990 Act.

4.26 Section 108 enables the circumstances in which compensation is payable to be limited. Regulations can prescribe types of development in relation to which compensation could be limited. In order to be limited the withdrawal of the permitted development rights would have to be withdrawn in the prescribed manner and notice of withdrawal would have to be given in the prescribed manner and period.

4.27 The 2014 Regulations prescribe various matters for the purposes of section 108 of the 1990 Act. The practical effect of the 2014 Regulations is to amend the rules on compensation, so if permitted development rights provided by Class I of Part 3 of Schedule 2 (as identified in regulation 2) are withdrawn by issuing a direction under article 4 of the GPDO, compensation is only payable in respect of applications made within 12 months beginning on the date the direction took effect.

4.28 The matters prescribed in regulations 3 and 4 of the 2014 Regulations relate to planning permission granted by development order and provide a mechanism for the permitted development rights identified in regulation 2 to be withdrawn without compensation being payable, provided the prescribed procedures are followed as to the manner of withdrawal, the manner of publishing the withdrawal and the maximum period of notice that may be given in respect of withdrawal. Regulation 5 makes

similar provision regarding withdrawal of permitted development rights granted by a local development order.

## 5. Consultation

### Second homes and short-term lets

#### *Article 4 Directions:*

- 5.1 A consultation ran from 16 November 2021 to 15 February 2022 on a number of proposed amendments to the GPDO. Section 8 set out the proposals to reform Article 4 directions.
- 5.2 In total, 49 responses were received to question 16 regarding the proposals. There was unanimous support from local planning authorities with the majority of others who answered also supporting the proposals.
- 5.3 Simplifying and expediting the process was seen as a welcome change that would enable local planning authorities to respond quickly where there is a threat to the amenity of an area.
- 5.4 Of those who disagreed (11 respondents), or neither agreed nor disagreed (5), few expanded upon their decision. The key themes from those who did provide comments, include:
  - Lack of opportunity for objections heard through an independent formal process
  - Article 4 directions stifle development
  - There should be no restrictions on permitted development
- 5.5 Local planning authorities will have due regard to any objections received as part of the consultation process. Notwithstanding this, the Welsh Ministers retain a power to vary or withdraw a direction which ultimately provides the necessary checks and balances to ensure Directions are used appropriately.
- 5.6 The consultation report is available at: <https://gov.wales/amendments-permitted-development-rights>.

#### *Schedule 2:*

- 5.7 A consultation ran from 23 November 2021 to 22 February 2022 setting out proposals to amend the development management system and planning policy in Wales to help local planning authorities manage second homes and short-term lets. Proposals regarding permitted changes of use were set out in paragraphs 4.12 to



4.17. Question 6 sought views on the proposed changes of use set out in the aforementioned paragraphs.

- 5.8 In total, 1,247 responses were received to the question. There was significant support for the proposals across all sectors, with the majority of those who responded to the question agreeing in full.
- 5.9 There was strong support from those who recognised the issues associated with second homes and short-term lets as being a localised issue. The majority of local planning authorities supported this approach, noting the flexibility it provides by allowing Article 4 Directions to be used to target concentrations of second homes and short-term lets whilst allowing changes of use in all other areas.
- 5.10 For those that disagreed, many did so on the basis of opposing any permitted development rights and wanting to see an all-Wales approach, i.e. a universal requirement for planning permission for all changes of use to and from second homes and short-term lets regardless of location. There was also support for limited PDRs, such as only permitting changes of use back to use class C3 to bring second homes and short-term lets back into general housing stock.
- 5.11 Whilst the comments above are acknowledged, the research referenced in the consultation demonstrated that the issues associated with second home and short-term let usage are not an-all Wales problem. The research highlighted the localised nature of concentrations indicating that they are predominantly concentrated around coastal and some rural authorities. Furthermore, even within local authorities, the distribution of second homes is more concentrated in some localities than others. Consultation responses in support of the proposed approach also provided further evidence of the highlighted issues being a local matter. It would not therefore be appropriate to place additional administrative burdens upon property owners and local planning authorities nationally which would be disproportionate to the identified issue.

*Compensation:*

- 5.12 Question 8 sought views whether compensation should be payable were a local planning authority to refuse planning permission for the change of use to a second home or short-term let. In total, 1,243 responses were received to the question.
- 5.13 Respondents to the consultation generally considered that no compensation should be payable as a result of the restriction of permitted development rights by Article 4 direction in respect of second home and short-term let development.
- 5.14 The GPDO Amendment Order 2022 therefore adds the new permitted development rights relating to second homes and short-term lets to the prescribed list in regulation 2 of the 2014 Regulations. It is considered that this will provide a limit on the compensation payable should a planning application be refused or have different conditions imposed, but also offer either a 12-month window for property owners to claim compensation (when planning permission is refused) or provide at least 12 months' notice to make arrangements in anticipation of the direction coming into

effect. This would allow property owners, for example, to complete the change of use or dispose of the property during the notification period.

- 5.15 The consultation summary report is available at: <https://gov.wales/planning-legislation-and-policy-second-homes-and-short-term-holiday-lets>.

#### Betting Office

- 5.16 A consultation ran from 31 May 2018 to 28 September 2018 on a number of proposed amendments to the GPDO and UCO. Part 3 set out proposed changes to permitted changes of use.
- 5.17 Question 30 sought opinion on proposals to retain permitted development rights from a betting office to use class A1 and use class A2. The question also included a proposal to permit changes of use to a mixed use containing a betting office and up to two flats, which is not being taken forward at this time and does not form part of the GPDO Amendment Order 2022.
- 5.18 In total, 27 responses were received to the question. 26 of those responses were in support of the proposal. There was consensus amongst those who provided further comment that the permitted changes of use would be less harmful to the vitality or viability of any centre than use as a betting office use.
- 5.19 The consultation report is available at: <https://gov.wales/subordinate-legislation-consolidation-and-review>.

## PART 2 – REGULATORY IMPACT ASSESSMENT

### The Town and Country Planning (General Permitted Development etc.) (Amendment) (Wales) Order 2022

### The Town and Country Planning (Use Classes) (Amendment) (Wales) Order 2022

#### 1. Introduction

- 1.1 A Regulatory Impact Assessment (RIA) for the Town and Country Planning (Use Classes) (Amendment) (Wales) Order 2022 (“the Use Classes Amendment Order 2022”) is not required as it is a “no procedure” Order and will, therefore, not be laid before Senedd Cymru. Notwithstanding this, a summary of the costs and benefits associated with the amendments has been incorporated into this RIA for the Town and Country Planning (General Permitted Development) (Amendment) (Wales) Order 2022 (“the GPDO Amendment Order 2022”) due to the synergy between the two statutory instruments.

#### 2. Options

- 2.1 The following options are considered:

**Option 1: Do nothing** – No planning intervention in the management of second homes and short-term lets. No amendments will be made to the Town and Country Planning (Use Classes) Order 1987 (“the UCO”) or the Town and Country Planning (General Permitted Development) Order 1995 (“the GPDO”). Betting offices will remain within use class A2 (financial and professional services) and can open without the need for a planning application either in an existing class A2 premises or by using existing permitted development rights.

**Option 2: Make the legislation** – Amend the current use class definition for ‘Dwellinghouses’ and create new use classes for second homes and for ‘Short-term Lets’. Introduce permitted development rights to facilitate management by local planning authorities of changes of use between the aforementioned new use classes. Streamline the processes for Local Planning Authorities to make Article 4 Directions removing permitted development rights for a given area. Remove use as a betting office from use class A2, making it a unique use.

- 2.2 Option 2 is the favoured option.

#### Justification for 2 options

- 2.3 A third option is not proposed as it is considered that there is no other reasonable way of achieving the policy intention.

### 3. Cost and Benefits Analysis

3.1 The sectors most likely to be affected by the proposals include:

- Local Planning Authorities (LPAs) – Wales has 25 LPAs who determine applications for planning permission. 22 of these are the unitary authorities, with the national park authorities, who provide their own town planning function, accounting for the remaining 3
- Second home/short-term let owners (including those operated as a business)
- General public
- The Welsh Government
- Commercial Landlords/Betting office operators (impacted by changes to betting offices only)

3.2 The following cost and benefit analysis has been undertaken for each of the above sectors:

#### Costs and Benefits

**Option 1: Do nothing – No planning intervention in the management of second homes and short-term lets. Betting offices remain within use class A2 (financial and professional services) and can open without the need for a planning application either in an existing use class A2 premises or by using existing permitted development rights.**

#### Description

3.3 There would be no change to the current legislation under this option.

Second homes/short-term lets:

3.4 Generally, use as a second home will continue to be captured as part of the existing use class C3 which includes use as a dwellinghouse, whether or not as a sole or main residence. The change of use of a property from a main residence to a secondary residence is unlikely to be development and therefore is very unlikely to require planning permission.

3.5 Use as a short-term let is not specifically referred to within the UCO. Under current planning legislation, planning permission may be required for a change of use of a dwelling house to use as a short-term let. However, this will depend on whether the local planning authority considers there has been a “material change of use” in planning terms. There is no published definition of what constitutes a material change of use from a dwellinghouse to a short-term let. Whether a material change of use has occurred, and planning permission is therefore required, is a matter of fact and degree for the relevant local planning authority to consider on a case-by-case basis. Considerations that may be material include increased occupancy of the property, frequency of changes of occupants, patterns and intensity of use, impact on local amenity and on direct neighbours and local housing need.

Betting office:

- 3.6 Use as a betting office will remain within use class A2 (financial and professional services) along with uses such as banks, estate agents, travel agents and solicitors' offices.
- 3.7 Planning permission is not required to change use from a betting office to any other use that falls within use class A2. Class D of Part 3, Schedule 2 to the GPDO also permits the change of use of a betting office to any use falling within use class A1 (shops). Changes of use from any use falling within use class A3 (Food and drink) to a betting office (i.e. any use within use class A2) is also permitted by the GPDO.

### **Costs**

- 3.8 This is the baseline option and as such there are no additional costs or benefits with this option. The following provides a summary of the current situation.

#### Local Planning Authorities

Second homes/short-term lets:

- 3.9 This option does not result in any additional costs to LPAs.
- 3.10 The planning system does not regulate changes of use to/from second homes/short-term lets and therefore there would be no additional financial burden placed upon LPAs in respect of (should they choose to do so) making Article 4 Directions, developing planning policy, monitoring/enforcement activities or the processing of planning applications. LPAs will continue to discharge their regulatory duties.

Betting offices:

- 3.11 This option does not result in any additional costs to LPAs.
- 3.12 Betting offices will continue to be permitted to open without express planning permission from the LPA in existing A2 and A3 properties.

#### General public

- 3.13 No associated costs for the general public.

#### Second home/short-term let owners (including those operated as a business)

Second homes/short-term lets:

- 3.14 Use as a short-term let is not specifically referred to within the UCO. Under current planning legislation, planning permission may be required for a change of use of a dwellinghouse to use as a short-term let. However, this will depend

on whether the local planning authority considers there has been a material change of use in planning terms. There is no published definition of what constitutes a material change of use from a dwellinghouse to a short-term let. Whether a material change of use has occurred, and planning permission is therefore required, is a matter of fact and degree for the relevant planning authority to consider on a case-by-case basis.

- 3.15 Generally, use as a second home is currently considered to be captured as part of use class C3 which includes use as a dwellinghouse, whether or not as a sole or main residence. The change of use of a property from primary home to a secondary home is not development under the 1990 Act and does not require planning permission.

### Welsh Government

Second homes/short-term lets:

- 3.16 Keeping second homes and the majority of short-term lets outside the scope of the planning system will not result in any additional costs to the Welsh Government.
- 3.17 In respect of Article 4 Directions, the Welsh Ministers would retain a role in confirming Directions.
- 3.18 For the period 2018-2022, four Article 4 Directions have been submitted to the Welsh Ministers to be confirmed.

The average time taken to review and confirm a Direction is 13 hours at an estimated cost of approximately £278.08, broken down as follows:

Grade	Hours	Hourly Cost*	Total
EO	3	£15.30	£45.90
HEO	6	£19.83	£118.98
SEO	2	£24.67	£49.34
G7	2	£31.93	£63.86
*based on top scale point. Excludes ON Costs			<b>£278.08</b>

- 3.19 Given the low number of Directions received each year, this cost is de minimis to the overall Planning Directorate budget.

Betting offices:

- 3.20 This option does not result in any additional costs to the Welsh Government.

### Commercial Landlords/Betting office operators

Betting office:

3.21 This option would retain the status quo and does not therefore result in any additional costs for commercial landlords/betting office operators. Changes of use to other uses within use class A2 will remain outside the scope of planning control and changes of use to other use classes permitted by the GPDO will remain.

## **Benefits**

### Local Planning Authorities

Second homes/short-term lets:

3.22 The management and regulation of second homes and short-term lets will remain outside the scope of the planning system. No resources will have to be allocated to respond to negative impacts of such issues.

3.23 There are also no benefits under this option in respect of retaining the existing Article 4 processes and procedures. Evidence in the research undertaken by UWE<sup>1</sup> indicates that for many LPAs, Article 4 Directions are difficult, time-consuming and costly to develop. Retaining the existing processes is therefore to the detriment of LPAs seeking to control the exercise of permitted development rights and the proper planning of their area.

Betting office:

3.24 This option does not result in any material benefits to LPAs. Betting offices will continue to be able to open without LPA intervention in existing use class A2 properties, potentially to the detriment of the vitality and viability of high streets.

### General public

Second homes/short-term lets:

3.25 There are no benefits under this option.

3.26 Existing evidence suggests that second homes have a range of impacts on the communities in which they are located. However, the extent of the impact that second homes have, as well as the generalisability of the impact, will vary on a case-by-case basis, depending on a number of variables within an area, such as concentration of such uses, housing supply, provision of available services, etc.

3.27 Areas where there are high concentrations of second homes and short-term lets may see negative impacts if such uses continue or potentially increase as more primary homes are utilised for alternative residential uses, such as, use as a second home or short-term let. This could include impacting the viability of rural facilities, the supply of housing for local people, community sustainability

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<sup>1</sup> <https://gov.wales/categorisation-uses-and-management-change-planning-review>

and cohesion, including upon the use of the Welsh language and related culture.

- 3.28 It would be left to other regulatory regimes, such as taxation, to mitigate any negative impacts.
- 3.29 In respect of Article 4 Directions, the public would face fewer restrictions to their permitted development rights given that the process, as it currently stands, may dissuade LPAs from establishing Directions restricting permitted development rights (whereas policy proposals may increase their use). This may, however, be counter-productive as LPAs may be reluctant to restrict permitted development rights even where this would be of local benefit.

Betting office:

- 3.30 There are no benefits under this option. Communities would remain unable to influence the siting of what may constitute an undesirable use with negative planning impacts.

#### Second home/short-term let owners (including those operated as a business)

Second homes/short-term lets:

- 3.31 Owners of residential property will be able to continue to utilise their property as they wish. There is no requirement for planning permission when utilising a residential property for an alternative residential use, such as a second home or short-term let.
- 3.32 Property owners can respond to seasonal demands and make their property available for use as a short-term let without requiring planning permission.

#### Welsh Government

Second homes/short-term lets:

- 3.33 There are no benefits to the Welsh Government under this option.
- 3.34 It is evident that the issues associated with second homes and short-term lets are complex and as such there is no single solution. The Welsh Government recognises that any actions need to complement those taken in relation to tourism, taxation and the sustainability of communities. This is set out in the consultation<sup>2</sup> as part of the “three-pronged approach” to address issues of affordability and the impact of second homes and short-term lets on communities and the Welsh language.
- 3.35 Not taking forward the planning interventions set out in the consultation may impact upon the success of the Welsh Government’s objectives.

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<sup>2</sup> <https://gov.wales/planning-legislation-and-policy-second-homes-and-short-term-holiday-lets>



3.36 In respect of Article 4 Directions, the Welsh Ministers would retain a role in confirming Directions. However, this is of no direct benefit since all Directions in the period 2018-22 have been confirmed and have not required Welsh Minister intervention. The Welsh Ministers have confidence in the ability of LPAs to determine when permitted development rights should be removed in the interest of the proper planning of their area.

Betting office:

3.37 There are no benefits to the Welsh Government under this option.

Commercial Landlords/Betting Office operators

Betting offices:

3.38 Commercial landlords/betting office operators will benefit from not being required to submit planning applications for changes of use to their existing premises to a betting office. This will enable them to respond quickly to any opportunities for such proposed uses seeking to utilise their property, including bringing vacant or underused buildings back into use.

**Option 2: Make the legislation – Amend the current use class definition for ‘Dwellinghouses’ and create new use classes for ‘second homes’ and for ‘Short-term Lets’. Also introduce permitted development rights to facilitate management by local planning authorities of changes of use between the new use classes. Streamline processes for LPAs to make Article 4 Directions removing permitted development rights for a given area. Remove use as a betting office from use class A2, making it a unique use.**

## **Description**

3.39 This option would result in two Statutory Instruments being made:

- The Town and Country Planning (Use Classes) (Amendment) (Wales) Order 2022 (“the Use Classes Amendment Order 2022”)
- The Town and Country Planning (General Permitted Development etc.) (Amendment) (Wales) Order 2022 (“the GPDO Amendment Order 2022”)

Second homes/short-term lets:

3.40 The Use Classes Amendment Order 2022 amends Part C of the Schedule to the UCO by:

- Amending the existing use class C3 (Dwellinghouses) to (Dwellinghouses; used as sole or main residences) which covers use as a dwellinghouse, as a sole or main residence, that is occupied for more than 183 days in a calendar year (i.e. ‘primary homes’);
- Introducing a new use class C5 (Dwellinghouses, used otherwise than as sole or main residences) which covers use of a dwellinghouse, other than as a sole or main residence, that is occupied for 183 days or fewer in a calendar year (i.e. ‘second homes’);
- Introducing a new use class C6 (Short-term Lets) which covers use of a dwellinghouse for commercial short-term letting not longer than 31 days (for each period of occupation).

3.41 The GPDO Amendment Order 2022 will amend the GPDO to allow permitted changes between the use classes for primary homes (class C3), second homes (class C5) and short-term lets (class C6).

3.42 LPAs can utilise the expedited procedures introduced by the GPDO Amendment Order 2022 to make an Article 4 Direction removing permitted development rights.

3.43 LPAs will have the ability to control the exercise of the new permitted development rights within their administrative area where evidence demonstrates such uses are currently harming local amenity, community wellbeing or the proper planning of the area, or where further exacerbation of such uses would cause harm.

3.44 Where no Article 4 Direction is made, unlimited changes of use between the new use classes will be automatically permitted by the GPDO.

Betting office:

- 3.45 Use as a betting office would cease to be part of use Class A2 and would be specified in Article 3(6) of the Use Classes Order as not falling within a specified class, i.e. a unique use.
- 3.46 Permitted development rights would be introduced that permit the change of use of a betting office to:
- Any use falling within use class A1
  - Any use falling within use class A2
  - A mixed use consisting of a betting office and a single flat.
- 3.47 Planning permission would be required to change from any other use to a betting office.

## **Costs**

### Local Planning Authorities

- 3.48 Neither the GPDO Amendment Order nor the Use Classes Amendment Order 2022 will directly impose costs on LPAs.
- 3.49 Whilst use as a second home and a short-term let will be captured by the planning system, unlimited changes of use between the three residential use classes (C3, C5 and C6) will be permitted by the GPDO. There will not therefore be any increase in the number of planning applications being submitted, or any need for additional resources to other services such as planning enforcement, as a direct result of the making of the aforementioned SIs.
- 3.50 LPAs may have to respond to more requests for Lawful Development Certificates (LDCs). This is an application that can be made to a LPA for a lawful determination of the planning status of a use or operation. As there is a fee associated with such a request, however, any uplift in applications for LDCs is expected to be cost neutral.
- 3.51 If LPAs wish to restrict permitted development rights locally, targeting locations within their administrative area where evidence suggests such uses are currently harming local amenity, community wellbeing or the proper planning of the area, or where further exacerbation of such uses would cause harm, they would have to make a Direction under Article 4 of the GPDO. There is an administrative burden on LPAs in making such Directions. However, the SI which is the subject of this RIA does not impose a requirement to make a Direction. Any decision to do so is entirely at the discretion of a LPA. The ability to make a Direction is already provided by the GPDO and is utilised by LPAs to restrict a variety of permitted development rights. Directions are most commonly utilised to restrict permitted development in conservation areas. The cost associated with making a Direction is not therefore a new cost burden upon LPAs as a result of the amendments set out in the GPDO Amendment Order 2022 or the Use Classes Amendment Order 2022.
- 3.52 Notwithstanding this, it is not possible to quantify the impact of these costs due to the variables involved. Generally, it is not clear how likely it is that a LPA would seek to

restrict the permitted development rights granted by the GPDO Amendment Order 2022 via a Direction. Furthermore, the scope of the Direction, in terms of the permitted development rights it removes, the area it covers, and the scale of the consultation undertaken will be for each LPA to determine based on the individual circumstances of that area. Each of these decisions will impact upon the overall costs of making a Direction. The consultation responses did not provide evidence which would allow us to apportion a general cost.

- 3.53 When an Article 4 Direction is made withdrawing permitted development rights (and subsequently the local planning authority refuses permission for an application required as a result of that direction or approves permission, subject to conditions) it is possible that the local planning authority may be liable to pay compensation. Compensation is provided for by Section 108 of the 1990 Act.
- 3.54 Section 108 enables the circumstances in which compensation is payable to be limited. Regulations can prescribe types of development in relation to which compensation could be limited. In order to be limited, the permitted development rights would have to be withdrawn in the prescribed manner and notice of withdrawal would have to be given in the prescribed manner and period.
- 3.55 We have added all of the new permitted development rights relating to primary homes, second homes and short-term lets to the prescribed list in the Town and Country Planning (Compensation) (Wales) (No 2) Regulations 2014. This would allow LPAs to avoid any claims for compensation when they provide at least 12 months' notice of the direction coming into effect.
- 3.56 In respect of the proposed changes to Article 4 Directions, there would be a minimal increase in administrative burdens on LPAs given the requirement to consult on all Directions restricting permitted development rights. LPAs will, however, be able to draw upon existing consultation procedures and up-front consultation may benefit the implementation of Directions restricting permitted development rights further down the line as well as increasing public involvement in the process. It is not possible to quantify these costs as they will vary depending on the scale of the consultation required. But the benefits of greater transparency of such Directions and cost savings from removing the requirement for the approval of the Welsh Ministers, should outweigh the cost of any additional burdens.
- 3.57 There would, additionally, be familiarisation costs on the part of LPAs in adopting the new process, though this must be offset against longer-term benefits of being able to respond more quickly to ensure the proper planning of their area.

Betting office:

- 3.58 The cost to LPAs would be associated with processing the planning applications and the time and resources this takes.
- 3.59 As there is currently no requirement to submit a planning application for the change of use to a betting office from use class C2 or C3, it is difficult to estimate the number of planning applications that might be generated by the amendment made to the UCO. The number of betting shops across Great Britain (GB) has been in gradual

decline over the last decade. Data from Statista<sup>3</sup> shows there were over 9,100 betting shops in March 2012 but by March 2020 the number had dropped below 7,700. The decline is likely to have been driven by an increase in online/remote gambling. The pandemic appears to have accelerated these trends with provisional data showing the number of betting shops dropping to below 6,750 in September 2020. It remains to be seen whether there will be any reversal in the numbers now all Covid restrictions have been removed. Taking the most recent numbers from Statista and proportioning them using population data suggests there are between 300-400 betting shops across Wales. The relatively low existing number coupled with the general trend in the industry suggests the number of applications received each year is likely to be small, with most LPAs expected to receive fewer than ten applications in any given year.

- 3.60 Research<sup>4</sup> undertaken by Arup on behalf of the Welsh Government in 2021 concluded that costs incurred by LPAs when determining planning applications for changes of use currently outstrip income received as part of the application fee.
- 3.61 The model identified that the application fee for a change of use planning application would need to be increased by 200-300% to achieve full cost recovery.
- 3.62 An uplift of 20% was introduced prior to the publication of the report and was not considered as part of the model used by Arup. The application fee is currently £460.
- 3.63 The model does not differentiate between the different types of change of use application, grouping all applications for 'other material changes of use' together. There are some application types within this grouping for which there is considerable variation in respect of the number of resources required to reach a decision.
- 3.64 A planning application for the change of use to a betting office is viewed as a relatively straightforward procedure for which we would expect the cost to be lower than identified in the research. Whilst this would still result in a deficit, generally LPAs break-even over a calendar year with large-scale applications (and the associated increased fees) cross-subsidising the smaller-scale applications.
- 3.65 Notwithstanding this, the Welsh Government continue to explore opportunities to revise the current planning fee schedule to achieve cost recovery across all application types.
- 3.66 Any other costs, such as updating guidance, would be captured as part of LPAs internal routine reviews and updated as part of that routine work.

#### General public

- 3.67 There are no direct costs to the general public. However, the indirect costs of concentrations of second homes/short-term lets in areas that also have limited housing supply will continue, such as a competitive property market, to the detriment of local people seeking to purchase property (particularly first-time buyers).

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<sup>3</sup> [Betting shops in Great Britain 2020 | Statista](#)

<sup>4</sup> [https://gov.wales/sites/default/files/publications/2021-07/research-into-the-cost-of-delivering-a-development-management-service-in-wales\\_0.pdf](https://gov.wales/sites/default/files/publications/2021-07/research-into-the-cost-of-delivering-a-development-management-service-in-wales_0.pdf)

## Second home/short-term let owners (including those operated as a business)

### Second homes/short-term lets:

- 3.68 The legislation brought forward to implement the proposals set out in the consultation will not directly result in any additional costs to businesses.
- 3.69 The amendments to the UCO will amend the existing C3 use class (Dwellinghouses) to (Dwellinghouses, used as sole or main residences) and create two new use classes, C5 (Dwellinghouses; used otherwise than as sole or main residences) and C6 (Short-term lets). However, the GPDO has also been amended to make changes of use between these use classes permitted development. Express planning permission from the LPA is not therefore required.
- 3.70 Where they have the appropriate evidence, local authorities would be able to use existing powers to issue a Direction using Article 4 of the GPDO to remove the permitted development rights for a defined area. The scope of the Direction, in terms of the permitted development rights it removes and the area it covers, will be for each LPA to determine based on the evidence available to them. The decision to make a Direction will also be subject to public consultation.
- 3.71 It must also be noted that issuing an Article 4 Direction does not stop development. Instead, it may require planning permission to be obtained from the LPA for that development, so the planning impacts of the development can be considered before a decision is taken on whether it can proceed. It is therefore difficult to quantify the associated monetary cost as it is difficult to predict how national permitted development rights will be altered in the future, and therefore how and where LPAs might seek to restrict these in practice.
- 3.72 Generally, the cost of a planning application can vary for the applicant. The planning application fee payable to the LPA for a change of use application is £460. There will be additional associated costs for the preparation of the necessary supporting information, such as plans.
- 3.73 A benchmarking study undertaken in England<sup>5</sup> estimated the total cost of submitting a change of use application varied from £366 to £4,253 with an average cost of £1,572 and a median cost of £1,165 (adjusted for inflation).
- 3.74 A number of variables had an impact on these costs, including the use of an agent, the use of existing plans submitted as part of previous schemes, and the savings incurred by submitting applications online (limiting printing costs). The Welsh Government believe the costs identified in this study are representative of a) the costs likely to be incurred in Wales, and b) the costs likely to be incurred for an application for this scale of development.

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<sup>5</sup> Benchmarking the costs to applicants of submitting a planning application.

<https://webarchive.nationalarchives.gov.uk/20090903233426/http://www.communities.gov.uk/documents/planningandbuilding/pdf/benchmarkingcostsapplication.pdf>

- 3.75 It must be stressed that these costs may only be realised in the limited circumstances where a LPA makes an Article 4 Direction removing the permitted development rights to change between the use classes granted by the GPDO Amendment Order 2022. A material change of use would have to occur for permission to be required (which will be decided on a case-by-case basis). An Article 4 Direction will not operate retrospectively to result in an existing use requiring planning permission. Where it can be evidenced that a property has been used as a second home or short-term let prior to the Article 4 Direction coming into force, planning permission will not be required to continue such use. Only proposed changes of use that occur after the Article 4 Direction is in force may require planning permission.
- 3.76 In addition, businesses may wish to obtain a certificate of lawfulness to ascertain the lawful use of their property. The cost for making an application is £460. This is entirely optional.

### Welsh Government

#### Second homes/short-term lets:

- 3.77 There will be a cost associated with determining appeals that may arise because of the amendments to the UCO.
- 3.78 As there is currently no requirement to submit a planning application for the change of use of a residential property to a second home or short-term let, and planning permission would only be required in the future where a LPA chooses to make an Article 4 Direction, it is difficult to estimate the number of planning applications that might be refused and appealed. However, the cost associated with processing the individual appeals can be estimated.
- 3.79 On average, it is estimated to cost approximately £1,875 to deal with a written representations appeal, £5,977 for an appeal dealt with by way of a hearing and £20,744 for appeals dealt with by way of a local inquiry<sup>6</sup>. These figures relate to appeals made under section 78 of the 1990 Act.
- 3.80 Most planning appeals are decided by the written representations procedure and are regarded as the quickest and cheapest method of appeal. Generally, they are used when appealing decisions on small-scale development and changes of use. These types of development are unlikely to give rise to complex matters requiring a hearing or inquiry.
- 3.81 Given that the appeals will be associated with a change of use refusal we consider that most will be determined by the written representation procedure which will have an associated average estimated cost of £1,875.
- 3.82 In respect of the proposed amendments to the procedures associated with making Article 4 Directions, reducing the role of the Welsh Ministers in the process of preparing Directions restricting permitted development rights would reduce the

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<sup>6</sup> figures obtained internally.

administrative burden on both local authorities (given that this would remove an additional process and degree of uncertainty) and the Welsh Ministers. As the Welsh Ministers would, however, retain a power to amend or cancel Directions, in most instances as now, this administrative saving would not be absolute as each Direction would still require some form of oversight.

Betting office:

- 3.83 The costs associated with any rise in planning appeals is set out above; however, any potential increase in the number of appeals is considered to be minimal with the costs being met from existing budgets.

#### Commercial Landlords/Betting office operators

Betting offices:

- 3.84 Additional costs may arise from betting offices being required to submit applications where they previously had no requirement to do so.
- 3.85 Changes of use from use class A2 or A3 to a betting office will require a planning application. Applicants wishing to change from a shop (use class A1) to a betting office will see no change. Businesses wanting to change from a betting office to class A2 or A1 use will see no change due to permitted development rights being introduced, removing the need for a planning application.
- 3.86 The proportion of newly opening betting offices that now require a change of use application that did not before will depend on the proportion of betting shops that open in formerly class A2 or A3 premises. Anecdotally, with betting shops opening on the high street, it is likely that at least some of these betting shops are opening in formerly class A1 premises due to the steady decline in retail uses on high streets and therefore would have required a planning application in the counterfactual.
- 3.87 A change of use planning application fee is £460. The cost of a planning application can vary for the applicant. A general estimate of the other costs associated with making a planning application is identified in paragraph 3.73.

### **Benefits**

#### Local Planning Authorities

- 3.88 Option 2 provides flexibility. It was acknowledged by respondents to the consultation that the negative impacts experienced from a prevalence of second homes and/or short-term lets is a local issue and not an all-Wales problem. Research highlighted that these uses are predominantly concentrated around coastal, rural authorities. Even within these local authorities, the distribution of second homes is more concentrated in some localities than others.
- 3.89 The Use Classes Amendment Order will bring use as a second home and short-term let within the control of the planning system, whilst the GPDO Amendment Order



2022 will grant planning permission (i.e. make permitted development) for unlimited changes of use between the new use classes.

- 3.90 Where they have the appropriate evidence local authorities would be able to use existing powers to issue a Direction using Article 4 of the GPDO to remove the permitted development rights for a defined area.
- 3.91 Article 4 Directions provide the targeted approach required to address what is a local issue. The use of an Article 4 Direction could be enforced by those local authorities who wished to seek to control the level of additional second homes and short-term lets, whilst changes of use in all other areas would be permitted development (where a material change of use occurs). In addition, the amendments to the procedures associated with making an Article 4 Direction will add transparency through broader consultation with the public and will expedite the process for LPAs through the removal of the need for all Directions to be confirmed by the Welsh Ministers.

Betting office:

- 3.92 LPAs will have the ability to influence the siting of betting offices where previously they would have been granted by the GPDO. They will be able to address general concern about the proliferation and clustering of betting offices and give communities the opportunity to comment on this type of development in their area.
- 3.93 LPAs will also have greater flexibility at a strategic level through the development of policies regarding the composition of high streets. They may choose to limit the location or amount of such uses within a particular area where the associated negative impacts threaten the vitality and viability of an area.

General public

Second homes/short-term lets:

- 3.94 The impact upon the general public is largely neutral. As a result of the amendments made by the Use Classes Amendment Order 2022 and the GPDO Amendment Order 2022 there will be no change to the status quo.
- 3.95 However, where there are concentrations of second homes and short-term lets resulting in negative planning impacts upon communities, local residents will be able to make a request to their LPA to utilise their existing powers to make an Article 4 Direction to manage these uses by removing permitted development rights for changes of use granted by the GPDO Amendment Order 2022.
- 3.96 A number of respondents to the consultation highlighted links with the future of the Welsh language in many of the affected communities. The view was expressed that a high density of Welsh speakers is necessary within a community for the language to be a normal community language – option 2 would provide LPAs with the tools to manage the numbers of additional second homes and short-term lets, giving people who have been raised in these communities the opportunity to stay there and to raise their families who would continue to use the language on a daily basis.

Betting office:

- 3.97 Where a planning application is submitted, those with an interest in the proposed development will be able to participate in the application process by making representations to the LPA through the statutory publicity period. Comments raised during this process will be taken into account by the LPA as part of the decision-making process.
- 3.98 Also, if desired, local communities will also be able to engage with LPAs as part of the development plan process to develop specific planning policies regarding the siting of betting shops, i.e. where they will/will not be permitted.

Second home/short-term let owners (including those operated as a business)

Second homes/short-term lets:

- 3.99 Second home/short-term let owners will be provided with certainty regarding the planning status of their property where ambiguity may have previously existed, particularly in the case of use as a short-term let. Option 2 provides three distinct use classes which should, in addition to the other existing use classes within Part C of the Schedule to the UCO, ensure the majority of uses of a residential property are captured. Option 2 also provides flexibility, permitting unlimited changes of use between these uses.
- 3.100 It is noted flexibility will be reduced should a LPA choose to make an Article 4 Direction. However, any decision to make an Article 4 Direction and restrict permitted changes of use would not apply retrospectively.

Welsh Government

Second homes/short-term lets:

- 3.101 There are no direct benefits for the Welsh Government associated with the amendments to the legislation. However, the amendments could have a positive impact on the communities in Wales as they allow LPAs to manage the future development of second homes and/or short-term lets in areas where high concentrations exist.

Betting office:

- 3.102 There are no direct benefits for the Welsh Government associated with the amendments to the legislation. As above however, the amendments will have a positive impact on the communities in Wales as they allow LPAs to control the siting of future betting offices and therefore provide control over the make-up of high streets.

## Commercial Landlords/Betting office operators

Betting office:

- 3.103 Commercial landlords/betting office operators are unlikely to see any benefit from this option. Betting office operators and landlords will have reduced flexibility in respect of where betting offices can operate and increased costs as a result of requiring planning permission.
- 3.104 However, planning is not alone in seeking to have greater influence over betting offices. The industry has been subject to tighter regulation and increased taxation due to their negative effects on communities and, more broadly, public health.

### **4. Summary of the preferred option**

- 4.1 Option 2 is the preferred option.
- 4.2 The planning impacts arising from second homes and short-term lets are not an all-Wales issue. As set out in the consultation document<sup>7</sup>, concentrations of second homes and short-term lets are generally localised in nature, predominantly around coastal, rural authorities and within Cardiff and Swansea. In addition, even within local authorities, the distribution of second homes and short-term lets is more concentrated in some localities than others. This position has been recently re-affirmed by the Local Government and Housing Committee Report on Second Homes<sup>8</sup>. Given the very localised nature of the issue, it can only be addressed at the local level.
- 4.3 Option 2 therefore enables local authorities to assess the prevalence and impacts of second homes and short-term lets in their areas and to decide, based on this local evidence, whether and where the introduction of an Article 4 Direction would be appropriate for part or all of their area. This localised approach was broadly supported by respondents to the consultation.
- 4.4 Where there are no negative impacts, option 2 ensures all changes of use in these areas would be permitted development (where a material change of use occurs). This option therefore provides an appropriate balance between allowing LPAs to intervene where problems exist, without placing bureaucratic and financial burdens on LPAs and businesses in other areas of Wales that do not experience the same issues.
- 4.5 Option 2 also provides for an expedited process where a LPA does seek to introduce an Article 4 Direction – a direction with immediate effect.
- 4.6 In respect of betting offices, option 2 is a low-cost regulatory measure, with broad benefits in respect of supporting LPAs to enhance the vitality and viability of high streets, and indirect benefits in respect of public health (i.e. matters of public health

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<sup>7</sup> <https://gov.wales/planning-legislation-and-policy-second-homes-and-short-term-holiday-lets>

<sup>8</sup> Second and Holiday Homes and the Land Use Planning System Research Report – prepared for the Welsh Assembly Government; Second homes: developing new policies in Wales report by Dr Simon Brooks; and Research to Develop an Evidence Base on Second Homes – Welsh Government

associated with debt and/or problem gambling) and improving community engagement regarding the siting of problematic uses.

## **5. Competition Assessment**

- 5.1 A competition filter test has been applied to the proposed amendments. The proposals are not expected to impact on levels of competition in Wales or the competitiveness of Welsh business.

## **6. Post implementation review**

Second homes/short-term lets:

- 6.1 The Welsh Government recognises the potential issues that have been raised through the consultation regarding implementation of the proposals. A pilot project is currently being prepared in conjunction with Gwynedd County Council which will provide invaluable information on the effectiveness of planning and other policy levers in addressing the impact of second homes and short-term lets on host communities. Other authorities which wish to proceed at the same time as the pilot is taking place by introducing local planning controls on additional second homes and short-term lets, would be able to do so.

Betting office:

- 6.2 The Welsh Government will work with LPAs and other interested parties to monitor local effectiveness of the legislation and policy.

General:

- 6.3 Dialogue remains open, enabling discussion regarding any issues or concerns with the arrangements introduced by the new secondary legislation. Members of the Senedd and the public will also provide evidence of the effectiveness of the new arrangements through correspondence and any questions to the Minister in the Senedd.