

## **Visit Pembrokeshire's response to Pembrokeshire County Council's Council consultation on the council tax premiums that apply to second homes and long terms empty homes in Pembrokeshire**

Visit Pembrokeshire is the official Destination Management Organisation (DMO) for Pembrokeshire. We are a business led private/public sector partnership and lead on tourism leadership and advocacy, destination marketing, industry liaison and support, research and intelligence, plus event support. We also are the lead organisation coordinating delivery of the 2020-25 Destination Management Plan which is a shared plan to grow tourism sustainably for the benefit of all.

Whilst Visit Pembrokeshire acknowledges and understands the significant challenges we are facing in providing affordable homes in Pembrokeshire, we don't believe that WG's new 182-day policy is achieving the desired outcome of releasing housing stock for local people. We have already seen evidence of this with local estate agents reporting an oversupply of properties entering the market which are simply unaffordable to local people. .

Of real concern to Visit Pembrokeshire is the effect of this policy on genuine self-catering operators, who are not second homeowners, particularly those in more rural parts of the county and away from visitor hotspots. Visitor numbers have not yet returned to pre pandemic levels and 2023 has been a much quieter year than predicted with slower and more last-minute bookings due to the ongoing economic uncertainty and cost of living crisis. There is a real risk therefore that these businesses may fail to meet the new 182-day threshold, and any increase in council tax premium beyond the current level risks making their businesses unviable.

To evidence the potential cumulative impact of this on the visitor economy of Pembrokeshire and as a case study, we have identified a collection of holiday cottage complexes that are all located within a 5-6 miles area in northeast Pembrokeshire. This is not a tourism hotspot area, and all are out of main settlement locations and have developed often through farm diversification with significant investment by their owners. The owners live on site and the properties have shared services ( e.g. water, electricity and heating). These properties are not part of mainstream housing stock and not suitable as affordable housing. They cannot be classed as a second homes and cannot be sold as separate units. Yet despite all this they are included in the new 182-day policy.

These include the following: Clydey Cottages - 10 units- <https://www.clydeycottages.co.uk/>

- Fron Fawr - 5 units - <https://www.fronfawr.co.uk/>
- Valley View - 4 units - <https://valley-view-cottages.co.uk/>
- Capel Colman - 3 units - <https://capelcolmancottages.co.uk/>
- Wernddofn - 3 units - <https://www.wernddofn.co.uk/en-GB>
- Blaencwm - 2 units - <https://blaencwmcottages.co.uk/>
- West Wales Luxury Cottages -3 units 2 of which are in Pembrokeshire - [Gardeners Cottage Virtual Tour | Luxury Holiday Cottages Ceredigion \(plas.wales\)](#) -

Additional examples include:

- Shoals Hook Farm – The Long Barn - <https://www.shoalshook.com/>
- Rosemoor Cottages - <https://www.rosemoor.com/> ( Case Study attached)
- Newgale Holidays - <https://www.newgaleholidays.co.uk/> ( Case Study attached)

All these businesses are embedded in the local community employing local people and buying locally sourced products and services. Many have also invested in managing the surrounding natural environment through planting trees and hedges and supporting the management of bridleways and public footpaths. Their contribution to the local economic ecosystem is significant.

If these businesses became financially / operationally unviable through subsequent increase in council tax premiums the consequences to the local community, both economic and socially would be huge.

The invaluable contribution rural tourism makes to the local economy and quality of life of local communities is highlighted well in this recent article by Professor Dylan Jones Evans – OBE

[https://gbr01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.linkedin.com%2Ffeed%2Fupdate%2Furn%3A%3Aactivity%3A7089131979975073792%3Futm\\_source%3Dshare%26utm\\_medium%3Dmember\\_ios&data=05%7C01%7Cemma.thornton%40visitpembrokeshire.com%7Cd91f63775b2a445b1e6908db942b5c88%7C641bd222867d41c680dd2ab4e313e3ce%7C1%7C0%7C638266686174669764%7CUnknown%7CTWFpbGZsb3d8eyJWljojMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6IjEkaWwiLCJXVCi6Mn0%3D%7C3000%7C%7C%7C&sdata=%2F%2B6D327iQezjBnLDhxHqIDN0xP8qWg3%2BYW7hHrP1FDc%3D&reserved=0](https://gbr01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.linkedin.com%2Ffeed%2Fupdate%2Furn%3A%3Aactivity%3A7089131979975073792%3Futm_source%3Dshare%26utm_medium%3Dmember_ios&data=05%7C01%7Cemma.thornton%40visitpembrokeshire.com%7Cd91f63775b2a445b1e6908db942b5c88%7C641bd222867d41c680dd2ab4e313e3ce%7C1%7C0%7C638266686174669764%7CUnknown%7CTWFpbGZsb3d8eyJWljojMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6IjEkaWwiLCJXVCi6Mn0%3D%7C3000%7C%7C%7C&sdata=%2F%2B6D327iQezjBnLDhxHqIDN0xP8qWg3%2BYW7hHrP1FDc%3D&reserved=0)

The most recent stable economic figures (2019) estimate that tourism is worth circa £590m to the Pembrokeshire economy. Therefore any event or policy which adversely affects the ability for businesses to trade, not only affects their viability but employment figures and community vibrancy.

Significant post Covid/Brexit staff shortages within our industry sectors and supply chain are also a major threat to economic recovery. This is not just felt by our industry but by other industry sectors and communities too. Businesses are desperate for staff just to be able to open, but as the financial impact of external factors mount and employment costs increase, this will become an even greater challenge for business owners to be able to afford.

I would add that a core role of Visit Pembrokeshire is to encourage visitors away from the visitor hotspots, to explore further and stay longer, encouraging value not volume tourism. These types of businesses support this strategic objective and if they were to become unviable inevitably pressure would be displaced back to the traditionally busy areas. These operators need to be cherished and safe guarded if they are to survive.

Given all the above we urge Pembrokeshire County Council not to increase council tax premiums above the current level of 100%. Alternatively, and if legislation allows, to identify

a way in which genuine self-catering operators such as those listed above, alongside the many others in Pembrokeshire, could be made exempt from the council tax premiums designed to impact second homeowners, which these operators are clearly not . Criteria to identify genuine self-catering operators could include:

- VAT registered.
- Those linked to serviced accommodation properties.
- Diversified farm buildings
- Those registered for trade waste collection

(NB: these are just initial suggestions and there will be others)

**Emma Thornton**

**CEO Visit Pembrokeshire – 4<sup>th</sup> August 2023**