

CYNGOR GWYNEDD – Report to Cyngor Gwynedd Cabinet

Title of Item:	Draft Supplementary Planning Guidance (consultation version): Managing the Use of Dwellings as Holiday Accommodation (Second Homes and Short-term Holiday Lets)
Cabinet Member:	Cllr Craig ab Iago, Cabinet Member for the Environment
Relevant officer:	Gareth Jones, Assistant Head of Department
Date of meeting:	11 February 2025

1. THE DECISION SOUGHT

- Consider the Draft SPG: Managing the Use of Dwellings as Holiday Accommodation (Second Homes and Short-term Holiday Lets) and provide comments and any necessary amendments as appropriate;
- Approve the release of the draft Supplementary Planning Guidance: Managing the Use of Dwellings as Holiday Accommodation (Second Homes and Short-term Holiday Lets) for a period of public consultation;
- Delegate the right to the Head of the Environment Department to make any non-material amendments that may be required to the draft SPG.

2. THE REASON WHY THE CABINET NEEDS TO MAKE THE DECISION

2.1 During a Cabinet meeting (16 July 2024), it was decided to confirm the Article 4 Direction (non-immediate effect) for the Gwynedd Local Planning Authority area. The purpose of the Article 4 Direction is to remove specific permitted development rights associated with changing the use of a residential dwelling into holiday use, whether the use is as a second home (use class C5), short-term holiday let (C6 use) or a mixed use of these classes. The Article 4 Direction came into effect on 1 September, 2024.

2.2 As a result of implementing the Article 4 Direction, it is now a requirement to obtain planning permission for particular change-of-use developments that would have otherwise been permitted development had the Article 4 Direction not been implemented. It is emphasised that the requirement to obtain planning consent is based on concluding that the proposed use leads to a material change of use.

- 2.3 The adopted Development Plan, namely the Anglesey and Gwynedd Joint Local Development Plan, sets out the local planning policy framework for making planning decisions. In accordance with the requirements outlined in section 38(6) of the Planning and Compulsory Purchase Act 2004, it is required that Planning decisions are made in accordance with the development plan unless there are relevant planning considerations indicating otherwise.
- 2.4 Although the Plan contains policies that enable the Local Planning Authority to make consistent and transparent decisions on development applications, it cannot provide officers and prospective applicants with all the detailed advice they need to guide proposals locally. To provide this detailed advice, the Council has/is preparing a range of Supplementary Planning Guidance (SPG) to support the Plan.
- 2.5 Furthermore, the legislative changes relating to the use classes came into force after the Joint Local Development Plan was adopted (as did the implementation of the associated Article 4 Direction). As such, it is highlighted that the policies of the Plan were not prepared with the wider objective of the Article 4 Direction in mind, therefore the preparation of this SPG is a means of providing the relevant guidance.

3. INTRODUCTION AND RATIONALE

3.1 Background

- 3.1.1 Supplementary Planning Guidance are prepared in order to provide further and more detailed guidance on policies contained within the local planning policy framework, which is the Anglesey and Gwynedd Joint Local Development Plan. Supplementary Planning Guidance help to ensure that policies are better understood, are implemented more efficiently, and implemented in a consistent manner.
- 3.1.2 In preparing a new SPG, it is important to bear in mind that the SPG must be consistent with the adopted Joint Local Development Plan as well as national planning policy guidance. No Supplementary Planning Guidance should include new policies or amend existing policies.
- 3.1.3 Based on the above, it is only the policies and proposals of the Plan that have special status (priority) when making decisions on planning applications. However, provided they have been subject to public consultation and have been adopted by the Authority, SPG may be used as a material consideration in reaching decisions on relevant planning applications.

3.2 Rationale and justification for the recommendation

3.2.1 The Draft SPG: Managing the Use of Dwellings as Holiday Homes, includes planning policy guidance on a range of changes between the following use classes:-

Use Class	Definition	Terminology used
Use Class C3 - Dwelling houses, used as a sole or main residence	Dwelling houses, used as a sole or main residence and occupied for more than 183 days in a calendar year.	Principal residence
Use Class C5 - Dwelling houses, used other than as a sole or main residence	Dwelling houses used other than as a sole or main residence and occupied for 183 days or less.	Second home
Use Class C6 - Short-term holiday let	Dwelling houses used for commercial short-term lettings for no longer than 31 days for each period of occupancy.	Short-term holiday let

3.2 In light of amendments made to the Town and Country Planning (Permitted Development Rights) Order, there are a wide range of uses that would have been permitted development rights had the Article 4 Direction not been implemented.

3.2.3 The SPG seeks to provide guidance on the range of use changes (see Section 4 to 9 of the Guidance (Appendix 1)) between the use classes named above which now require planning permission. Furthermore, guidance is provided for proposals that relate to the development of new second homes.

3.2.4 The need to read the SPG in conjunction with other adopted SPGs is emphasised. The SPG does not duplicate the guidance that is already contained within the other Guidance.

3.2.5 A draft version of the Guidance is available to view in Appendix 1. The Draft SPG is divided into 10 specific sections. The following is a brief overview of the guidance contained in the Draft SPG:-

Section	Overview
Section 1: Introduction and purpose of the SPG	Explains the purpose of the SPG, its status, and the process involved in preparing it.
Section 2: Setting the context – Maintaining a sustainable visitor economy	Guidance is provided on the relevant local and national policy context in respect of maintaining a sustainable visitor economy.

<p>Section 3: Setting the context – Creating distinctive, sustainable and balanced communities</p>	<p>Guidance is provided on the relevant local and national policy context in respect of creating distinctive, sustainable and balanced communities.</p>
<p>Section 4: Change of use of a main residence (use class C3) into a short-term holiday let (use class C6)</p>	<p>Policy guidance is already provided in Policy TWR 2 of the JLDP; however, it is deemed appropriate to define what is meant by the 'permanent housing stock' term (criterion iii of policy TWR 2) as this criterion is a material consideration when assessing applications that would involve changing the use of a main residence (use class C3) into holiday accommodation (use class C6).</p>
<p>Section 5: Change of use of a second home (use class C5) to a short-term holiday let (use class C6)</p>	<p>Because a second home is not defined as forming part of the permanent housing stock (paragraph 4.5), the policy approach in relation to changing the use of a second home (use class C5) to holiday accommodation use (use class C6) depends on considering the suitability of the proposal against other considerations included in policy TWR 2. Detailed guidance in terms of the considerations that are associated with Policy TWR 2 is included in the relevant SPG (SPG: Tourist Facilities and Accommodation).</p>
<p>Section 6: Change of use of a main residence (use class C3) to second home use (use class C5)</p>	<p>The Joint Local Development Plan (Gwynedd and Anglesey) does not include a policy that specifically relates to the principle of changing the use of a main residence (use class C3) to second home use (use class C5).</p> <p>Within the SPG, it is highlighted that the principle of creating balanced communities and meeting the housing needs of the local population is a core element of the Joint Local Development Plan (strategic objectives SO5, SO15, SO16, and policies PS5, TAI5 and TAI 8). Considering the wider and overall objective of the Plan, guidance is provided on five main considerations that are associated with changing the use of a main residence (use class C3) to second home use (use class C5) within development boundaries, which are:-</p> <ul style="list-style-type: none"> • the location of the proposal; • language impact; • a high concentration of second homes; • the demand for housing, and • the number of second homes.

	<p>We note that the threshold set for being unable to give favourable consideration to applications for change of use from C3 to C5 is where the combined provision of second homes and self-catering holiday lets is above 15% of the total housing stock within a Community/Town/City Council area. This guidance is consistent with the guidance contained in the SPG: Tourist Facilities and Accommodation which sets a 15% threshold regarding the combined provision of second homes and short-term holiday lets when considering applications for new holiday accommodation.</p>
<p>Section 7: Change of use from short-term holiday let (use class C6) to second home use (use class C5)</p>	<p>In the same manner as proposals relating to changing the use of a main residence to second home use, there is no relevant policy in relation to losing holiday accommodation (use class C6) to second home use (use class C5).</p> <p>The policy guidance contained in this section depends on the location of the proposal, i.e., whether it is located within the development boundary or within an area defined as open countryside, and also whether the proposal has received planning permission for the specific use or not.</p> <p>Among the considerations for a planning application relating to change of use from holiday let (C6) to second home use (C5) within the development boundary, is consideration of the impact the current use has on the amenities of nearby land users and how viable is the holiday use. In addition, it is not considered appropriate to change the use from holiday let (that has obtained planning permission for the use) to second home use in a settlement identified in accordance with Policy TA15 (Local Market Housing).</p>
<p>Section 8: Change of use of a second home (use class C5) or short-term holiday let (use class C6) which is limited by a planning</p>	<p>As the change-of-uses referred to in this section relate to changing use for the purposes of a main residence, it is considered that appropriate policy guidance is contained within the Plan (Section 6.4: Managing growth and development - Supply and</p>

condition to main residence use (use class C3)	Quality of Housing), and consequently no further detail is required within the Draft SPG.
Section 9: New-build second home (use class C5)	In considering proposals for developing new-build second homes, it is considered appropriate to assess the proposal in accordance with relevant housing policies included in the Joint Local Development Plan. Specific attention is drawn to the need to consider the requirements of policy TAI 8 (Housing Mix) and the guidance provided in the SPG (Sections 3 and 6).
Section 10: Further information and contacts	Includes the contact details of the Planning Policy and Development Control Service

3.3 Public consultation process

3.3.1 For the SPG to carry material weight in decision-making, including in cases where Planning and Environment Decisions Wales (PEDW) determine a planning appeal, the SPG must derive from the Development Plan and be consistent with the Plan, and must have been the subject of consultation and have been adopted formally (approved).

3.3.2 The Council is committed to involving stakeholders and consulting with the public, recognising the benefits that arise when a SPG which is prepared based on the contribution of local stakeholders. Involving stakeholders in this way and wider consultation ensures that the Council is aware of the local issues and able to receive advice, support and new ideas that should lead to creating improved guidance. It should also help to prevent problems and objections later.

3.3.3 Stakeholder involvement is central to the arrangements, and offers an opportunity for others to understand, influence and shape the content of the SPG. A structured "community involvement scheme" is an essential element of creating a robust SPG, and Welsh Government guidance confirms that SPGs will carry little weight in decision-making unless they are produced in accordance with a Community Involvement Plan (CIS). To this end a Community Involvement Scheme in relation to the preparation of Supplementary Planning Guidance has been prepared and can be viewed [here](#). The process of preparing and approving this Guidance is undertaken in accordance with the guidance contained within the 'Note'.

3.4 Considering the Impact

3.4.1 The Council is required (under the Equality Act 2010) to consider the impact that a change in any policy or procedure (or the creation of a new policy or procedure) will have on people with protected equality characteristics. The

Council also has additional general duties to ensure fairness and to foster good relationships. An Equality Impact Assessment must therefore be undertaken before a decision is taken on any relevant change (i.e. that affects people with protected equality characteristics).

- 4.2 The Council is also required, under the Welsh Language Standards (Section 44 of the Welsh Language (Wales) Measure 2011), to consider the impact that any change in policy or procedure (or creating a new policy or procedure), will have on opportunities for people to use the Welsh language and to ensure that the Welsh language is not treated less favourably than English.
- 3.4.3 Further, in accordance with the Socio-economic Duty that came into force in Wales on 31 March 2021, public bodies have a duty to consider how strategic decisions, including setting objectives and developing public services, can reduce inequalities in terms of the outcome for people who face socio-economic disadvantage.
- 3.4.4 In order to assess how the Supplementary Planning Guidance would affect the requirements set out above, an integrated Equality Impact Assessment (Assessing the Impact on Equality Characteristics, the Welsh language and Socio-Economic Disadvantage) has been completed. This Assessment can be viewed in Appendix 2 of the papers.
- 3.4.5 The Assessment highlights that the proposal is anticipated to have a positive impact on all individuals including individuals with protected equality characteristics. The social inequality that exists at present in some communities due to the lack of availability of houses that are affordable in price is creating an unsustainable, divided society. In an attempt to try to overturn the current situation, it is hoped that the guidance contained in the Supplementary Planning Guidance will promote the creation of more balanced and sustainable communities. It is hoped that this will create a fairer society and will ensure opportunities for all to be able to live in their area of choice. It is therefore noted that reducing inequality that stems from socio-economic disadvantage is a core part of the reason why we need to introduce the Supplementary Planning Guidance.
- 3.4.6 The assessment also concludes that introducing the Supplementary Planning Guidance would have a positive impact on the Welsh language and the balance of communities as it is hoped that it will stabilise the housing market and offer opportunities for people to be able to live in their communities.
- 3.4.7 Following the engagement period this Impact Assessment will be revised as required and will be re-submitted to the Cabinet for making the final decision regarding the proposal.
- 3.5 The Well-being of Future Generations (Wales) Act (2015)

3.5.1 Another important consideration is the Well-being of Future Generations (Wales) Act 2015. The Act seeks to improve Wales's social, economic, environmental and cultural well-being. The act places a well-being duty on public bodies which is aimed at delivering the seven well-being goals by following the five ways of working. The following table highlights these well-being goals and explains concisely how the proposal achieves the goals in question:-

Goal	Explanation of how the proposal of introducing the Supplementary Planning Guidance achieves the goal
A prosperous Wales	It will offer opportunities for people to live and work in Gwynedd, thus meaning that there is a stable, skilled and educated population to support the local economy.
A resilient Wales	It will lead to a fairer society and thus the county's social resilience will be maintained.
A healthier Wales	It will create a fairer society and thus will create circumstances for people to be able to live and work in Gwynedd, which in turn has a positive impact on health.
A more equal Wales	It will create a society that is more equal and will enable better opportunities for all.
A Wales of cohesive communities	It will be a means of creating attractive, viable and safe communities.
A Wales with a vibrant culture and a thriving Welsh language	It will offer better opportunities for people to be able to live in their communities and will be an indirect means of protecting culture, heritage and the Welsh language.
A globally responsible Wales	The principle of creating a fairer society and offering better opportunities for people to live and work in their local communities and thus create viable and sustainable communities is an example of good practice.

3.6 The need to undertake a Strategic Environmental Assessment (SEA)

4.1 In accordance with European Directive 2001/42/EC which is implemented in the UK through the Environmental Assessment of Plans and Programmes Regulations, a Screening Assessment has been prepared (see Appendix 3) which considers the need to undertake a Strategic Environmental Assessment (SEA) of the SPG.

3.6.2 The aim of a Strategic Environmental Assessment is to afford a high level of protection to the environment and contribute to integrating environmental considerations in the preparation and adoption of plans and programmes, with the aim of promoting sustainable development.

3.6.3 The SEA Regulations 2004 place a duty on local authorities to conduct a SEA on plans or projects:

- That are required for town and country planning or land-use planning; and
- That set the framework for development consents in the future in respect of the projects listed in Schedule 1 or II of the European Council Directive 85/337/EEC

3.6.4 The SPG sets the framework for development in the future, which could mean that it may be classed as a 'plan' or 'programme' within the meanings of the SEA Directive, therefore an 'environmental assessment' may be required. The regulations advise that a series of specific criteria should be used, to show whether a plan should be subject to a SEA. These criteria have been considered in determining whether the SPG should be subject to a SEA. It was concluded that the SPG Managing the use of dwellings as holiday homes is unlikely to have a significant impact on the environment. The SPG does not set any new policies or designations, nor does it amend policies in the adopted LDP. Rather, it provides further guidance on current policies in the Anglesey and Gwynedd Joint Local Development Plan which has been the subject of a SEA.

3.7 The Views of the Planning Policy Working Group

3.7.1 A draft version of the SPG was reported to a meeting of the Planning Policy Working Group on 22 November 2024 and then to the subsequent meeting on 18 December 2024.

3.7.2 During the meeting held on 22 November 2024 it was highlighted that the Working Group were generally satisfied with the draft Guidance except for one aspect, namely the relevant considerations for new second homes/change of use applications. The Group noted that they were concerned about the lack of reference to the linguistic impact, the interpretation of the 'Demand for Housing' and the second homes threshold that was included in the draft version of the Guidance.

3.7.3 Following those comments, it was proposed to revise the Guidance in an attempt to address the concerns, and its contents was re-reported to the meeting of 18 December 2024. The consideration given to the second homes provision (and the associated threshold) was still a cause for concern. It was emphasised to the Working Group that the Officers were of the view that this was the approach that would cause the least risk to the Council as it is based

on current policy. It was further emphasised that the Guidance is a temporary measure until a Local Development Plan is prepared and adopted (October 2027). It was noted that the preparation of the new Plan will offer an opportunity to break new ground and formulate a purposeful local policy framework that addresses the wider objective associated with introducing the Article 4 Direction.

3.8 Next Steps

3.8.1 The following table sets out the next steps and the indicative timeframe for carrying out the steps. The final timetable depends on the number of representations that will be received during the public consultation period and the matters raised at the time. All representations received during the public consultation period will be covered in a Consultation Report. As well as including a summary of the representations received, the Consultation Report will also include the 'Council's Response' to the representation and propose changes resulting from those representations (when relevant). The Consultation Report will be part of an information pack that will be submitted to the Cabinet for the final decision to adopt the SPG.

Action	When?
Conduct a 6-week public consultation.	February – March 2025
Planning Policy Working Group - consider: i. Representations received during the public consultation period. Changes proposed to the wording of the Guidance.	March 2025 (depending on the number of observations received during the public consultation period).
Cyngor Gwynedd Cabinet - consider: i. Representations received during the public consultation period. ii. Changes proposed to the wording of the Guidance. iii. Adopt the Guidance.	April/May 2025
Use the adopted Guidance as a material planning consideration.	May 2025 onwards.

4. Views of the statutory officers

4.1 Chief Finance Officer:

I am satisfied that there are no budgetary obligations to the decision sought and I have no further comments from the perspective of financial propriety.

4.2 Monitoring Officer

Supplementary Planning Guidance represents a significant document in the planning regime. They do not represent or create new policies or are able to modify the policies in the local development plan. However, they have status within the administration and determination of planning applications and therefore require a specific process to be followed for their creation and adoption. This includes publicly consulting on the contents before deciding to adopt them. By approving the draft document for consultation the Cabinet does not adopt a final position. This cannot be done until the results of the consultation have been received. A final decision will need to be reached at that time taking into account the results of the process. I also note that the Guidance applies to the Joint Local Development Plan. As the Guidance derives specifically from Gwynedd's decision to adopt the Article 4 Direction there is no requirement for joint guidance.

Appendices

Appendix 1: Draft SPG: Managing the Use of Dwellings as Holiday Homes

Appendix 2: Integrated Impact Assessment: Assessing the Impact on Equality Characteristics, the Welsh Language and Economic Disadvantage

Appendix 3: Screening Statement: Strategic Environmental Assessment