

By email to: tourism-accommodation-registration-scheme@dcms.gov.uk

Campaign for National Parks' submission to DCMS call for evidence on developing a tourist accommodation registration scheme in England (September 2022)

Campaign for National Parks is the independent national voice for the 13 National Parks in England and Wales. Our mission is to inspire everyone to enjoy and look after National Parks – the nation's green treasures. We have been campaigning for over 80 years to ensure that our National Parks are beautiful, inspirational places that are relevant, valued and protected for all. We bring together a wide variety of people and organisations to address issues affecting National Parks and take action to keep these beautiful places safe. We draw on a large pool of experts among our members, many of whom are actively involved in designated landscapes and their communities, across England and Wales and further afield.

We welcome the opportunity to provide a submission to this call for evidence as high numbers of second homes and holiday lets are a significant issue in many parts of the National Parks, impacting on communities and the availability and affordability of housing for local residents. Our response to selected individual questions is set out below.

Question 6: Do you consider the increase in short-term and holiday letting in England to have had adverse consequences on the housing market?

We believe this to be a major problem. National Parks, and the communities within them, face challenges due to a shortage of affordable housing and the loss of rural services and community facilities, including post offices, buses and schools¹. By providing accommodation for visitors who make use of local services and tourist attractions, self-catering holiday lets can play an important role in the local economy of National Parks. They also provide opportunities for farm diversification. But in many parts of the Parks, high numbers of holiday lets and second homes are a significant barrier to the development of thriving, sustainable communities. Some National Park Authorities (NPAs) are now introducing planning policies which require all new housing to be for 'permanent residency' only but this will only have a limited impact and there is little that NPAs can do to stop the existing housing stock becoming holiday lets without changes at a national level.

It should be noted that there is limited data available on the number of holiday lets in National Parks, and the fact there are not currently any registration requirements means that the total number of residential dwellings used as holiday lets is often under-estimated. However, what data is available makes it clear that there are high proportion in some parts of the National Parks. For example, 25 per cent of the housing stock in the Lake District now has no permanent resident and in over half the parishes in the National Park 20 per cent or more of domestic premises are used as holiday lets or second homes². There is a similar situation in the Yorkshire Dales where over a quarter of properties are reported to be either

¹ National Housing Federation (2017) Affordable housing saving rural services

² 2022_09_13 Written Evidence Submitted to the Levelling Up and Regeneration Bill Public Bill Cttee Annex 1 (lakedistrict.gov.uk)

holiday lets or second homes³. Such figures hide wide variations between communities and the proportion locally can be much higher. It was reported in 2020 that nearly half of the housing stock in the Keswick area was either second homes or holiday lets with 477 of the former and 794 of the latter out of a total housing stock of 2622⁴. The number of holiday lets in Keswick had doubled between 2017 and 2020 and is likely to be even higher now. Research published by CPRE, the Countryside Charity in early 2022, identified a 1000% increase in the number of short-term lets advertised nationally between 2015 and 2021⁵.

The high-quality environment in National Parks makes them attractive places to live so average house prices in most of the National Parks have been significantly higher than the average for their respective regions for some time now. The growth in holiday homes is exacerbating the existing problems of affordability and undermining NPA efforts to provide more homes for people who need to live in the area. The average lower quartile affordability ratio for the Lake District National Park is 13.2, significantly higher than the Cumbria and England averages of 7.0 and 9.2 respectively⁶. It is not just affordability of housing that causes problems but the fact that properties are being used as holiday lets means they are less likely to come on to the market, or be made available for longer-term renting, so there is a lack of availability of suitable properties too.

Question 8: Aside from the impacts on housing and incidents of anti-social/nuisance behaviour, do you consider the increase in short-term and holiday letting in England to have had other adverse impacts on local communities and residents?

Yes, by reducing the affordability of the local housing stock, the increase in short-term and holiday letting makes it harder for businesses, including those in the tourism sector, to recruit staff, as many potential employees simply cannot afford to live locally. Reduced numbers of permanent residents also has adverse impacts on communities by reducing the viability of local shops, schools, public transport and other local services.

Question 9: Which of the following do you consider to be the most appropriate form of response in the short-term letting market?

We believe that the most appropriate form of response would be option 5. A compulsory licensing scheme for holiday lets is required. It is currently very difficult to gather accurate information about the holiday lets because the holiday home market is unregulated. Licensing should be introduced as part of a three-pronged approach to tackling this issue which also includes changes to taxation and the planning system, as set out in our response to question 11.

Question 10: What do you consider to be the costs and associated burdens of these options, who would bear the costs and how might they be mitigated?

The introduction of a licensing scheme would place additional costs and burdens on the local authorities tasked with implementing this. It is essential to ensure that they have the appropriate resources and funding to allow them to do this effectively. At least some of these costs could be covered by requiring holiday lets to pay council tax (rather than business rates as currently). We support the proposals in the Levelling Up and Regeneration Bill to

³ <u>'Bold' planning changes to stop Yorkshire Dales houses becoming second homes or holiday lets approved | Yorkshire Post</u>

⁴ Figures reveal half of Keswick's properties are holiday lets or second homes - The Keswick Reminder

⁵ CPRE research: Explosion in holiday lets is strangling rural communities - CPRE

⁶ 2022 09 13 Written Evidence Submitted to the Levelling Up and Regeneration Bill Public Bill Cttee Annex 1 (lakedistrict.gov.uk)

allow local authorities to charge an additional 100% council tax on second homes but believe that this should go further and that local authorities should be given the discretion to increase council tax by up to 300% as will be the case in Wales from April 2023, and that the same should apply for holiday lets. This additional council tax should be ring-fenced for projects that support local housing needs.

Question 11: Do you have any insight or evidence on the impact of schemes that are already running, or approaches taken elsewhere in the world?

We support the Welsh Government's approach to addressing holiday lets as the complexity of tackling these issues requires multi-faceted solutions. Their three-pronged approach includes changes to taxation, the introduction of a compulsory registration scheme and changes to the planning system. We would therefore also like to see the introduction of measures to allow local planning authorities to require planning consent for a change of use from a permanent residence to a holiday let or second home in areas where high numbers of such properties are having a detrimental impact on local communities. This should be along similar lines to the proposals which the Welsh Government has recently consulted⁷ on and which involve changes to secondary legislation to create new use classes for second homes and holiday lets and to primary legislation to ensure that this change of use is a material consideration in planning decisions. There is further information in our response to the consultation⁸.

Question 13: Is there any other information related to short term lettings and/or the issues already raised in this call for evidence that you wish to draw to the government's attention?

The current approach to housing delivery in National Parks, including measures such as local occupancy clauses, is aimed at ensuring that the limited development opportunities available cater for local needs rather than market housing. By pushing up house prices and making it so difficult for local residents to find a home among the existing housing stock, the high demand for holiday lets is increasing the pressure for new housebuilding in National Parks. This in turn increases the pressure for development in locations where it could damage the high-quality environment in these areas and undermines efforts to ensure that National Parks are playing an increased role in tackling the nature and climate emergencies.

For further information about any aspect of this response, please contact Ruth Bradshaw, Policy and Research Manager, Campaign for National Parks (email:ruthb@cnp.org.uk).

⁷ Planning legislation and policy for second homes and short-term holiday lets | GOV.WALES

⁸ 220222 (FINAL) CNP AWDL response to WG consultation on planning changes for second homes and holiday lets.pdf