

PEMBROKESHIRE COUNTY COUNCIL - INTEGRATED IMPACT ASSESSMENT



Please refer to the corresponding detailed guidance document before/during completion. An IIA MUST be Completed for ALL Council / Cabinet reports that recommend a formal decision relating to;

- Significant changes to service provision
- Significant expenditure or savings
- Any course of action which is significant in terms of its effects on local communities.

Lead Officer	Director / Head of Service	Service / Department	Date
Sarah Edwards	Jon Haswell	Finance and Revenue Services	30 June 2026

Title of report / project:	Consultation: Council Tax premium rates for 2027-28
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What is the proposal being assessed?
• Appropriate rates for both the second home and empty home council tax premiums for 2027-28. Premiums can range from 0% to 300% • Use of any funding raised from premiums above. This will depend on the premium rates set, the overall level of council tax and the number of properties. As an indication, the premiums currently raise around £9m each year. The proposal assessed is at its consultation stage. The final decision is due to be taken by Council at its October 2026 meeting. There is statutory guidance which the council must have regard to, last updated in March 2023 Council Tax on empty and second homes [HTML] GOV.WALES. The Council has set council tax premium rates with effect from 1 April 2017. During this time, there have been a number of legislative changes: • From April 2023. Ability to set a maximum council tax premium of 300%. • From April 2023. Change in the threshold of minimum days let to qualify for NDR self-catering increased from 70 days to 182 days along with an increase in the minimum number of days let. • From April 2026. Amendments to how the 182-day threshold is calculated by using multi-year averaging of the 182 days and a 14-day charity allowance The Non-Domestic Rating (Amendment of Definition of Domestic Property) (Wales) Order 2026.

In January 2026, the then Cabinet Secretary for Finance and Welsh Language Mark Drakeford AM expressed an intention to:
Legislate for a statutory exception from a council tax premium, to ensure the proposal for a stepped transition is applied on a consistent basis nationally across Wales.

The decision to bring forward any such legislation rests with the current Welsh Government. As there is the possibility of a statutory exemption, we have decided not to include questions on the use of the Council's discretion in this consultation. To date, the Council has not used its discretion to give an exemption for the second home council tax premiums if a property transfers from NDR self-catering (also known as a holiday let) to council tax.

This document is divided as follows;

Section 1 Consultation and Engagement

Section 2 Data and Evidence

The following sections ask you to assess the impact of your proposal in view of;

Section 3 Well-being of Future Generations (Wales) Act 2015

Section 4 Pembrokeshire County Council's Well-being Objectives

Section 5 Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011
and the Socio-economic Duty (Sections 1 – 3 of the Equality Act 2010)

Section 6 Welsh Language (Wales) Measure 2011

Section 7 Environment (Wales) Act 2016 – Section 6 Duty

Section 8 Decarbonisation and Climate Change – Pembrokeshire County Council Net Zero Carbon by 2030

Section 9 Armed Forces Covenant Duty

Section 1 – Consultation and Engagement

Please provide details of consultation and engagement undertaken to support the proposal, taking into account the Gunning Principles of public consultation which state that a consultation is only legitimate when the following principles are met;

1. Proposals are at a formative stage - decisions must not have been made or pre-determined.
2. There is sufficient information to give 'intelligent consideration' - information relating to the consultation must be available, accessible, and easily interpreted so that consultees are able to provide an informed response.
3. There is adequate time for consideration and response – the consultation period must be long enough to provide sufficient opportunity for consultees to take part.
4. Consideration must be given to consultation responses before a decision is made – can you provide evidence of this?

Consultation is planned from 30 June to 10 Aug 2026. This will be hosted on the Have Your Say section of the Council's website.

The council has consulted on second home and empty home premium rates each year (with the exception of 2020 due to COVID). Previous consultations have attracted a large number of respondents, often in excess of 2,000 and on one occasion nearly 3,000. The consultation will be widely promoted including the use of the Notify option (linked to My Account) as well as press releases and social media.

Previous consultations have tended to produce consistent results. For instance:

Second home owners considering the most appropriate premium is ...	2025 results	2024 results	2023 results	Main messages • Whilst the percentage of second home owners who do not want a premium has increased a little over the past three years, in previous years around 50% of second home owners preferred a premium of at least 50%. • Very few second home owners preferred a premium in excess of 100%
No premium	47%	43%	43%	
50% higher	29%	24%	31%	
100% higher	20%	27%	24%	
150% higher	3%	3%	1%	
200% higher	0%	3%	0%	
250% higher	0%	0%	0%	
300% higher	0%	0%	0%	

Results have been reported to Overview and Scrutiny, Cabinet and Council and are available on the Council's website as part of the Council papers that agreed that year's rate (October 2025, October 2024, and October 2023). Results were cross-tabulated by respondents' protected characteristic, and linguistic skills.

This year's consultation will use a similar questionnaire to the ones used in previous years. The main difference is the omission of a question on the use of discretion (see section above).

Section 2 – Data and Evidence

Please provide details of data and evidence that has been used in the development of the proposal, e.g. reports, local or national data, service user feedback, outcomes of previous consultations, business plans etc. (Specific evidence relating to legislative requirements should be added to the relevant sections 3-9 below.)

Administrative data from the council tax database and from NDR self-catering data has been used to track changes in the number of second homes, empty homes and holiday lets since the council tax premiums have been put in place. It is also possible to track how individual properties have changed between second homes, empty homes, holiday lets etc. This data is available at community level which can be linked to the number of Welsh speakers in an area.

Data on the local housing market is available. Some of this (such as homelessness) is reported quarterly through the council's performance management arrangements. Other data has been sourced and analysed from external sources (such as house price paid data) or higher land transaction tax data. Welsh Government's housing monitor is a useful source of information.

Information on the Welsh language is available from a range of sources, including the Census. As second homes are concentrated in particular communities, Census information is best placed to assess impact. Previous consultations have asked about respondents' Welsh language skills as well as their views on the impact of the premium on the Welsh language and this has produced a body of evidence.

The council's policy on council tax premiums has been informed by a politically balanced working group of members who have built up a significant amount of collective expertise on council tax premiums as well as related tax measures, such as thresholds for non-domestic rates self-catering status, other taxes on properties that are not someone's sole or main residence as well as information on tourism and the housing market.

Section 3 – Well-being of Future Generations (Wales) Act 2015

The following guidance provides more information on the Well-being Goals and Sustainable Development
<https://www.gov.wales/well-being-future-generations-act-essentials>

Which of the following National Well-being Goals does the proposal have an impact on or contribute to delivering?			
National Well-being Goal	Positive – please describe the positive impacts	Negative – please explain any negative impacts	No impact – please provide an explanation
A prosperous Wales		It is clear from the responses to previous consultation that there is a perception that the current second home premium of 125% has the potential to damage tourism – self-catering accommodation (holiday lets and rented second homes) make up about 25% of bedspaces. See App B.	
A resilient Wales			Unlikely to be an impact.
A healthier Wales			Unlikely to be an impact.
A more equal Wales	There is some evidence that the second home premiums charged in previous years are reducing the number of second homes/holiday lets, albeit by a small amount. There is some evidence of house prices reducing in areas that have a high proportion of second homes compared with the rest of Pembrokeshire. Through Homebuy Pembrokeshire some people are now able to access mortgage funding who would not have been able to do so. Only 16% of all empty homes are subject to the premium		
A Wales of cohesive communities	See “supporting information”. Across all of Pembrokeshire’s communities there has been a 0.12 percent point reduction in		

	one year in the number of homes with no usual residents implying the premiums are starting to encourage building owners to prioritise sole/main use over other uses.		
A Wales of vibrant culture and thriving Welsh language	Based on previous consultations, there is little or no differences in the views of respondents who can speak Welsh and those who cannot. There is little difference in views between people who live in communities with higher percentages of Welsh speaker and those that do not. See “supporting information” Welsh Language section – there is not a clear-cut relationship between the proportion of second homes/holiday lets in a community and the proportion that can speak Welsh language. There is relatively little difference in the ability of respondents who are second home owners or holiday let owners to speak Welsh and those that are sole/main residents. It is clear from comments that some respondents consider that a higher second homes premium is necessary to promote the Welsh language. Others argue that higher rates are harmful to the Welsh language.		
A globally responsible Wales			Unlikely to be an impact
What will be done to minimise or mitigate any negative impacts identified above?			
<u>Sustainable Development Principle</u>			

The Sustainable Development Principle means that when making decisions, the Council needs to take account of the impact these decisions could have on people living in Wales in the future, by considering the following 5 ways of working;

- Long-term
- Prevention
- Integration
- Collaboration
- Involvement

Please outline how you have considered each of these when developing your proposal.

Ways of Working	How has this been considered when developing your proposal?
Long-term	The policy is informed by the long-term change in demographics (fewer usual residents in coastal communities, fewer younger people). Whilst second homes are not the only driver of this change, the greater concentration in coastal areas is a feature of second homes.
Prevention	The policy aims to ensure sufficient demand for community services in coastal areas outside of the main tourism season for these services to continue. By securing affordable housing in communities the policy has the potential to positively impact this.
Integration	The background papers reference wider housing strategies that are designed to increase the supply of affordable housing.
Collaboration	About £3m of funding raised through the premium has been used to support a Community Land Trust which is working in partnership with Ateb to develop affordable housing in Solva. Through the Enhancing Pembrokeshire Fund, grants have been distributed to a range of third sector organisations.
Involvement	This consultation is an opportunity to seek views on the most appropriate level of council tax premiums.
Please outline any specific sources of data or evidence to support the information above	

Section 4 – Pembrokeshire County Council's Well-being Objectives

Under the Well-being of Future Generations (Wales) Act 2015, the Council also has a duty to publish Well-being Objectives.

Our [Corporate Strategy](#) outlines the Council's Well-being Objectives.

Does your proposal help to deliver against any of the Council's Well-being Objectives? Will it have a positive or negative impact?

Well-being Objective	Positive – please describe the positive impacts	Negative – please explain any negative impacts	No impact – please provide an explanation
Our Future - enabling the best start in life for our children and young people, equipping them with skills for the future	Funding raised by the policy is being used within schools. Rolls have tended to fall faster in coastal areas compared with towns but rolls are falling across the whole of Pembrokeshire. Higher rates of second homes council tax premium have the potential to reduce the numbers of homes not used as main residences and will tend to increase the supply of affordable housing in coastal areas widening housing choice for the families of young people. However, this impact will be over the long term.		
Our Place – prosperous places, with clean, safe, and sustainable environments, where people can live well and thrive	The policy is reducing the number of houses that do not have a usual resident.		
Our Communities - caring for people, and enabling active, resourceful, and connected communities			Limited impact
Our Council - a financially sustainable, well-governed Council, with a workforce equipped to support the people we serve	The purpose of the policy is not to raise income but to increase the supply of affordable housing. However, the council tax premiums are anticipated to contribute around £7.7m to the Council's budget relating to affordable housing and enhancing the sustainability of local communities.		

What will be done to minimise or mitigate any negative impacts identified above?

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Please outline any specific sources of data or evidence to support the information above

Section 5 – Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011 and the Socio-economic Duty (Sections 1 – 3 of the Equality Act 2010)

The Equality Act 2010 requires the Council to have due regard to the need to eliminate unlawful discrimination, harassment, and victimisation; advance equality of opportunity between different groups; and foster good relations between different groups. Individuals may have more than one protected characteristic.

Please describe any impacts on the following groups.

Protected Characteristic	Positive – please describe the positive impacts	Negative – please explain any negative impacts	No impact – please provide an explanation
Age			Based on the 2025 consultation second home owners and holiday let owners are more likely to be older people and aged over 65, (2nd home 48% and holiday let 38%). The views of people on the second homes council tax varies a little by age. This is more marked for people who are sole/main residents where for people aged under 45 and compared with all-age figure, more people preferred no premium as well as a 300% premium (i.e. views were more polarised)
Disability			Unlikely to be an impact.

Gender reassignment			Unlikely to be an impact.
Marriage and civil partnership			Unlikely to be an impact.
Pregnancy and maternity			Unlikely to be an impact.
Race			Unlikely to be an impact. Where stated 3.4% of respondents were from an ethnic minority. Respondents from a white non/white ethnicity had similar views on the premium.
Religion or belief			Unlikely to be an impact.
Sex			Unlikely to be an impact. 46% of respondents were female. Women who whose interest was as a sole/main resident were a little more likely to prefer lower second home council tax rates.
Sexual orientation			Unlikely to be an impact.

What will be done to minimise or mitigate any negative impacts identified above?

Not applicable.

Please outline any specific sources of data or evidence to support the information above

Data has been drawn from previous consultations.

The Socio-economic Duty requires Councils to consider the need to reduce inequalities of outcome which result from socio-economic disadvantage when making decisions.

Socio-economic disadvantage refers to those who live in less favourable social and economic circumstances than others in society. Inequality of outcome relates to measurable differences in outcome between those who have experienced socio-economic disadvantage and the rest of the population. Detailed [guidance](#) can be found on the Welsh Government website.

Please describe the impact the proposal will have.

Positive – please describe the positive impacts	Negative – please explain any negative impacts	No impact – please provide an explanation
Higher rates of second home and empty home council tax have the potential to increase affordable housing by encouraging owners to let properties out long term, putting them up for sale or by discouraging people from buying properties as second homes. Through a Ministerial Direction, funding is being allocated that has been raised from council tax premiums in previous years towards the council's affordable housing programme.	It is clear from the comments made by some second home owners (especially those that inherited a property) that they may have relatively little disposal income. The same proportion of empty homes owners said they had a low income as sole main residents in the 2025 consultation.	Whilst many respondents have raised issues about affordability of the premium, the purpose of the premium is to encourage second home owners to change how they use their property, so it contributes to the wider housing supply. Given house price to income ratios, if/when housing comes onto the market, it may not be affordable to people with low incomes.
What will be done to minimise or mitigate any negative impacts identified above?		
Please outline any specific sources of data or evidence to support the information above		

Section 6 – Welsh Language (Wales) Measure 2011

The Welsh Language (Wales) Measure 2011 and the Welsh Language Standards require the Council to consider the positive or negative impact a proposal may have on opportunities to use and promote the Welsh language, and to ensure that the Welsh language is treated no less favourably than English.

Please describe the impact the proposal will have.

Positive – please describe the positive impacts	Negative – please explain any negative impacts	No impact – please provide an explanation
The purpose of the legislation which allows the Council to charge second homes and empty homes council Tax premiums is to: • bring long-term empty homes back into use to provide safe, secure, and affordable homes. • increase the supply of affordable housing and enhance the sustainability of local communities. • Support for local communities: Measures aimed at reducing the number of second homes or long-term empty homes may help sustain year-round communities where Welsh is spoken daily. This is likely to be consistent with higher rates of premiums. • Retention of Welsh-speaking residents: Improving access to affordable housing for local people supports younger families and working-age residents, helping to maintain the linguistic profile of communities. This is particularly important in those areas which are linguistically sensitive areas where over 40% of the population speak Welsh, e.g. North of Pembrokeshire. Data from the 2025 council tax consultation found 41% of usual residents speak Welsh compared with 22% of second home owners, a 45% difference. • Alignment with Cymraeg 2050: Policies that strengthen community cohesion and population stability indirectly support the long-term vitality of the Welsh language.	There is the potential for negative impact of the policy if a very low rate is set that encourages the growth of second homes. However, the second homes council tax premium is one of a number of fiscal measures that discourage second homes including Capital Gains Tax and Higher Land Transaction Tax. Changes to these taxes are outside the Council's control.	• Fiscal nature of the policy: Council Tax premiums are primarily financial instruments and do not directly regulate language use. • Universal application of council tax premiums: The premiums apply equally to communities with high and low proportions of Welsh speakers. • There is little relationship between Welsh speaking and communities with high percentages of second homes. See text in “supporting information”. It is likely that the policy will, based on the perspectives of respondents have both positive and negative effects (there is little difference in the ability of second home owners and sole/main residents who responded to speak Welsh). Some communities with high percentages of second homes are in communities with a high proportion of Welsh speakers – others are not. In general, communities with the highest percentage of Welsh speakers tend to have comparatively low proportions of second homes. • People who move permanently to communities in Pembrokeshire that have higher levels of Welsh speakers are more likely to speak Welsh than second home owners but they are still less likely to speak Welsh than people who had not moved. This implies that whilst the

		second home premium may be effective in slowing down the reduction in Welsh speakers in communities (compared with the more severe impact of second homes), but on its own the policy will not safeguard the Welsh language. 2021 Census migration data for communities where higher percentages of people speak Welsh shows that: 49% had at least one speaking adult if the household had not moved in the previous year and 39% had at least one speaking adult if the household had moved in the previous year i.e. a 20% difference.
This Welsh Language Impact Assessment concludes that: • The Council Tax Premium consultation has the potential to positively support Welsh-speaking communities in Pembrokeshire. • No direct adverse impacts on the Welsh language have been identified at the consultation stage. • Any potential negative effects are indirect and manageable with appropriate mitigation.		
What will be done to minimise or mitigate any negative impacts identified above?		
To minimise risks and maximise positive impacts, the following measures should be adopted: We will ensure all consultation materials are available simultaneously in Welsh and English, with equal prominence. Respondents are able to respond in their preferred language. We will monitor consultation responses by language (where appropriate and compliant with data protection) to identify any engagement gaps and identify any themes as part of response analysis. Consider the long-term linguistic sustainability of communities when analysing consultation outcomes. See sections above and below.		
Please outline any specific sources of data or evidence to support the information above		
Pembrokeshire Census data		

Based on Census data, the total population of Pembrokeshire increased by just 0.8% between 2011 and 2021, an increase of around 900. In common with many other rural local authorities, between 2011 and 2021 there was an increase in the proportion of older people and a reduction in the number of younger people.

The percentage of Welsh speakers in Pembrokeshire fell by 2% from 19.2% in 2011 to 17.2% in 2021 slightly below the national average (17.8%). This was the joint-second largest decline with the largest decline in neighbouring Carmarthenshire. Across Wales, the percentage of Welsh speakers fell from 19.0% to 17.8%.

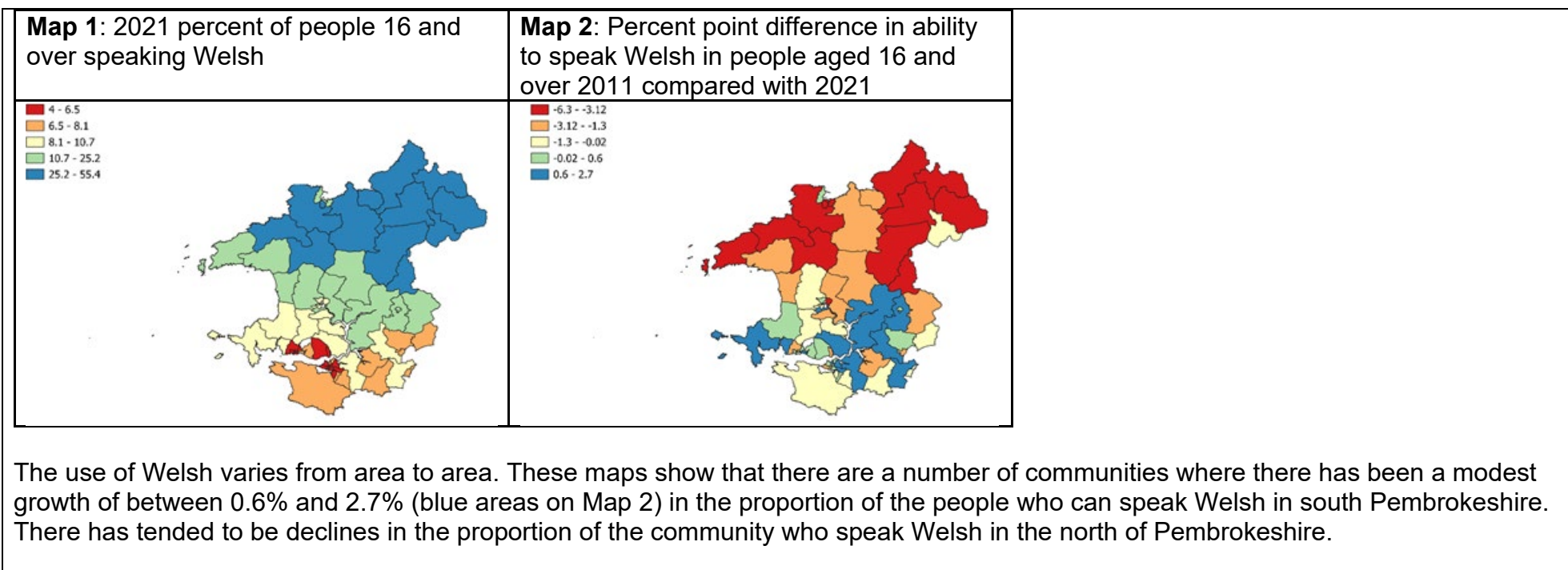
In 2021, there were just under 2,200 fewer Welsh-speaking Pembrokeshire residents (over the age of three years) compared with 2011. The number of people who did not speak Welsh increased by 4,000.

The map (map 1) demonstrates that much of the north of Pembrokeshire and especially the northeast of Pembrokeshire is a stronghold for the Welsh language.

Cymraeg 2050 recognises the importance of areas where Welsh is the natural language of daily life within the community. The concept of areas of linguistic significance or sensitivity has been part of the discussion about language planning in Wales for almost 20 years and is referred within the recent reports of the Commission for Welsh-speaking Communities and Welsh Government ^[1] ^[2]. LSOA with 40% or higher of the area population that can speak Welsh include Crymych (LSOA 1 & 2), Clydau, Dinas Cross, Cilgerran, Maenclochog (LSOA 1 & 2), St. Dogmaels and Newport.

^[1] [Empowering communities, strengthening the Welsh language](#)

^[2] [Welsh Government response to the report of the Commission for Welsh-speaking Communities](#)



Section 7 – Environment (Wales) Act 2016 – Section 6 Duty				
Under Section 6 of the Environment (Wales) Act 2016 the Council must seek to maintain and enhance Biodiversity and in doing so, we must also seek to promote the resilience of Ecosystems.				
Does the proposal impact on Biodiversity and the resilience of Ecosystems?	Yes		No	
If yes, what is the expected impact of the proposal on biodiversity? Please provide an explanation				
Maintained	Enhanced			
Funding raised through the policy is being used to facilitate building more affordable housing. The impact on bio-diversity will be managed through the land use planning process in both Pembrokeshire County Council and Pembrokeshire Coast National	Not applicable			

Park Authority planning areas. The planning system has safeguards to manage the potential impact on bio-diversity via planning conditions. Due to the need to demonstrate nutrient neutrality there are a number of significant housing developments in Pembrokeshire's that are paused.	
What will be done to minimise or mitigate any negative impacts identified above?	
See above.	
Please outline any specific sources of data or evidence to support the information above	

Section 8 – Decarbonisation and Climate Change – Pembrokeshire County Council Net Zero Carbon by 2030

In May 2019, the Council voted to declare a climate emergency and in July of the same year voted to develop an action plan to steer Pembrokeshire County Council towards becoming a net zero carbon local authority by 2030. More information about the [action plan](#) is available on the Council's website.

What impacts will the proposal have on the Council's commitment towards becoming a net zero carbon local authority by 2030?

Positive – please describe the positive impacts	Negative – please explain any negative impacts	No impact – please provide an explanation
Unlikely to be a significant impact. However, based on higher rates of council tax premiums reducing the number of second homes then the potential for a positive impact as second home owners are likely to use more carbon in running two homes and travelling between them.	Unlikely to be a significant impact but there is a link between second homes and Pembrokeshire's tourist industry (the majority of visitors are from Wales/UK). This competes with (higher carbon) fly-to holiday destinations. A higher premium rate may reduce availability in Pembrokeshire but there are other factors at play (such as the 186-day threshold for	

	self-catering NDR) as well as external factors affecting the price of flights.	
What will be done to minimise or mitigate any negative impacts identified above?		
N/A		
Please outline any specific sources of data or evidence to support the information above		
See “supporting information”.		

Section 9 – Armed Forces Covenant Duty

The Council has a legal obligation under the above duty to consider the impact of decisions that impact on serving or former members of the armed forces when delivering functions relating to Health, Housing and Education. In September 2024 Pembrokeshire County Council was awarded the Defence Employer Recognition Scheme Gold Award, underlining the Authority’s commitment to support those who keep our nation safe, as well as their families and veterans.

Statutory [guidance](#) is available on the Gov.uk website.

Please describe the impacts of the proposal on the armed forces community in relation to;

Relevant functions	Positive – please describe the positive impacts	Negative – please explain any negative impacts	No impact – please provide an explanation
Health • Provision of services • Planning and funding • Co-operation between bodies and professionals			Unlikely to be an impact.
Housing • Allocations policy for social housing • Homelessness • Disabled Facilities Grants	Veterans tend to be older people and as such, their housing tends to be settled. The policy helps fund homelessness services and veterans tend to be at higher risk of becoming homeless. The intention of the policy is to increase affordable housing and		Unlikely to be an impact on serving personnel – see Cashfields below

	there is some evidence that the policy is working.		
Education • Admissions • Educational attainment and curriculum • Child wellbeing • Transport • Attendance • Additional needs support			Unlikely to be an impact. Services' family accommodation is provided on the Cashfields Estate, Haverfordwest
What will be done to minimise or mitigate any negative impacts identified above?			
All of the above is in the context of in 2025 members of the armed forces community tending to prefer slightly lower rates of the second homes council tax premium than people who are not in the armed forces community for 2026-27. Sole/main residence No Premium: Armed forces 33%, non-armed forces 29%. Second home owner No Premium Armed forces 56%, non-armed forces 45%. Five percent of respondents were a member of the armed forces community (where this was known).			
Please outline any specific sources of data or evidence to support the information above			

Director / Head of Service Approval			
Name:	Sarah Edwards		
Job Title:	Head of Finance and Revenue Services		
Signature:	Sarah Edwards	Date:	30 June 2026