

Julie James AS/MS
Y Gweinidog Tai a Llywodraeth Leol
Minister for Housing and Local Government



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref P-05-1056
Ein cyf/Our ref JJ/03272/20

Janet Finch-Saunders MS
Chair of the Petitions Committee

26 January 2021

Dear Janet,

Thank you for your further letter of 29 December regarding Petition P-05-1056 Give Local Authorities powers to control the housing market in rural and tourist areas of Wales.

I have been clear that there are no quick fixes to the challenges in some parts of Wales set out by the petitioners. The Welsh Government will continue to build on its strong record in the supply of affordable homes. This and, in particular, social housing remains my top priority.

This is reflected in the record investment of £2billion we have made in affordable housing during this Senedd term. This investment is having a significant impact on the delivery of housing that meets the real needs of Welsh communities and we are on track to deliver our ambitious 20,000 affordable homes target this term.

The issues connected with density of second homes are the subject of the cross-party group the Welsh Government established to ensure that all voices are heard and their proposals considered. We do need to be clear, though, that there are already actions that can be taken by local authorities in response to local conditions and to the requisite housing needs assessments. Authorities can, for example, levy premiums on council tax and I note that eight of them currently do so. Any decisions, made by local authorities, to increase the level of premiums (which they can currently apply up to a maximum of 100%) will provide further evidence of impact and the effectiveness and use of the current limit.

I note the use of premiums in helping finance local housing solutions in some areas. I am encouraged by the innovative use of council tax premiums by Pembrokeshire County Council to support Community Land Trusts in their locality for example. I welcome the promising developments of the Solva Affordable Housing Scheme. This scheme brings together Pembrokeshire County Council, ateb, Planed and Solva Community Land Trust and will use council tax premiums on second homes to fund development of 18 new homes at social rent, as well as keeping the homes in perpetuity for the local community. My officials will work with ateb and Planed to share good practice – and creative thinking - across Wales.

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Gohebiaeth.Julie.James@llyw.cymru
Correspondence.Julie.James@gov.Wales

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

In terms of Land Transaction Tax, the Committee will by now be aware of the one percentage point increase in the higher rate, which applies to the purchase of additional properties including second homes. As is the case with all devolved taxes, we will monitor the impact of the change.

Similarly, understanding fully the implications of any changes to the planning regime is necessary and, as such, the Committee will recognise that options to amend the legislation would, and must, involve detailed consideration, impact assessment and stakeholder consultation, prior to any primary legislation.

I will indeed address these points in my written statement later this month.

Yours sincerely,

A handwritten signature in blue ink that reads "Julie James". The signature is written in a cursive, flowing style.

Julie James AS/MS
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Minister for Housing and Local Government