

Agenda – Local Government and Housing Committee

Meeting Venue:

For further information contact:

Video Conference via Zoom

Manon George

Meeting date: 26 January 2022

Committee Clerk

Meeting time: 09.15

0300 200 6565

SeneddHousing@senedd.wales

Pre-meeting (09.15 – 09.30)

1 Introductions, apologies, substitutions and declarations of interest

(09.30)

2 Inquiry into second homes: evidence session 3 – local government

(09.30 – 10.45)

(Pages 1 – 44)

Councillor Jano Williams, Newport Town Council

Councillor Jeff Smith, Aberystwyth Town Council

Councillor Rhys Tudur, Nefyn Town Council

Councillor Dyfrig Siencyn, Joint Chair of the WLGA Rural Forum and Joint WLGA Spokesperson on Rural Affairs

3 Papers to note

(Page 45)

3.1 Letter from Gwynedd Council in relation to second homes

(Page 46)

3.2 Letter from the Petitions Committee in relation to the Petition P-06-1204

Protect the people of Wales – Take urgent action on the housing crisis now

(Page 47)

3.3 Letter from the Minister for Finance and Local Government to the Local Government and Housing Committee following the evidence session on 12 January 2022

(Pages 48 – 52)



- 4 Motion under Standing Order 17.42 (ix) to resolve to exclude the public from the remainder of the meeting**

Break (10.45 – 10.50)

- 5 Inquiry into second homes – consideration of the evidence received under item 2**

(10.50 – 11.00)

- 6 Scrutiny of the Welsh Government Draft Budget 2022–23 – consideration of the draft report**

(11.00 – 12.00)

- 7 Consideration of the response to the Business Committee review of the committee timetable and remits**

- 8 Consideration of the forward work programme**

(Pages 53 – 59)

Document is Restricted

Response from Newport Town Council to the Local Government and Housing Committee of the Welsh Parliament

Consultation: Inquiry into second homes.

Newport Pembrokeshire is a very attractive small seaside town with a population of about 1,161 (1). It is an increasingly popular place for investors to buy second homes or holiday lets, and an attractive place for older people to retire.

The average price for a house in Newport is approximately £372,819 (2), which is nearly 50% greater than the UK average and in the last 5 years some properties have shown a 70% increase in their price. A 3 bedroom bungalow is currently on the market for £525,000. (3)

The proportion of the population aged between 18-64, is substantially lower than the Welsh average, while the proportion of the population over retirement age is much higher.

Homes not occupied all year round grew in number 2.5 times faster than resident households between 2001 and 2011 in Newport and continues to grow. In the 2001 Census 272 of the houses in Newport recorded had 'no usual resident' because they were second homes/holiday lets. By 2011 this number had risen to 344.

Employment and business is very much dependent on a visitor economy which is itself dependent on having holiday accommodation. However the investment desirability of property here is pricing young people who wish to continue to live and work here out of the market. There is a slow exodus of our young and future families.

Newport used to be a Welsh speaking community and now is predominantly English speaking. There is however an excellent school for infants and juniors which uses the medium of Welsh and so it is imperative that we safeguard and increase the population of young families to preserve the language and culture of this community. We also need to preserve the workforce to service our economy.

Newport depends on its tourism and we do not in any way want to demonise our visitors, and create any feeling for them that they are unwelcome, as they have contributed greatly to our vibrant community. We are concerned that focussing on this aspect alone could have unintended consequences.

Recommendation 1 – develop regional and local variation in public policy

Newport is governed by Pembrokeshire Coast National Park Authority as its planning authority. There is already local variation in the Local Development Plan in acknowledgement of the special circumstances of various places in Pembrokeshire, but there is a need to give any conditions teeth. Local variation in policy is excellent but Town and Community Councils must be listened to to make sure it is enforced and the planning authority needs to stand by those conditions.

The Town Council often feels powerless to ensure that planning conditions are upheld or that its concerns are treated seriously. We would like a more powerful role in the planning process.

For example quite recently a developer suggested they would provide units that would be sold at an affordable price on a development of 21 market houses. These would be for local employees. There were also 14 affordable rental houses. The developer later applied for permission to increase the

size of the one bedroom units to two bedrooms. The Town Council objected but the planning authority agreed. They were put on the market for around £370,000.

Land in Newport is incredibly expensive. The 3 acre site for this development was sold for £1.6 million. It is a development of 21 market houses, many in the region of £500,000, which are beyond the wildest dreams of our younger working population. The conditional affordable rental housing is separated off into a corner with tiny backyards. Local and regional policy will not address the needs of Newport unless this issue can be dealt with. For every small affordable rental property built we pay the price with at least twice as many new unaffordable houses which are mostly sold as second homes and to affluent retirees. Public policy under these circumstances needs to address the fact that in places like Newport, developers' profits are a major force in the creation of our problem. Market housing should not 'provide the framework to cross subsidise the provision of affordable housing.' (Local Development Plan). It is exacerbating the problem. New ways of building are needed to address local needs alone. A variety of well designed rental or buy family homes, elderly accessible one-storey homes and so on in proper streets would serve the mix of population a small town needs and reflect its vernacular. This will never happen while profit is the driving force. This approach needs to be part of any local variation.

Recommendation 2 – control of the numbers of second homes

Any policy that aims to reduce the number of second homes needs to reflect on the essential part they play in the economy of Newport and their definition. There is a huge unseen consequence as holiday makers are our lifeblood. There is a discussion to be had about how many there should be and whether there is a tipping point. The prices of houses in Newport are already beyond the reach of most of the inhabitants of Newport and so limiting their sale to full time residents alone would simply increase the number of affluent retirees. Better to address the issue of providing decent affordable houses to buy or rent for all sectors of the community so that elderly people, young people and families can stay here, without the need to move away. There would need to be constraints to ensure future sales to local people. This has been done with financial assistance to local councils to purchase land and build what they need to meet this need.

Recommendation 3 - The definition of second homes.

- Homes that have been purchased for rental purposes - this includes many local people who have invested in holiday lets that they run as a business. It also includes people who do this as an investment and rent out via an agency. This is where most of our holiday visitors stay and they are essential to our economy.
- Homes that are bought for personal use only. Some of these homes have been used by families that have been coming to Newport for generations and they are familiar faces in Newport. Others are more recent. There is a division of opinion in Newport about whether this is a good thing for Newport or not. Many businesses welcome them and are angry about any vilification. The downside is that there are stretches of prime locations in Newport that are empty for most of the year and any land or property that comes up for sale in a good location is snapped up for an exorbitant price and frequently replaced with a more modern non-traditional house.
- People who have lived in Newport for generations and have inherited their family home. These people feel very hurt that they are having to pay a 100% second home tax when their families have been in Newport for longer than most people here and they are preserving their family legacy. If they sell to mitigate that then their family home would most likely become a holiday home.

- The invisible second home. By 2011 the number of second homes had officially risen to 344. and it continues to rise. This number is probably an underestimate as a significant number of couples are registering separate main residences as individuals; one for their actual residence and the other for their second home in Newport.
- The second home registered as a business to avoid second home tax. There is considerable resentment about this evasion.

It is not helpful to group all these categories into one heading and make it the cause of all problems and it is in fact quite divisive.

Recommendation 4 – responding to Brexit and Covid-19

Newport is a fairly self sufficient community when it comes to shops and supplies and this is largely due to the boost from summertime tourists. However since Covid and with the loss of European labour many are having difficulties financially and in finding the labour to keep going. This is particularly true for the hospitality and farming sectors. Any loss of any of these businesses would have a serious long term effect on life in the community. Support is urgently needed.

Recommendation 5 – the need for policy intervention across a range of policy areas

There should definitely be policy intervention in planning and taxation policies.

Recommendation 6 – Local Council Tax Premium

The definition of Second Home is crucial to this and while it is a good thing, there is a lot on inequity in the way that it is being levied. There are ways of avoiding payment by claiming business exemption for example but there are also local people who have moved away and may come back, who are having to pay because they have kept a home that has been in their family for generations.

The PCC Enhancing Pembrokeshire Grant which is funded by the Local Council Tax Premium has made a huge contribution to Newport in supporting projects which have improved many aspects of Newport, but even though Newport is a major contributor to this fund and the increase in the taxation to 100%, it seems the extra funds raised will be used by Pembrokeshire County Council to fund affordable housing across Pembrokeshire. The grants we have received in Newport have been well used and have benefitted the community greatly, but they do not address the nub of the situation. We need large amounts to either buy land or buy property - to use the money to not only enhance our community but start to solve the problem. While we recognise and support meeting the needs of the less affluent areas in Pembrokeshire, Newport is hamstrung by the exorbitant cost of land and property prices.

Recommendation 8 - Land transaction tax.

Given the wealth of the people who purchase second homes and build them in Newport, it won't act as a deterrent and would not bring any benefit to or make any difference to Newport itself.

Recommendation 9 – Gwynedd and Anglesey Councils' 'Local Market Housing' Scheme

This seems a very innovative and excellent scheme. However it would be necessary for the housing to be built by the local authority ideally in cooperation with the community, as this would not be financially feasible for a developer given the price of land in Newport.

Recommendation 11 – trialling a new use class for second homes

While understanding the logic of this, given the price of housing in Newport this would not release any housing onto the market that would be within the reach of young families and would just increase the number of affluent retirees.

Gaps in knowledge and data

Newport Town Council is currently conducting a survey on Housing and Needs in Newport in order to get an up to date insight into the experiences and situations of our residents. We hope that this will form the basis for working with the whole community to collaborate with Pembrokeshire County Council and Pembrokeshire Coast National Park Authority to work towards a plan to alleviate the negative issues that affect our community because of its thriving tourism, without causing any unforeseen outcomes.

References

1. <https://www.nomisweb.co.uk/reports/localarea?compare=W05000434>
2. <https://www.zoopla.co.uk/house-prices/browse/pembrokeshire/newport/?q=Newport%20Pembrokeshire>
3. https://www.zoopla.co.uk/for-sale/property/pembrokeshire/newport/?q=Newport%20Pembrokeshire&results_sort=newest_listings&search_source=for-sale

The following evidence was noted by Aberystwyth Town Council:

- Many young people are having to move out of Aberystwyth to buy homes due to high costs.
- Older people (50+) who wish to downsize and purchase a more affordable property nearer to services (thus releasing a family home) in order to maintain independence have very limited to no options in Aberystwyth – the flats available are either too expensive, belong to Housing Associations or they do not conform to lifetime home standards with poor access (over 65% of people own their homes in Ceredigion and a good proportion of those are older people)
- It is worth noting that Ceredigion was the third most difficult county in Wales for people to afford a home in 2019. At that time, houses cost 7.32 times wages on average. By now, prices have risen even more due to increase demand in the wake of the pandemic. In 2018 there were nearly 200 second homes within Aberystwyth Town Council boundaries; it's likely that this has increased significantly since then.
- There are some landlords who sit on hundreds of properties some of which are left empty. They should be taxed and the 'uninhabitable' loophole needs to be removed
- Holiday lets represent a different category to short term tenancies which are needed.
- Small Business Rates Relief and the number of self-catering accommodation that is eligible for such relief is one of the reasons why many individuals and businesses living elsewhere see opportunities to buy property here
- Farm tourism diversification projects or family run businesses utilising unused old farm buildings, help support rural communities and the tourism industry. The main and serious problem is when properties in towns and villages are bought as second homes and the income leaves the local area.
- The social housing register currently has 118 Category A families
- There are various reports of people registering their second homes as businesses in order to avoid the council tax premiums. At the moment property must be rented for only 70 days a year to register as a business. This should be increased to 140 days a year.
- The present system doesn't deal with platforms such as AirBnB which allows people to opt out, to all intents and purposes, of normal arrangements, not only in terms of effect on the housing situation in our communities but by unfair competition with local businesses such as hotels. There are no fire inspections or related rules on property put on AirBnB.
- We see small terraced houses that would be perfect starter homes being turned into second homes. A lot of properties in Aberystwyth are fairly small

houses and flats: properties that would otherwise be perfect for single people or low income families. A few years ago, a developer had avoided contributing to an affordable housing fund through showing that he would not make a large profit through redeveloping an old building in the town into residential flats. Immediately upon the completion of the work, he turned the entire building into holiday lets. No planning permission was required to do this!

- 2nd homes left empty destroy communities eg New Quay in Ceredigion is a ghost town in the winter, and is destructive to the Welsh language in the last communities where Welsh is the day-to-day language. The percentage of Welsh speakers has fallen dramatically in Aberystwyth, with the town council area falling by 5 percentage points between the 2001 census and the 2011 census (and 8.1 percentage points in one ward). The results of the 2021 census are thus far unknown; however the state of the Welsh language in the area is precarious.
- 2nd homes mean less employment.
- There are examples of conflicts between preserving green community space and housing developments

Response to the Senedd Local Government and Housing Committee's Consultation on its Inquiry into Second Homes

Welsh Local Government Association - The Voice of Welsh Councils

We are The Welsh Local Government Association (WLGA); a politically led cross party organisation that seeks to give local government a strong voice at a national level. We represent the interests of local government and promote local democracy in Wales. The 22 councils in Wales are our members and the 3 fire and rescue authorities and 3 national park authorities are associate members.

We believe that the ideas that change people's lives, happen locally.

Communities are at their best when they feel connected to their council through local democracy. By championing, facilitating, and achieving these connections, we can build a vibrant local democracy that allows communities to thrive.

Our ultimate goal is to promote, protect, support and develop democratic local government and the interests of councils in Wales.

We'll achieve our vision by

- Promoting the role and prominence of councillors and council leaders
- Ensuring maximum local discretion in legislation or statutory guidance
- Championing and securing long-term and sustainable funding for councils
- Promoting sector-led improvement
- Encouraging a vibrant local democracy, promoting greater diversity
- Supporting councils to effectively manage their workforce.

Introduction

1. We welcome the decision of the Committee to focus its first inquiry into the very timely issue of the impact of Second Homes on communities across Wales. We welcomed the publication and recommendations made by Dr Simon Brooks in his Report *Second Homes: developing new polices in Wales* and the Welsh Government's response to the proposals.
2. The strength of Dr Simon Brooks' Report is the way it took a very balanced and evidence-based approach which acknowledged that second homes are one (important) factor, but not the *only* one in terms of sustaining communities.
3. As so many of the recommendations and responses relate to empowering councils with the necessary tools to act in accordance with their local circumstances, they have a key role in informing the necessary policy and legislative changes required at the national level to address the impact of Second Homes in their areas.



4. We look forward to working with the Committee, and our continued engagement with the Welsh Government, to provide the necessary knowledge and data from councils, to inform improved and fit for purpose policy and legislative arrangements to address the impact of Second Homes to ensure the sustainability of communities across Wales, in particular those most affected across rural and coastal areas.

Background

5. The issue of affordable housing within the context of high levels of second home ownership, and the impact of short-term lettings, is an issue that has been repeatedly raised by Council Leaders within different fora of the WLGA. Due to the scale of the impact on rural communities, most the discussion has featured in meetings of the WLGA's Rural Forum, comprising the Leaders and Senior Officials of the 9 most Rural Councils¹.
6. This issue has also been highlighted at Cabinet and Council meetings by Gwynedd Council, Carmarthenshire County Council, Ceredigion Council and Pembrokeshire Council, with calls to clamp down on the proportion of dwelling houses used as short-term holiday lets and second homes in rural areas.
7. The availability and affordability of housing was highlighted in the WLGA's Rural Manifesto and Rural Vision for Wales published prior to the Senedd Election. Further, Members of the Rural Forum tasked WLGA officers to establish a Rural Housing Working Group, comprising housing and planning officers from the rural councils, to consider the issues and to report back to Members with recommendations. These were approved by Members of the Rural Forum in February 2021 as follows:
 - **Introduce a mandatory licensing system for short -term lettings**, so that local planning authorities can place controls on the number of properties in specific area and ensure that rural housing stock is available for primary occupation.
 - **Amend the Use Classes Order to include a specific use clause relation to short-term holiday lets**, leading to the requirement for a formal change of use application to local planning authorities.
 - Engage with Welsh Government to ensure sufficient focus on rural issues within National Planning Policy
 - Support local planning authorities to develop appropriate evidence to enable a rural approach in Strategic Development Plans on a regional basis – Carmarthenshire County Council successfully used LEADER

¹ Carmarthenshire, Ceredigion, Conwy, Denbighshire, Gwynedd, Isle of Anglesey, Monmouthshire, Pembrokeshire and Powys.



funding to develop the 10 rural towns initiative, that will feature heavily in their LDP proposals.

- Suggest that rural councils ringfence the income from the Second Homes Council Tax premium to invest in local affordable housing.

Key Messages

8. We are of the view that the recommendations of Dr Simon Brooks' *Second Homes – developing new policies in Wales* should be implemented in full as soon as possible. Priority should be given to implementing those recommendations that will have the biggest impact in terms of managing the scale of the challenges that the current levels of holiday homes present to secure the sustainability of communities across Wales, in particular those rural and coastal communities across West Wales, as follows:

- **Recommendation 7: The Welsh Government should consult on the possibility of making short-term holiday accommodation exempt from being eligible for small business rate relief.**
- **Recommendation 10:** The creation of a **new use class for short-term holiday accommodation** – the Welsh Government should amend the Town and Country Planning (Use Classes) (Amendment) (Wales) Order 2016 by introducing a new use class for short-term holiday accommodation.
- **Recommendation 3:** Introduction of a **Mandatory Licencing Scheme for Holiday Homes.**

9. Further, we are of the view that the following action is needed to address the challenges presented by the scale of second homes so that our communities remain living, sustainable and thriving communities that enable local people to live and work within:

- Every Second Home owner should pay the Council Tax premium that is collected locally thus available for councils to re-invest in local housing priorities such as increasing affordable housing options to enable young people to live in their local community.
- This could be done by amending Section 66 of the Local Government Finance Act so that every dwelling house is considered under the Council Tax regime whatever use is made of it.

Conclusion



10. We are of the view that urgent action is required to alleviate the impact associated with the scale of second homes to ensure sustainable communities for future generations that offer opportunities for people to live, work and enjoy. This is vital in meeting the Well-Being of Future Generations Act goals of *A Wales of Cohesive Communities* and *A Wales of Vibrant Culture and Thriving Welsh Language*.
11. Further, action to address this issue is central in meeting the Welsh Government's pledge to achieve 1 million Welsh Speakers by 2050.
12. The need for greater control relating to this issue is vital. Councils need appropriate regulatory powers to balance the needs and concerns of local communities whilst balancing the wider economic benefit which the tourism economy provides, in particular across rural and coastal communities.
13. We welcome the ambition outlined for action to address the proliferation of second homes and unaffordable housing in *The Co-operation Agreement* between the Welsh Government and Plaid Cymru published towards the end of last year. We look forward to working with them to ensure that councils will be further enabled to control the number of second homes via proposed and much needed changes across the planning, property, licencing and taxation systems to ensure sustainable communities for current and future generations across Wales.

Agenda Item 3

Local Government and Housing Committee

26 January 2022 – papers to note cover sheet

Paper no.	Issue	From	Action point
Paper 4	Inquiry into Second Homes	Gwynedd Council	To note
Paper 5	Petition P-06-1204 Protect the people of Wales – Take urgent action on the housing crisis now	The Petitions Committee	To note
Paper 6	Welsh Government Draft Budget 2022-23	Minister for Finance and Local Government	To note

Adran Amgylchedd
Environment Department
(Planning, Public Protection, Transport & Countryside)



Pennaeth Cynorthwyol yr Adran/Assistant Head of Department – Gareth Jones

Gofynnwch am/Ask for: Gareth Jones



Ein Cyf / Our Ref:
Eich Cyf / Your Ref:

07.01.22

Dear Mr Griffiths (MS)

During a meeting of the Local Government and Housing Committee where Council Officers together with the Deputy Council Leader submitted evidence, it was asked how the infrastructure of the Well-being of Future Generations Act had formed the planning decisions made by local authorities. It was promised that the Authority would respond to the question via a letter.

During the process of drafting the Anglesey and Gwynedd Joint Local Development Plan the Well-being of Future Generations (Wales) Act 2015 was issued. Although the date of this Act is 2015, it came into force after the Joint LDP was submitted for inspection (April 2016). As the Joint LDP was submitted for Inspection prior to April 2016, it did not have to directly be in line with the well-being goals noted in the Well-being of Future Generations Act. However, at the request of the Planning Inspector, the Councils demonstrated during the Public Inquiry that the Joint LDP aligned with the well-being goals noted within the act. This was done by submitting evidence to the Inspector which noted how the Policies included in the Joint Local Development Plan are in line with the well-being goals. Bearing in mind that the core principle of the Joint LDP (and the associated Strategic Environmental Assessment) is sustainable development, there are clear links between the aspirations of the LDP and the Act/Local Well-being Plans.

It is confirmed that the principles of the Well-being of Future Generations (Wales) Act and the well-being goals have informed the work of monitoring the Plan and in the near future it will feed into the process of holding the Plan review and preparing the Amended Plan.

As you are aware, it is a requirement that determinations on planning applications are made in accordance with local planning policy guidance (namely the Anglesey and Gwynedd Joint Local Development Plan in the case of the Gwynedd Local Planning Authority). Therefore, and as a result of the fact that the Plan is in line with the goals included in the Act, it is considered that the determinations on planning applications also align with those goals.

The Local Planning Authority has a duty to take reasonable steps in exercising its functions (including determining planning applications) to ensure compliance with the seven well-being goals within the Act. This means that when determining planning applications the Local Planning Authority considers the sustainable development principles together with ensuring that the needs of the present are met without compromising the ability of future generations to meet their own needs.

I trust that the above responds to what was raised during the meeting.

Yours sincerely

Gareth Jones
Assistant Head of Environment Department

John Griffiths MS

Chair

Local Government and Housing Committee

Tŷ Hywel

Cardiff Bay

CF99 1SN

20 January 2021

Dear John

Petition P-06-1204 Protect the people of Wales - Take urgent action on the housing crisis now

The Petitions Committee considered the above petition at our meeting on 10 January, alongside correspondence from the Minister for Climate Change and the Petitioner.

At the meeting members acknowledged the serious concerns raised by the petition regarding affordable housing and the negative impact on local communities across Wales. Members welcomed the fact that your Committee is undertaking a detailed inquiry in this area, and agreed to write to you to ask that you include the issues raised in this petition as part of your inquiry.

Further information about the petition, including related correspondence, is available on our website at: <https://business.senedd.wales/ielssueDetails.aspx?IId=38088&Opt=3>.

If you have any queries, please contact the Committee clerking team at the e-mail address below, or on 0300 200 6454.

Yours sincerely



Jack Sargeant MS

Chair

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.



Llywodraeth Cymru
Welsh Government

Our ref: RE/653/22

John Griffiths MS
Local Government and Housing Committee
Welsh Parliament
Cardiff Bay
Cardiff
CF99 1SN

24 January 2022

Dear John,

Thank you for the opportunity to provide evidence to the Committee in respect of the 2022-23 Draft Budget. During my session on 12 January, I undertook to provide the following information:

A note on streams of grant funding and how the outcomes from the funding investments are evaluated

As I described during my evidence session, the revenue support grant forms part of the local government settlement which is un-hypothecated. Whilst the budget sets the overall amount of funding, the formula used to determine the distribution of funding across Wales uses a range of factors; such as population in specific age ranges and proxies for deprivation.

In addition to the unhypothecated Local Government Settlement the Welsh Government also makes use of specific revenue and capital hypothecated grants where this is appropriate, for example, grants to support homelessness services, housing support, Flying Start and many more. The relevant policy minister will set the objectives and any outcomes monitoring or evaluation required for these specific grants.

One specific example is steps that were taken during 2021-22 to counter the potential impact on vulnerable children caused by the pandemic which included an allocation of £5m on interactive, play-based initiatives. This included allocations of:

- £150k to the Arts Council of Wales for activities to run through the financial year;
- £300k to Sports Wales for activities to run through the financial year; and,
- £3.55m split between the 22 LAs to host a range of play, sporting and cultural activities for children and young people aged 0-25 between July and September.

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

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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.

The evaluation found:

- Over 67,500 children and young people were reached by the programme;
- Almost half of all providers offered family activities, alongside children and young person facing activities;
- Reach was better among younger age groups, with 70% of participants aged 5 to 11. Only 7% of participants were aged 16 to 25;
- Reach by ethnicity was in alignment with the national population, with 9% of programme participants being Black, Asian and Minority Ethnic;
- Across participants, 5% had additional learning needs (ALN) and disabled people accounted for 3%; and,
- 43% of Summer of Fun sessions were delivered with bilingual (Welsh and English) aspects and 11% of sessions were delivered solely in Welsh medium.

We have taken account of these findings in shaping the Winter of Wellbeing, which has seen us allocate £20m to support similar activities for children and young people aged 0-25 through until the end of the financial year. Using a wider range of providers, and working with schools, colleges, universities, museums, libraries, our heritage sector and more traditional play, youth and leisure services we should be able to spread the benefits further supporting recovery on a broader basis. That programme will also be subject to evaluation and we can think about how to take forward findings in our mainstream programmes such as the playworks holiday scheme.

A note on how objectives for local government are set and how delivery outcomes are evaluated against the objectives (an example was given during this line of questioning for social services and the Minister said she would ask the relevant Minister, however the Member was referring to local government generally)

Local Authority members are directly elected to oversee, scrutinise and steer the Council in its delivery of its statutory and non-statutory responsibilities and to respond to the wishes and ambitions of the people, communities and businesses in their area. As noted above the revenue support grant is un-hypothecated and does not have specific objectives set against it.

I write to local authorities alongside the settlement setting out the details of the settlement and, when appropriate, identifying areas of Government and mutual priorities for the coming year. Such areas of priority are not surprises to local government and are usually areas where discussions have been held at political or official level. This letter is published alongside the settlement and can be found for the current draft settlement at [2022-23 - LGS - Letter \(gov.wales\)](#). Relevant portfolio Ministers will work with local government and other partners on priorities which may receive funding through authorities use of the un-hypothecated revenue settlement, or through specific grant funding. Where specific grant funding there may be terms and conditions attached to the grant funding for specific outputs or outcomes, performance expectations and grant criteria. The range of specific grants is set out in draft as part of the documentation published at the time of the provisional settlement.

Local authorities fall under the requirements of the Wellbeing of Future Generations Act and are required to publish an annual report showing the progress they have made in meeting their objectives set under the Act. Additionally as part of the requirements of the Act the Welsh Government reports annually through the Wellbeing of Wales report. This considers progress against the 46 national indicators, which were set by Welsh Ministers in 2016 – local authorities are some of the bodies that support many of these outcomes.

Our Programme for Government sets out a number of commitments specifically related to local government, which we will be delivering over the course of this Senedd. Many of these are funded separately and will be outcomes reported on through the Programme for Government annual report.

- Seek to reform council tax to ensure a fairer system for all.
- Reform local government elections to reduce the democratic deficit.
- Expand our Access to Elected Office programme.
- Ensure that each region in Wales has effective and democratically accountable means of developing their future economies.
- Change the performance framework for local government to better enable innovation, transparency, and local ownership.
- Strengthen the autonomy and effectiveness of local government to make them more successful in delivering services.
- Reduce the administrative burden on local authorities.

Finally, in terms of such key services as education and social care, Local Authorities are subject to the inspection regime of Estyn and Care Inspectorate Wales as part of the assessment of delivery of services.

A note on the policy that sits alongside the £60million funding allocated for reform in the care sector

A new Social Care Reform fund of £45m has been created by the Minister for Health and Social Services and the Deputy Minister for Social Services. The fund will rise to £55m in 2023-24 and £60m in 2024-25. This allocation will increase the funding available to promote reform and improvement in social care, to complement the uplift provided in the Local Government settlement.

The funding will be used to support the reform set out following our 'Rebalancing Care and Support' White Paper, to improve delivery and increase the sustainability of services across the social care sector. The funding will be used to help deliver the Programme for Government commitments to reform social care for looked after children and to protect, rebuild and develop our services for vulnerable people

Through the Fund we will invest:

- £10m in 2022-23 in preparation to deliver our commitment to eliminate private profit from the care of looked after children during the next Senedd term; and,
- an additional £3m in Social Care Wales in 2022-23, to continue the expansion of the professional registration of the social care workforce and provide ongoing support for the stabilisation and recovery of the sector through delivery of the Health and Social Care Joint Workforce Strategy.

We will also invest in:

- the establishment of health and social care community hubs to contribute to the prevention and early intervention agenda;
- the ongoing work under the Chief Social Care Officer for Wales to take forward action complementary to the Race Equality Action Plan;
- further support for groups such as unpaid carers; and,
- Within the new £45m Social Care Reform fund in 2022-23 we will continue to support the provision of funding to enable unpaid carers to access respite care and the intervention fund for supporting child and family well-being to safely divert cases from child protection registration.

The new Social Care Reform fund is in addition to the £180m of funding provided within the Local Government settlement for the real living wage for care workers and to support the sector's pressures. The new funding is also in addition to the baseline funding for Social Care which will enable continued support to activity across the Social Care sector.

A note on the funding stream that will provide the £103million allocated to be spent on hygiene and ventilation in education settings due to the Covid pandemic, including clarity on whether this amount is new funding or if it's been redirected due to being underspent

I am able to confirm that this was new funding allocated to the Education and Welsh Language portfolio from reserves, which will be formalised as part of the second supplementary budget. £50m will be provided via local authorities through the Sustainable Communities for Learning programme. The funding will help schools carry out capital repair and improvement work, with a focus on health and safety measures, such as improving ventilation. The funding will also be used to support decarbonisation.

£45m of revenue funding will also help support school budgets, assisting schools as they continue to deal with the ongoing impacts of the pandemic and to prepare for the requirements of the new curriculum.

An additional £8m will be provided to further education colleges, to ensure learning can continue safely and ensure the most disadvantaged learners are not further impacted by the pandemic.

This funding recognises the challenges faced by schools and colleges during the pandemic. This funding will further support our schools and colleges to keep settings as Covid-secure as possible.

A note on the ambitions and objectives for the Chief Digital Officer role, for the forthcoming financial year

A [Welsh Local Government Digital strategy](#) was published last year, taking into consideration the Welsh Government Digital Strategy and the local authorities' digital strategies.

The strategy addresses the priorities identified by local authorities in Wales and sets out the work that the Local Government Chief Digital Officer and her team will undertake to support and help the wider sector to meet these priorities. It identifies three strategic core objectives: Human-centred design of services; Data; and Capability.

These will be delivered through providing support, guidance, training, communication, projects, collaboration and leadership. The financial year of 2022-23 will focus on the delivery of this strategy, with a new strategy drafted toward the end of this year for adoption from April 2023.

I look forward to receiving your report and recommendations in due course.

Yours sincerely,

A handwritten signature in black ink that reads "Rebecca Evans". The script is cursive and fluid.

Rebecca Evans AS/MS

Y Gweinidog Cyllid a Llywodraeth Leol

Minister for Finance and Local Government

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Agenda Item 7

By virtue of paragraph(s) vi of Standing Order 17.42

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Agenda Item 8

By virtue of paragraph(s) ix of Standing Order 17.42

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