

Julie James AS/MS
Y Gweinidog Newid Hinsawdd
Minister for Climate Change



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cyf/Our ref JJ/00815/22

Jack Sargeant MS

08 June 2022

Dear Jack,

Thank you for your letter of 5 April regarding petition P-06-1257 Reduced Council Tax for private estate properties. As matters relating to charges on private estates largely fall into the Climate Change portfolio, I am replying.

As you will appreciate, it will take time to bring forward legislation on the areas outlined in my colleague's previous letter and it is important that we consider carefully our approach, undertake the necessary research and evidence gathering, and seek the views of interested parties and the public to help shape proposals on which we will then consult. We will also need to assess the impacts of the available options to ensure that we do not unintentionally make worse an already difficult situation. At this time, I am unable definitively to indicate a timescale for legislation on these matters therefore.

The UK Government has committed to bringing forward legislation to extend the rights which leaseholders currently have to challenge the reasonableness of service charges to freeholders who are subject to estate charges. I have requested that this legislation be made on an England and Wales basis. The timing for introduction of such provisions is obviously outside my control, but where UK legislation on devolved matters is extended to Wales, it will of course be subject to the LCM process.

You ask whether Local Authorities have or could be provided with the power to establish their own maintenance companies. In addition to being able to charge for discretionary services, Principal Local Authorities may undertake commercial activities related to their ordinary functions and may also use the power of general competence to undertake commercial activity. In either case this must be undertaken through a trading company and is subject to the development, approval and publication of a business case. Local Authorities would need to satisfy themselves that using these powers was appropriate in the context of their statutory duties and their overall circumstances.

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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.

Powers to trade in relation to ordinary functions were originally provided through the Local Government Act 2003 and subsequent 2006 Order. The Local Government and Elections (Wales) Act 2021 provided for a general power of competence and The General Power of Competence (Commercial Purpose) (Conditions) (Wales) Regulations 2021 provided for this to also allow relevant authorities to undertake commercial activity. For completeness, the Local Government (Relevant Authorities) (Power to Trade) (Wales) Order 2022 (due to come into effect from 5th May 2022) amends the 2006 Order to update the legal definition of relevant authorities and widen the definition to include corporate joint committees, and eligible community councils.

Yours sincerely,



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