

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



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref P-06-1307
Ein cyf/Our ref JJ/02294/22

Jack Sargeant MS
Chair - Petitions committee
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01 November 2022

Dear Jack,

Thank you for your letter of 12 October to the Minister for Finance and Local Government regarding "P-06-1307 - Commit to the adoption of the maintenance of new housing estates by local authorities." I am responding as the query relates to a housing matter.

The maintenance of new housing estates is the responsibility of the local authority where communal infrastructure has been adopted. Where communal infrastructure is not adopted, the organisation responsible for maintenance generally levies an estate charge on occupiers of the homes. There are varying arrangements for the maintenance of communal infrastructure. Local authorities have a duty to adopt sustainable urban drainage systems and often adopt estate roads where the developer has reached an agreement with them. There is no duty in law to adopt public open space, although local authorities may choose to do so.

I conducted a call for evidence on the subject of estate charges in 2020 which helped to expose some of the poor practice that is currently associated with the levying of such charges. This led to the inclusion of a commitment in our Programme for Government to "Ensure that estate charges for public open spaces and facilities are paid for in a way that is fair." I am pursuing a number of actions in relation to this commitment, which I will outline below.

Regarding existing estates subject to charges, the UK Government has committed to introducing legislation that will give freeholders equivalent rights to leaseholders in relation to such matters as the right to apply to a tribunal to challenge the fairness of estate charges, and to appoint a new manager to manage the provision of services covered by estate charges. The extension of such rights to freeholders could help to reduce the size of estate charges, where there is currently doubt over their reasonableness, and could allow residents to remove management functions from a company where they believe that charges are not being administered appropriately. It is my intention that when such legislation is brought forward it should be done so on an England and Wales basis.

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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.

For new estates, we will explore the practicality of using legislation to bring together the various regimes to pay for the maintenance of communal infrastructure into a single approach. This will include consideration of placing a duty on local authorities to adopt communal infrastructure in return for an appropriate payment from the developer.

I understand that my officials have recently discussed the £102 service charge at the Mill with Tirion Homes. Officials understand that the service charge is an annual estimate and consists of maintenance costs for general amenities including, the play areas, grass, landscaping, benches, and bins (including regular emptying). It also provides for the upkeep of retaining structures, paths, steps, and railings plus annual safety checks. Finally, the charge includes funding for the upkeep, including annual inspections, of the site's flood defence systems, of which the riverside park forms an integral part. The maintenance regime is designed to keep the park and flood defences in good condition for the enjoyment and benefit of both residents and the wider community.

Tirion has stated that, as a not-for-profit Community Benefit Society it cannot absorb all the maintenance costs associated with the Riverside Park and flood defences and so must pass these on to the residents in line with obligations that should have been made clear to prospective purchasers during the sale process. Tirion has also stated it recognises that this charge comes at a time of other cost pressures and has undertaken to evaluate the works and corresponding charges. I understand that this evaluation will be made available to the residents to review and comment upon.

Decisions to adopt retrospectively are matters for individual authorities to decide alongside their other priorities. It would therefore be inappropriate for me to comment on those decisions. The Welsh Government has provided local authorities with as generous financial settlements as our budgets have allowed, which could be used to support adoption. However, I recognise that significant budget constraints will still inevitably impact on local authority decisions in these matters.

Yours sincerely,



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