



Department for Levelling Up,
Housing & Communities

Rt Hon Christopher Pincher MP
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Dear Selaine,

During the Westminster Hall Debate on Thursday 6 January, on second homes and short-term lets, you spoke of some of the issues created by second homes in your constituency and local area, including anti-social behaviour and wider affordable housing availability. I wanted to write to you to respond directly to some of the issues you raised.

Second homes

I am conscious of the effects of second home ownership and holiday lets on those who live and work on the Devon and Cornwall peninsula and welcomed our recent meeting on the matter, as well as the correspondence I and my Department have received. I also understand that my officials are due to meet North Devon Council and Homes England next week to discuss delivery-related challenges

This Government recognises that second homes can bring benefits to local economies including the tourism sector and we do not wish to restrict people's freedom to live where they choose. We also recognise, however, that large numbers of second homes concentrated in a single area can have a negative effect on local communities. We have introduced a number of measures to help mitigate those effects, including introducing higher rates of Stamp Duty Land Tax for those purchasing additional properties.

As was mentioned in the debate, the Government's new First Homes scheme is an excellent tool for local areas to be able to prioritise new housing for local people. First Homes are sold to first-time buyers with discounts of at least 30%, although the local planning authority can increase the minimum discount to 50% if supported by local evidence, and developers are free to discount homes even further if they can do so viably. Homes sold as First Homes contain restrictions to ensure the home is sold as a First Home in future, each time it is resold, ensuring that they continue to benefit the local community for generations to come.

As part of these restrictions, local authorities can impose requirements ensuring the homes are prioritised for local residents (which can be defined locally) or for specific professions, such as key workers, to ensure they are best serving the local community. National planning policy now expects that at least 25% of homes delivered through developer contributions should be First Homes, but this can be higher in the local authority sees a particular need for this kind of housing.

During Thursday's debate, you mentioned tax inequalities. Previous letters from yourself and other South West MPs have raised the issue in particular of the business rates eligibility criteria for

holiday lets. As mentioned during the debate, the Government has committed to legislate to require that holiday rentals meet an actual letting threshold before being assessed for business rates. This will ensure that only genuine holiday letting businesses can access small business rate relief. The Department will publish further detail of this change very shortly as part of its response to the consultation on the criteria, which will be available alongside the consultation document at the following address: <https://www.gov.uk/government/consultations/business-rates-treatment-of-self-catering-accommodation>

You also raised the example of where a holiday let may require permission in order to be used as a long term rental. Some new properties may be granted planning permission to be used as a holiday let subject to the condition that they remain a holiday let. This is often a judgment of whether a location is sustainable, as what may be suitable for someone to stay in for a two-week holiday period may not be for long term lets or as a permanent dwellinghouse which would require the provision of local services such as schools, public transport etc. If the owner subsequently wished to let the holiday home as a permanent dwellinghouse, they could make an application to the local planning authority seeking permission to remove the condition. If where a landlord looks to convert a dwellinghouse into a short term holiday let and the local planning authority considers there is a material change of use then a planning application would be required, the application would be determined in accordance with the local plan, including any relevant policies on holiday lets.

As part of the Tourism Recovery Plan published in June 2021, the Government will consult on the introduction of a Tourist Accommodation Registration Scheme in England. Any such scheme could encompass the breadth of the sector, from 'traditional' accommodation such as hotels and B&Bs to short term lets in the sharing economy and could be used to underpin future government interventions, for example regarding the regulation of the sharing economy. The Government is committed to hearing the views of all interested parties on the merits and drawbacks of a Registration Scheme, and how any potential scheme could be implemented proportionately to avoid placing a significant regulatory burden on the sector. The Department for Culture, Media and Sports will launch a call for evidence early this year, to help develop policy options for the consultation later next year.

Anti-social behaviour

On the matter of anti-social behaviour and noise nuisance, local authorities have powers to take action against statutory nuisances such as noise or anti-social behaviour, that may arise at short-term let properties in the same way that action could be taken towards other forms of accommodation. This includes serving 'Abatement Notices' if they believe that a statutory nuisance is taking place, has taken place, or will take place in the future. A failure to comply with an Abatement Notice may result in prosecution and an initial fine set by a court, with additional fines for each day that the person fails to comply.

Local authorities can also take action under the Noise Act 1996, against noise which falls short of being a statutory nuisance. The Act allows them to enter premises and seize equipment, including in domestic dwellings.

The Anti-Social Behaviour and Policing Act 2014 contains provisions for acting on nuisance such as litter and garden rubbish, as well as noise. The Act gives enforcement authorities a further suite of options, including the power to issue a Community Protection Notice to deal with unreasonable, ongoing problems or nuisances which negatively affect the community's quality of life.

Developer contributions

You also mentioned viability challenges in the provision of affordable housing. Section 106 agreements are legal agreements used to assist in mitigating the impact of development, including agreement about actions which the developer will take. To reduce the renegotiation of affordable housing contributions subject to Section 106 agreements, the Government has set out that there should be clear policy requirements in plans. This means that landowners and site purchasers are aware of likely costs upfront and can take this into consideration when agreeing land transactions. Planning applications that comply with up-to-date policies should be assumed to be viable. The price paid for land is not a relevant justification for failing to accord with policies in the plan. Emerging and adopted policies should be taken into account when land is purchased, and the price paid for land should not lead to a reduction in contributions towards affordable housing and infrastructure.

The Government is exploring the implementation of a new 'Infrastructure Levy', which will replace section 106 planning obligations and the Community Infrastructure Levy and be set in a way which delivers at least as much - if not more - value and onsite affordable housing as at present. The proposed Infrastructure Levy will be simpler, more transparent and more consistent, delivering more of the affordable housing and infrastructure existing and new communities require.

Affordable housing supply

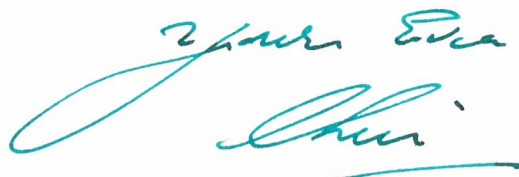
As I mentioned in the debate, part of the solution must come from increasing supply more generally. This Government is committed to increasing the supply of housing so that more people have a safe and affordable place to live. Over 1,300 affordable homes have been delivered in North Devon since 2010 983 of these are for rent, 671 of which were for social rent.

You raised the importance of flexibility and control for councils. We have given councils a comprehensive range of tools to deliver a new generation of council housing. These include

- A package of reforms that will give councils more freedom on how they spend the money they receive from selling homes through the Right to Buy to help them build more council homes.
- Our £11.5bn Affordable Homes Programme will deliver up to 180,000 affordable homes, should economic conditions allow. We are keen to see local authorities playing a key role in the delivery of this programme alongside Housing Associations.
- Government abolished the Housing Revenue Account (HRA) borrowing cap in 2018, enabling local authorities to borrow for building.

On the matter of occupancy requirements, local authorities have the power to decide who qualifies for social housing in their area and develop solutions which make best use of the social housing stock. Guidance on the allocation of social housing published in 2013 encourages local authorities to adopt a two-year residency test to ensure that social housing is prioritised for those who can demonstrate local connection to the area.

Thank you again for raising these important issues, I hope you find this information useful.



RT HON CHRISTOPHER PINCHER MP

I am always impressed by your determined campaigning.

