

COMMUNITIES, HOMES & REGENERATION SCRUTINY COMMITTEE

23RD FEBRUARY 2023

EMPTY HOMES POLICY- OUR APPROACH TO BRINGING EMPTY HOMES BACK TO USE

Purpose

- To introduce the Empty Homes Policy that will set the vision and the work programme for the Council in tackling empty private residential homes within the County for the next 4 years; and
- To provide clear direction on the approach and where our efforts will be focussed to meet this and other policy goals.

THE SCRUTINY COMMITTEE IS ASKED TO:-

Consider and make further recommendations on:

- The intent and impact of the Empty Homes Policy on - "*Our Approach to Bringing Empty Homes Back in to Use*".
- The vision to reduce the number of empty homes in the County to 1500 by 2026 and how this will be achieved;
- That the type of properties that we will focus on and the rating matrix applied to empty properties meets the policy goals;
- That the Policy will align with the recommendation of the Revenue Setting Policy and the current consultation proposals to impose Council Tax Premium on empty homes that have been vacant for one year or more; and
- The way that we measure performance going forward so that it is consistent and reflective of the efforts being made to bring empty homes back into use.

Reasons:

- To continue the work done in previous years to reduce the number of empty homes in the County;
- Effective intervention has shown to have a positive impact on the reduction of empty properties;
- To provide alternative options to meeting housing need across all tenures and contribute to the housing market in Carmarthenshire;
- To further sustain communities by increasing the supply of housing for local people, reducing the visual and public health affect they have on surrounding areas; and
- To contribute to the Council's Economic Recovery and Delivery Plan.

CABINET MEMBER PORTFOLIO HOLDER:-

Cllr. Linda Evans (Deputy Leader and Homes Portfolio Holder)
Cllr Alun Lenny (Resources Portfolio Holder)

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| Directorate Communities Name of Head of Service: Jonathan Morgan Report Author: Gareth Williams Hayley O'Brian | Designations: Head of Housing and Public Protection Housing Services Manager Private Sector Housing Lead | E Mail Addresses & Tel Nos: JMorgan@cararthenshire.gov.uk 01267 228960 GaJWilliams@cararthenshire.gov.uk 07787402901 Hobrian@cararthenshire.gov.uk |
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EXECUTIVE SUMMARY

EMPTY HOMES POLICY- OUR APPROACH TO BRINGING EMPTY HOMES BACK TO USE

Introduction

Empty homes are a wasted resource when there is a shortage of housing across the County, including rural wards. These properties also blight our neighbourhoods and can be a focus for anti-social behaviour.

The Council is committed to bringing empty homes back into use as quickly as possible and has worked with the owners of empty homes and our partners to take all available opportunities to help tackle the issue of long-term empty homes.

Bringing empty homes back into use can help address a number of housing and social issues by increasing supply in areas where there are housing shortages and pressures and where there is an opportunity to link to other regeneration projects.

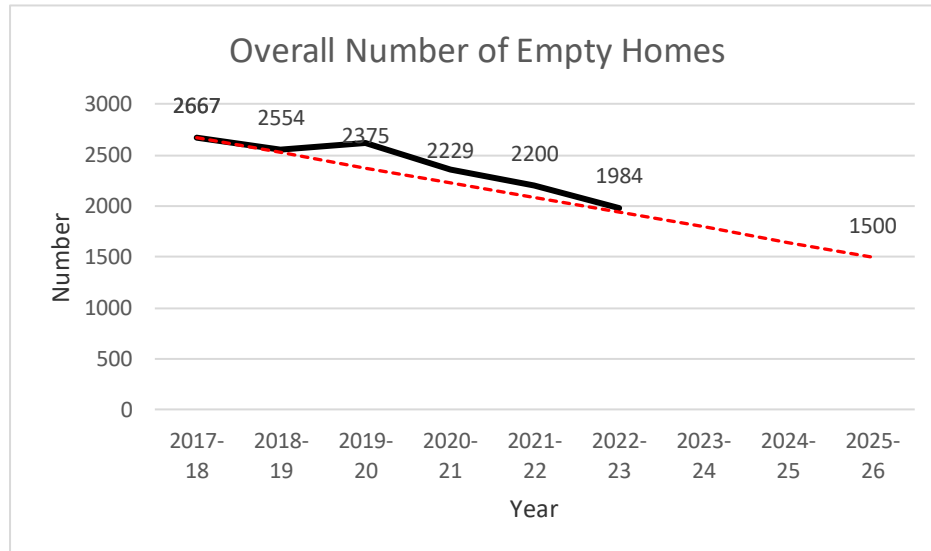
It is essential that the Council has effective measures in place to deal with these issues and a comprehensive Empty Homes Policy which contributes towards local strategic planning and the economic recovery efforts.

The Policy sets out our approach and aims to be ambitious/ forward thinking in the way that we will tackle the problem by moving at scale and pace to return as many empty homes into use during the year. The Policy will allow officers to target certain types of properties, in certain areas, and will give clarity and confidence in the actions that are taken.

Context

Good progress has been made over the past five years to reduce the overall number of empty homes through persistent activity and action to encourage/ enforce against homeowners to bring them back into use. The current number is 1,984 (Sep 2022). This represents approximately 2.1% of the overall housing stock within the County and our performance can be seen in Graph 1 below:

Graph 1



Innovative approaches have and continue to be developed such as being the first Council in Wales to apply for an Empty Dwelling Management Order, the expansion of our in-house Social Lettings Agency and various financial assistance packages to help owners bring their properties back into use.

In comparison, Carmarthenshire performs well against other Welsh Authorities in returning empty homes back into use and has consistently been in the top four Councils in Wales over the past 10 years (Table 1). This is because we have a dedicated resource towards bringing empty homes back into use and by working cross departmentally, we have been able to target specific properties or schemes that will have the greatest impact.

Table 1

| County | Actual Number returned to use | % compared to overall number of empties |
|-----------------------|-------------------------------|---|
| Rhondda Cynnon Taf | 213 | 7.4 |
| Carmarthenshire | 189 | 7.4 |
| The Vale of Glamorgan | 111 | 14.1 |
| Bridgend | 104 | 8.4 |
| Swansea | 100 | 5.4 |

Approximately two thirds (62%) of all empty homes have been vacant for two years or more and 20% have been vacant between 6- 12 months. Of all the empty homes, over half (52%) are within the *Ten Towns Action Areas*. In addition, the current council tax debt associated with homes that have been empty for 6 months or more is £1.46m.

This information has allowed us to develop the policy to ensure that we are focusing in the right areas and targeting the right properties.

Approach to Tackling Empty Homes

Our vision is to reduce the overall number of empty homes within the County to 1500 by 2026. To achieve this, the number of empty homes that we return to use each year through this policy must be greater than those that become empty. Hopefully, this policy will discourage owners from allowing their properties to become empty in the first place by imposing financial penalties through Council Tax exemptions and premiums backed by a robust enforcement strategy, but also encourage others to take up financial assistance and other support offered by the Council to bring them back into use.

To ensure we have a balanced and transparent approach in meeting the overall aims of this policy we have developed a risk-based approach. Appendix 1 of the Policy document contains the risk assessment that we will use. Officers have tested this on several types of empty homes in different localities, of varying condition and are confident that it will help us prioritise action to:

- Target empty homes in areas of high housing demand;
- Target empty properties that will be brought back as affordable homes for people on the Housing Choice Register and focus on empty homes within our own council estates that had been previously sold off through the 'right to buy' scheme;
- Support bringing empty residential units above commercial business in our town centres back into use for people that will contribute to the town centre economy;
- Work with the families of empty homeowners that are in care, manage the properties on their behalf, allowing the income could cover part of their care cost;
- Respond to complaints where empty properties are a nuisance to neighbouring properties or attracting anti-social behaviour; and
- Identify empty properties that are in a poor state of repair, are detrimental to the surrounding area and take appropriate remedial action.

The enforcement options that are available to us are outlined in Appendix 3 and will depend on the owners willingness to engage with us. Where empty homeowners are willing to work with us we will provide them with:

- Advice, assistance and technical expertise;
- Financial assistance through grants and loans;
- An offer to lease their properties through the Council's Social Lettings Agency; and
- An offer to buy their properties in certain circumstances.

Council Tax Exemptions and Premiums

One of the features of the Empty Homes Policy is to introduce a Council Tax premium for long term empty homes. This will align with current consultation proposals and aims to support the recovery of Council Tax Liability for empty properties or to force owners to do something with them.

Under the proposed new provisions, a long-term empty dwelling is defined as a dwelling which is both unoccupied and substantially unfurnished for a continuous period of at least one year. The Policy recommends a Council Tax Premium to be applied to all Empty Homes that have been vacant for 1 years or more. This could be applied to over 62% of the current empty homes. It is used as a deterrent mainly, and when properties are returned to use will generate a revenue for the Council. Of the homes that have been empty for 1 year or more over 1,300 have an existing debt against them.

Table 2

| Debt Banding | Number of properties | Total Debt |
|-----------------|----------------------|------------|
| £2000 and above | 121 | £442,000 |
| £1000 to £1999 | 324 | £427,000 |
| £500- £999 | 777 | £559,000 |
| £1- £499 | 113 | £36,000 |
| No debt | 253 | 0 |

The current consultation proposals sets the Council Tax premiums at 50% between 1-2 Years, 100% between 2-5 years and 200% for 5+ Years. We appreciate the views and any recommendations made by Scrutiny Committee which will be included in the report as it progresses and will shape/ strengthen this Policy going forward.

Taking into consideration the parish precept for the Council Tax setting for each of the associated banding we have calculated what the average would be, the number of properties in each of those bandings and what the total liability would be if a no premium was added, 50%, 100% and 200% premium is added within a single year and not considering the existing debt against a property.

The Council, however, does have discretion to increase this to 300% and the increase is not restricted to the length of time the property has been empty, but does need to be proportionate. The table below demonstrates the additional revenues that would be applied though the Council Tax Premium based on the current empty properties data we hold.

Table 3

| | BAND A | BAND B | BAND C | BAND D | BAND E | BAND F | BAND G | BAND H | Total |
|--------------|---------|---------|---------|---------|---------|---------|---------|--------|------------------|
| No Premium | 16,271 | 61,015 | 48,037 | 34,865 | 34,091 | 10,072 | 2,905 | 0 | 207,256 |
| 50% Premium | 71,474 | 142,368 | 120,867 | 125,516 | 124,644 | 45,325 | 39,224 | 5,230 | 674,647 |
| 100% Premium | 183,624 | 309,141 | 334,708 | 303,330 | 362,214 | 156,120 | 58,109 | 0 | 1,707,245 |
| 200% Premium | 387,006 | 597,944 | 641,523 | 596,200 | 479,400 | 128,421 | 104,596 | 0 | 2,935,091 |
| Total | | | | | | | | | 5,524,239 |

This approach could:

- Reduce the number of overall empties naturally with the owners returning them to use voluntarily;

- Result in empty home owners choosing to pay the general liability thus increasing the revenues to the Council; or
- Owners deciding on neither, thus generating a debt against the property.

Where the owners choose to do nothing and leave the debt accrue, officers will actively pursue the enforced sale process (outlined in Appendix 2) to force the change of ownership of the property and recover the debt owed from the sale value of the house. Any surplus sums from the sale will be held by the Council until claimed by the owner, estate, executors or any other person being able to demonstrate an interest in the property. The use of the enforced sale process is likely to become a more frequently used enforcement tool under this Policy.

To ensure that empty home owners don't pay their general liability and keep the property empty to avoid paying the premiums we will work with colleagues in electoral services and other departments to review the information and take the necessary action to deal with this.

To ensure that the new owner returns the property to use in a reasonable time period and that the condition is improved, we will serve suspended notices on the property under the Housing Act 2004 to carry out necessary repairs and will be active upon change of ownership. If the property is in a reasonable condition that does not merit the service of a statutory notice, the owner will be subject to further enforced sales, empty dwelling management orders or compulsory purchase.

The enforced sale procedure is complex and can also be used to recover other debt secured against the property and registered as a local land charge.

Economic, Social & Community Benefits

The Policy will also contribute to other wider actions around economic, social and community benefits. Over the term of this policy we aim to bring back into use between 450- 550 properties through direct action and/or financial assistance or enforcement action. This will help with the economic recovery of the County, safeguard or create up to 90 jobs, support local businesses and town centres and promote the Welsh language and culture by providing homes in our main towns, market towns and other rural areas for local people.

Conclusion

High levels of empty properties are recognised as having a serious impact on the viability of communities in terms of blight on neighbourhoods and potential for anti-social behaviour to occur.

Empty homes are also a wasted resource and when brought back into use contribute to an increase in the supply of housing. Dealing with empty properties can therefore have social, economic and regeneration benefits.

The Policy aims to be flexible in its approach and have that balance between encouragement of owners to make better use of their empty homes and for officers to have the confidence to take decisive action to force empty homes back into occupation.

Scrutiny Committee is asked to consider and make further recommendations on:

1. The intent and impact of the Empty Homes Policy on - “*Our Approach to Bringing Empty Homes Back in to Use*”.
2. The vision to reduce the number of empty homes in the County to 1500 by 2026 and how this will be achieved;
3. That the type of properties that we will focus on and the rating matrix applied to empty properties meets the policy goals;
4. That the Policy will align with the recommendation of the Revenue Setting Policy and the current consultation proposals to impose Council Tax Premium on empty homes that have been vacant for one year or more; and
5. The way that we measure performance going forward so that it is consistent and reflective of the efforts being made to bring empty homes back into use.

DETAILED REPORT ATTACHED?

YES – Empty Homes Policy 2023/26

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: Jonathan Morgan Head of Housing & Public Protection

| Policy, Crime & Disorder and Equalities | Legal | Finance | ICT | Risk Management Issues | Staffing Implications | Physical Assets |
|---|------------|------------|-------------|------------------------|-----------------------|-----------------|
| YES | YES | YES | NONE | NONE | YES | NONE |

1. Policy, Crime and Disorder

The Empty Homes Policy will provide the framework to bring empty properties back into use, meet the local housing need, enhance communities, reduce crime associated with empty homes by making them secure and will contribute to other wider agendas and programmes.

2. Legal

The Council has a responsibility to deal with housing standards and public health issues that arise from properties that are left empty. Statutory action requires legal support, particularly if enforced sale is seen as the most satisfactory action to recover debt and force the change of ownership of properties to return them to use. We'll need to ensure that any action taken is in line with the Council's Enforcement Policy. There will be other legal involvement in registering statutory and financial charges and developing agreements for loans/ grants. There will possibly be an increase in the number of leases or buy backs as a result of owners wishing to rid the responsibility of the property.

3. Finance

The recovery of council tax liability, debt from statutory action or council tax premiums will increase. Financial systems will need to be put in place to administer grants and loans. Where enforced sale procedures are applied there will need to be a mechanism for repaying the surplus sums of money to the rightful owner or the person(s) that would have had control of the property.

4. People Management & Performance

The inclusion of council tax premiums on empty homes may have implications on Revenue Services.

Recovery of debt will require significant enforcement activity through enforced sales.

**CABINET MEMBER PORTFOLIO
HOLDER(S) AWARE/CONSULTED**

Yes

Section 100D Local Government Act, 1972 – Access to Information List of Background Papers used in the preparation of this report:

THESE ARE DETAILED BELOW

| Title of Document | File Ref No. | Locations that the papers are available for public inspection |
|--------------------|-----------------------------|---|
| Empty Homes Policy | Housing General Files | Council website- Democratic Services |