



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

18th OCTOBER 2021

A REPORT ON THE COUNCIL'S APPROACH TO TACKLING EMPTY HOMES, WHICH IS SET OUT IN THE EMPTY HOMES STRATEGY FOR THE PERIOD 2018-2021

REPORT OF THE DIRECTOR OF PROSPERITY AND DEVELOPMENT, IN DISCUSSIONS WITH THE RELEVANT PORTFOLIO HOLDER COUNCILLOR R BEVAN

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Appendices: Empty Homes Strategy (2018-2021)	Appendix A
Empty Homes Action Plan	Appendix B
Landlord Newsletter (2021)	Appendix C
Empty Homes Case Study	Appendix D
VTF Empty Homes Grant Case Study	Appendix E

1.0 PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to update Members on the progress made in implementing the Council's approach to tackling empty homes, which is set out in the Empty Homes Strategy for the period 2018 -2021.

2.0 RECOMMENDATIONS

It is recommended that the Cabinet:

- 2.1 Note the information contained within this report and the progress made in bringing empty properties back into use in line with the RCT Empty Homes Strategy.
- 2.2 Approve for the current RCT Empty Homes Strategy to be extended until March 2022, with a new strategy being developed for implementation in April 2022.

3.0 REASONS FOR RECOMMENDATIONS

- 3.1 Whilst the Covid-19 pandemic has caused some challenges and disruption with regards to the Council's approach to tackling empty homes across RCT, it is important to note the positive work that has been delivered and the outcomes achieved against the strategy.
- 3.2 The current RCT Empty Homes Strategy is coming to an end therefore, extending the current strategy will allow time for a new strategy to be developed in readiness for implementation in April 2022. The Empty Homes Strategy provides clear structure and guidance to facilitate the continuation of bringing empty homes back into use.

4.0 BACKGROUND

- 4.1 Empty private sector homes represent a wasted resource, financial expense both to the owners and the Council and in many cases a missed opportunity to provide much needed affordable housing for residents. Not only are they a waste of a valuable housing resource, but they can cause blight to communities and distress to residents affected by their unsightly appearance and propensity to attract crime and anti-social behaviour.
- 4.2 Council Tax records, from 1st April 2017, revealed that there were 3,556 private sector homes that were vacant for six months or more. This equated to 3.8% of Rhondda Cynon Taf's private housing (owner occupied and private rented) stock. The average for Wales in 2017/2018 was 2.4% with the lowest (Torfaen) having 0.78% of their stock empty.
- 4.3 Whilst, RCT was above the Welsh average and did have the highest number of empty homes in Wales, this was primarily due to level of 'churn' in the housing market, rather than persistent long term empty homes. For example, in the 1st April 2017 snapshot 59% of homes that were empty had been vacant for less than three years and in total **only 684 (9%) homes** appeared as empty in the last four successive snapshots (i.e., in 2014, 2015, 2016 and 2017). Most significantly, 4,463 homes (60% of the total across the four years) appeared on only one of the snapshots. As such, the bulk of homes recorded over 4-year period were only empty for short periods before returning back into use through purchase or rental. Conversely, only a minority of homes (6%) were re-recorded as empty again after being brought back into use over this period.
- 4.4 The 684 empty homes that were identified as being empty, in all four snapshots, were identified as a focus for the Council's enforcement and enabling activity.

- 4.5 As a result, on the 4th October 2018 Cabinet approved an Empty Homes Strategy for the period 2018-2021, which aimed to make a difference to both the scale of empty homes that are brought back into use as well as having a more fundamental impact on the total number in order to reverse the trend in a more sustainable way.

5.0 THE STRATEGY

- 5.1 The Strategy (**Appendix A**), sets out 5 objectives that are clear, deliverable and aim to make a difference to both the scale of empty homes that are brought back into use as well as having a more fundamental impact on the total number in order to reverse the trend in a sustainable way.

- 5.2 The objectives are:

1. **To develop partnerships and vehicles that will enable an increase in the scale of empty homes being brought back into use.**
2. **To maximise the use of current funding and identify further funding models to increase the number of empty homes that are brought back into use.**
3. **To continue to use a range of interventions to ensure all types of empty homes are targeted and enabled to be brought back into use and monitor the outcomes related to these closely.**
4. **To undertake further research in communities and evaluation of existing schemes to understand why there are a high number of empty homes.**
5. **To identify possible solutions that could prevent homes from becoming empty and also develop interventions for different market areas and types.**

6.0 PROGRESS UPDATE

- 6.1 Since the report to Cabinet, a considerable amount of good work has been undertaken over the last 2 years. This includes;

Strategic direction and governance

- 6.2 Following the approval of the Empty Homes Strategy by Cabinet, a Multi-Agency Empty Homes Operational Group (**EHOG**) was established and has continued to meet quarterly. The purpose of the EHOG is to ensure

that a coherent and structured approach to tackling Empty Homes is implemented. The group oversees and monitors the delivery of the Empty Home Action Plan, to ensure the delivery of the objectives set out within the strategy.

- 6.3 During the pandemic the EHO has continued to meet digitally via Microsoft teams and continued to implement and monitor the actions in the Empty Homes Action Plan 2020/2021.

Long Term Empty Properties

- 6.4 A priority within the Empty Homes Action Plan is to bring long-term empty properties back into use; these are properties that have continued to be vacant over a 4-year period. By analysing the empty properties data, **684 long-term empty properties** were identified in RCT. A targeted approach was implemented in order to bring these properties back into use by delivering interventions to cohorts of long-term properties. The interventions included telephone calls to the homeowner, letters sent to the homeowner and visits to the homeowner providing advice and support on opportunities available to bring the property back onto use. As part of the intervention work, enforcement action has also been undertaken, including taking action to deal with accumulations of waste, repairing defects and securing properties to prevent unauthorised access.
- 6.5 The Council also has powers, which it may determine to use, to charge a Premium to be paid in addition to the standard level of Council Tax which is payable on long term empty properties which aligns to the objective of bringing them back into occupation.
- 6.6 As of the 1st April 2021, **510 (75%)** of the long-term empty properties have received an inspection and all owners have received letters offering assistance and/or enforcement if necessary, in order to help bring them back into use. Of the 510 long term empty properties, **297 (58%)** have been brought back into use. This has been achieved as a direct result of the Environmental Housing Officer's (EHO's) interventions, various loans and grants and the proactive work undertaken by Housing Strategy officers working in partnership with landlords, via the landlord forum and RSL's. It is also noted that from the 1st April 2018, owners of long-term empty dwellings have been required to pay a full council tax bill (i.e. no discount is allowed). A further **91** properties have been brought back into use by themselves.

Houses into Homes Loan

- 6.7 The Houses into Homes loan is a Welsh Government funded scheme which provides a loan to help return privately owned empty properties back into use. The scheme is designed for applicants who want to rent

or sell their property on completion of the refurbishment works. The loan must be repaid on sale or within 2 years from the date of loan approval, whichever is sooner, or within 3 years from the date of the loan approval if the property is for rent.

- 6.8 As of the 1st April 2021, **126** Houses into Homes loans have been approved, totalling **£3.7m** of loans awarded, creating **175 homes** from privately owned empty properties. The scheme continues to be well subscribed.
- 6.9 The 175 homes that have been created from the £3.7M of loans, we all delivered by local contractors. Therefore, the investment made through the Houses into Homes loans is contributing to the local economy providing a valuable work programme to local building/contractors at a very challenging time.

Valleys Taskforce Empty Homes Grant Scheme

- 6.10 Following recognition of the success of the RCT Empty Homes Grant, the Valleys Taskforce agreed to commit **£10M** to fund bringing Empty Homes back into use. RCT Council were appointed as the lead authority due to the expertise held following on from the RCT successful Empty Homes Grant initiative and model of delivery. Local Authorities in the Valleys Taskforce Area include, Blaenau Gwent, Merthyr Tydfil, Caerphilly, Rhondda Cynon Taf, Torfaen and parts of Carmarthenshire, Bridgend, Neath Port Talbot and Swansea.
- 6.11 The Valleys Taskforce Empty Homes grant was made available to prospective owner occupiers who intended to occupy an empty home as their main residence, for a minimum 5-year period. To have qualified, the empty home must have been registered as vacant with the Local Authority's Council Tax Department for a minimum of 6 months. Applicants were required to make a mandatory contribution of 15% of the total cost of eligible works (capped at £3,000). There was also a discretion to waive the 15% contribution in exceptional circumstances such as financial hardship, where the applicant could demonstrate that they are in receipt of an income related benefit.
- 6.12 The Grant was available for essential repair work to make properties safe, secure, and free from any category one hazards. During phase 1 the maximum grant award towards the cost of work was £20,000. As part of phase 2, applicants could receive a maximum £25,000 grant. The additional £5,000 was specifically to support any **suitable renewable energy measures** that may be appropriate for the home.
- 6.13 As of the 31st March 2021, a total of **1076** applications were received from across **all** VTF authorities, of which, **941** were deemed valid applications. Of the **941** valid applications, **503** continued with the grant

process and have been approved, with a further **34** at pre-approval stage. The grant commitment at the end of the financial year 2020/2021 was showing full spend against the £10M budget, this resulted in the initial £10M budget for the scheme being increased by WG (additional £2M) in order to meet the number of applications received. The scheme also levered in an additional committed **investment of £3M** from homeowners in order to bring the empty properties back into use. The average grant awarded to applicants was £19,955.49 (prior to mandatory contributions).

- 6.14 RCT received **557 (53%)** applications, of which **494 (87%)** were valid applications. This has resulted in almost **£5.5M** of the grant funding being committed to residents of RCT in order to bring empty homes back into use, an impressive **55%** of the overall budget.
- 6.15 It is also important to note that as of the 31st March 2021, **68** (56 from RCT) homes across the VTF area have completed on their grant and have been brought back into use, **with 92 local contractors (VTF areas)** involved, **67%** of these are RCT based contractors, resulting in these works generating nearly **80,000 hours of employment** through the grant. Therefore, the investment made through the Valleys Taskforce Empty Homes Grant Scheme is contributing to the local economy providing a valuable work programme to local building/contractors at a very challenging time.
- 6.16 Of the 503 homes that will have been brought back into use by the 31st March 2022, the vast majority of homes have had energy efficient measures installed. Therefore, the scheme supports our efforts to tackle fuel poverty and to create a clean, green and sustainable places to live, fulfilling our obligations to decarbonise housing in Wales as we work towards achieving net zero by 2050.
- 6.17 The Valleys Taskforce have referred to the Empty Homes Grant scheme as their 'flagship scheme' under the Taskforce's main priority for housing. Although applications for the scheme closed at the end of March 2021, from the 1st April 2021 RCT re-opened its own Empty Homes Grant and is committed to supporting residents to bring empty homes back in to use.

Homestep Plus Scheme

- 6.18 The Homestep Plus scheme is a partnership with United Welsh Housing Association where empty properties in the CF37 postcode area are purchased and renovated and then sold to first time buyers at 70% of the market value. A total of 22 empty properties have been brought back into use through the Homestep Plus scheme.

RCT Landlord Forum

- 6.19 The Housing Strategy Department hosts the RCT Landlord Forum, which is held quarterly and attended by approximately **40 landlords**. The Forum enables the Council to engage directly with landlords and potential investors in the County Borough to share information and work together to reduce the number of empty properties in RCT. During the Pandemic, the Forum was held virtually and therefore communication with landlords has continued with discussions being held around opportunities to bring empty properties back into use.
- 6.20 A Landlord newsletter (**Appendix C**) is also published twice a year, which has been utilised to inform landlords of the Housing into Homes Loan and also the Council's Homestep Plus scheme.

Working with RSL's and other partners

- 6.21 In addition to bringing Empty Homes back into use, we are also working with RSLs and other partners to bring empty commercial space back into use in our town centres. These are complex schemes, which often require a number of interventions. These include; Oxford Buildings in Mountain town centre, the Boot, the Black lion and the Former NatWest Bank in Aberdare town centre, 122-126 Dunraven Street and the Former Co-op in Tonypany town centre, the Sorting Office in Treorchy town centre and finally we have a range of significant projects including 54 – 55 Taff Street, 56 – 58 Taff Street, 9a High Street, 9a Gelliwastad Road and the upper floors of the Principality Building on High Street in Pontypridd town centre.

7.0 IMPACT

- 7.1 The Council's approach to tackling empty homes is having a positive impact on the number of empty homes across the borough. There have been **1,144 interventions** delivered over the last 2 years, which is above the provisional target of 400 per year; this has helped to bring **501** properties back into use. An intervention is defined as one of the following actions:

- Enforcement:
- Direct advice or guidance:
- Grants, loans or other financial assistance either to provided or facilitated by the Council
- Power of sale - this is another effective tool to deal with long term empty properties, especially larger derelict buildings. However, these properties tend to be problematic and can be time consuming to deal with. In the last 12 months the Embassy Hotel in Gelli, and Elim Church have all been sold at auction.

- 7.2 Council tax records show that between 2017/2018 and 2020-21, the period the Empty Homes Strategy has been implemented, the number of empty homes across the borough has reduced from **3,556 to 2,870, a reduction of 19% or 686 properties.** In the context of the Pandemic, and the resultant disruption to the housing market, this can be seen as a positive outcome.
- 7.3 RCT's approach to tackling empty homes was recognised by Welsh Government and in particular the Valley's Taskforce, as sector leading.
- 7.4 Due to the success of the RCT Empty Homes Strategy and in light of the Pandemic it is proposed to extend the strategy until March 2022. With a new RCT Empty Homes Strategy being implemented from 1st April 2022.

8.0 EQUALITY AND DIVERSITY IMPLICATIONS/ SOCIO-ECONOMIC DUTY

- 8.1 An equality and diversity screening exercise was undertaken prior to the implementation of the Empty Homes Strategy and a full impact assessment was not required. There have been no further assessments complete.

9.0 WELSH LANGUAGE IMPLICATIONS

- 9.1 There is no requirement for a Welsh Language Impact Assessment with this report.

10.0 CONSULTATION / INVOLVEMENT

- 10.1 A consultation exercise is not required

11.0 FINANCIAL IMPLICATION(s)

- 11.1 There are currently no financial implications aligned to this report. WG funding has been awarded to the Council for the existing Houses into Homes loan scheme and the Council was made available £10 million of capital funding for the Valleys Taskforce Empty Property Grant.
- 11.2 However, it is important to note that the RCT Empty Homes Capital Budget of £1.2million for 2021/2022 has already been committed, only 3 months into the financial year, therefore opportunities for further funding are being explored by the council.

12.0 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 12.1 The delivery of the aims of the strategy will in some cases require the utilisation of existing Housing and Planning legislation where enforcement action in relation to an empty property is required.

13.0 LINKS TO THE CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT.

- 13.1 Investment in housing provides an ongoing stimulus to the local economy, by encouraging spending and local supply chains. Making available a supply of affordable homes also helps to improve the prosperity of residents and helps support a huge range of households in society that may not otherwise be able to meet their needs in the market, thereby promoting independence and positive lives for all.
- 13.2 As such, the Empty Homes Strategy will continue to contribute to the delivery all three of the Council's Corporate Plan priorities of economy, people and place. The Strategy will also continue to assist the Council to contribute to three of the seven wellbeing goals that 'The Well Being of Future Generations (Wales) Act 2015' puts in place as follows:
1. A healthier Wales
 2. A prosperous Wales
 3. A Wales of cohesive communities

14.0 CONCLUSION

- 14.1 The Empty Homes Strategy has been implemented for 2 years and has provided a framework for all empty homes activity, ensuring a co-ordinated approach.
- 14.2 The strategy enables the positive work undertaken over recent years to be built on in order to decrease the total number of empty homes in the County Borough overall. The empty homes data for 2020/2021 clearly evidences that the Empty Homes Strategy and working collaboratively with partners, is being successful in having a positive impact on reducing the number of empty homes across RCT.
- 14.3 It is clear that the investment made through the Valleys Taskforce Empty Homes Grant Scheme and the Houses into Homes Loan has contributed to the local economy providing valuable work opportunities to local building/contractors at a very challenging time.

- 14.4 The report also evidences that both the Valleys Taskforce Empty Homes Grant Scheme and the Houses into Homes Loan support efforts to tackle fuel poverty and to create a clean, green and sustainable place to live, fulfilling our obligations to decarbonise housing in Wales as we work towards achieving net zero by 2050.

Other information:-

Relevant Scrutiny Committee

Finance and Performance Scrutiny

Contact Officer:

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LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

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18 OCTOBER 2021

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DISCUSSIONS WITH THE RELEVANT PORTFOLIO HOLDER
COUNCILLOR R BEVAN**

Item:

Background Papers

None

Officer to contact:

Derek James, Service Director