

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2019-2020

**HEALTH AND WELLBEING SCRUTINY
COMMITTEE**

19TH NOVEMBER 2019

**REPORT OF:
DIRECTOR OF PROSPERITY AND
DEVELOPMENT**

Agenda Item No.

TACKLING EMPTY HOMES

Author: Derek James, Service Director of Prosperity and Development

Appendices: Empty Homes Strategy (2018-2021)
Empty Homes Action Plan (2019 – 2020)
Empty Property Advice Pack (2019)
Landlord Newsletter (2018)
Empty Homes Case studies

1. PURPOSE OF THE REPORT

1.1 The purpose of the report is to update Scrutiny 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 (**Appendix A**).

2. RECOMMENDATIONS

It is recommended that Members:

- 2.1 Scrutinise and comment on the information contained within this report.
- 2.2 Consider whether they wish to scrutinise in greater depth any matters contained in the report.

3.0 BACKGROUND

3.1 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.

- 3.2 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.
- 3.3 Whilst, RCT was above the Welsh average and did have the highest number of empty homes in Wales, this was primarily due to the 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 a 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.
- 3.4 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.
- 3.5 As a result, in October 4th 2018, Cabinet approved an Empty Homes Strategy for the period 2018-2021, which aims 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.

4.0 THE STRATEGY

- 4.1 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.
- 4.2 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.

5.0 PROGRESS UPDATE

- 5.1 Since the report to Cabinet, a considerable amount of good work has been undertaken over a short period of time.

Strategic direction and governance

- 5.2 Following the approval of the Empty Homes Strategy by Cabinet, a Multi-Agency Empty Homes Operational Group (EHOG) has been established. 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 (**Appendix B**), to ensure the delivery of the objectives set out within the strategy.

A targeted approach

- 5.3 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. It was agreed that a targeted approach was needed in order to bring these properties back into use by delivering interventions to cohorts of long-term properties. The target set was to deliver interventions within the first year to **171 (25%)** of the long-term empty properties. The interventions include telephone calls to the homeowner, letters sent to the homeowner, visits to the homeowner providing advice and support on opportunities available to bring the property back into use and serving enforcement notices.
- 5.4 Excellent progress has been made with the target being achieved within the first 10 months of the action plan being implemented with **276 (40%)** of the long-term empty properties receiving targeted intervention support. As part of the intervention work, enforcement action has also been undertaken in respect of **11** empty homes, including taking action to deal with accumulations of waste, repairing defects and securing properties to prevent unauthorised access. However, at this stage, it is too early to measure overall impact of these interventions, this will be evidenced in April 2020 when the 2020 council tax data is available. This targeted work will continue to be implemented and monitored by the EHOG.

- 5.5 Furthermore, as of 1st April 2018, the Council has used its discretionary powers to remove the 50% Council Tax discount that was previously applied to long term empty homes. This means that since 1st April 2018, all properties which are both vacant and unfurnished for six months or more, and do not qualify for a Council Tax exemption, have been charged 100% Council Tax.
- 5.6 The impact of this has been significant, with the Housing Grants team seeing a significant increase in the number of queries from both landlords and home owners looking for information, support and advice, such as loans and grants, in order to bring their empty home back into use.

Information, advice and assistance

- 5.7 As part of the first year Empty Homes Action Plan, an Advice Pack (**Appendix C**) has been developed for empty property homeowners. The pack provides information on ways in which to bring their empty properties back into use, such as availability of grants and loan and selling and renting options. The Advice Pack was made available to empty property homeowners in November 2019 and will be promoted through the Council's website and within Council and community buildings. Over the next year, the group will explore further opportunities to improve accessibility of the information provided through the use of social media.
- 5.8 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 homes in RCT. Since the launch of the Empty Property Strategy, 3 Landlord Forums have taken place; January, May and September 2019. Information shared and discussed in the forum has included the Houses into Homes loan scheme.
- 5.9 The Houses into Homes loan is a Welsh Government funded scheme which provides a loan to help return **privately** owned empty homes 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. In total, **103** Houses into Homes loans have been approved, which totals **£3.205M** of loans awarded. This scheme alone has helped to bring **148** empty homes back into use (**Appendix D**).
- 5.10 The forum continues to attract 40+ landlords to each meeting, which evidences the need and effectiveness of them. The forum will continue to meet with a focus on sharing good practice, highlighting case studies regarding how empty homes have been brought back into use across RCT.
- 5.11 In addition to this, a Landlord newsletter is published twice a year to provide information, advice and support. One of the schemes that has been promoted through this newsletter is the Council's Homestep Plus scheme. The Homestep

Plus scheme is a partnership between the Council and United Welsh Housing Association where empty homes in the CF37 postcode area are purchased from private Landlords and renovated, utilising Welsh Government funding, and then sold to first time buyers at 70% of the market value (**Appendix E**). To date, a total of **18** empty homes have been purchased, which has resulted in **17** homes being brought back into use. Due to the success of this pilot scheme, the Council is now exploring opportunities to roll it out across additional areas.

- 5.12 The Council's own Empty Homes grant is available to prospective **owner occupiers** who plan to live in the property as their main residence for a period of at least 5 years. The property must have remained unoccupied for a period of 6 months prior to making the grant application. The grant is available for essential repair work to make the property safe and secure and free from any category one hazards. The maximum grant awarded towards the cost of work is £20,000 and applicants are required to make a 15% contribution towards the cost of grant eligible work up to a maximum of £3,000. There is a discretion to waive the 15% contribution in exceptional circumstances such as financial hardship, where the applicant must be in receipt of an income related benefit. Grant conditions are registered with a Full Legal Charge on completion of work for a 5-year period. Full repayment will be required if the property is sold or not occupied as intended during the 5 year grant condition period.
- 5.13 During the financial year 2018/2019 the Housing Grants team received **102** empty home grant applications. All applications were surveyed and **88 (86%) were approved**. By the end of the financial year, **61 (69%)** of cases were complete, the remaining 27 cases are ongoing and have been rolled over into the 2019/2020 programme (**Appendix F**). The total spend against the grant for the financial year 2018/2019 was **£1.24m**, which has brought **61** empty homes back into use.
- 5.14 The Council has recently secured additional Welsh Government funding to provide Interest Free **Owner Occupier** loans. The scheme is being delivered by Robert Owen Community Banking on behalf of the Authority and is designed to help homeowners have safer, warmer and greener homes. Loans are available between £1,000 and £25,000 with repayment terms of up to 10 years. The loans are interest free and there is currently no fees applicable. The loans can be used for building works, including windows, doors, damp-proofing, disabled access, kitchens, bathrooms, stairs, plumbing, electrics, plasterwork, floors, roofing, chimneys and brickwork. The scheme also supports boilers, wood burning stoves and energy efficiency measures such as insulation and some renewable energy installations. The scheme has recently been launched, and is also being directly targeted at empty homes. To date, **50** applications are currently being considered.

A partnership approach

- 5.15 The Council has been working with Housing Association partners to tackle some of RCT's larger empty homes/properties in town centres. These are complex schemes, which often require a number of interventions. Each key town centre has or is developing a town centre regeneration Strategy. The

Strategy will look at the best development mix to take advantage of opportunities, including residential development within the tenure mix, which is best for the town and location. The aim of this approach is to bring back vacant or derelict floorspace/apartments into use for this purpose.

- 5.16 One of the Town Centre Strategies that has been developed is for Porth. The strategy has identified 5 strategic objectives; objective 4 is to support the development of housing. This includes, identifying key residential opportunities, including vacant properties that need redeveloping or renovating. A number of properties close to the train station and at key locations throughout the town centre have the potential for mixed-use development, with commercial and retail opportunities on the ground floors and the reuse of vacant floor space at upper levels, suitable for residential use.
- 5.17 The Council has been working in partnership with Empty Homes Wales, managed by United Welsh Housing Association, to **promote** and **raise awareness** of a leasing scheme they offer, which supports bringing empty homes back into use. The leasing scheme covers any renovation works required to bring an empty home up to a habitable standard. On completion of the works, Empty Homes Wales, will then lease the property for the homeowner and manage the tenancy. Rental income received during the term of the lease is used to offset the cost of the renovation works. Once the renovation costs have been repaid, Empty Homes Wales can continue to rent the home, in return for a management fee, which is deducted from the rental income.
- 5.18 The Council is developing positive relationships with a number of potential empty home investors who are keen to purchase empty homes across the Authority to bring them back into use. The Council will facilitate this by creating the link between the investors and the homeowner and/or landlord, in order for discussions to take place regarding a potential sale. The Council plans to strengthen this partnership by facilitating a webpage that will offer further opportunities to sell empty homes to potential investors.

6.0 IMPACT

- 6.1 The Council's approach to tackling empty homes is having a significant impact on the number of empty homes across the borough. Council tax records show that between 2017/2018 and 2018/2019, the period the Empty Homes Strategy was implemented, the number of empty homes across the borough has reduced from **3,556 to 2,885**, a **reduction** of **671** properties (please note that this data is based on one snapshot in time).
- 6.2 Furthermore, in 2018-2019, RCT brought a total of **213 (7.4%)** empty homes back into use, directly from Council intervention, performing **2.8% above the National Welsh Average**. This is a 2% increase on the previous year.
- 6.3 National benchmarking data for 2018/2019 also ranks RCT **1st** in Wales for the **number** of empty homes brought back into use and **6th** in Wales for the **percentage**. This is an **improvement** from the 2017/2018 data that ranked

RCT **2nd** place for the **number** of empty homes brought back into use and **8th** place for the **percentage**.

- 6.4 In addition to this, our approach to tackling empty homes has been recognised by Welsh Government and in particular the Valley's Taskforce, as sector leading. As such, the Deputy Minister for Economy and Transport, in his capacity as chair of the Valleys Taskforce, has agreed to provide funding of £10M to roll out RCT's Empty Homes grant across all Valley Taskforce authorities. The Valleys Taskforce members have also requested that RCT act as the lead body and therefore co-ordinate the delivery of the grant. This is significant investment which will further support and accelerate the number of empty homes being brought back into use across the borough and the Valley's Taskforce authorities.

7.0 EQUALITY AND DIVERSITY IMPLICATIONS

- 7.1 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 completed.

8.0 CONSULTATION

- 8.1 A consultation exercise is not required at this stage but may be required as actions within the strategy are delivered.

9.0 FINANCIAL IMPLICATION(S)

- 9.1 There are currently no financial implications aligned to this report. Welsh Government funding has been awarded to the Council for the existing Houses into Homes loan scheme and the Council's current budget for the Empty Property Grant is £2.5M for 2019/20-2020/21
- 9.2 If any additional funding requirements are identified to support the delivery of the strategy, these will be reported to Members for agreement.

10.0 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 10.1 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.

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

- 11.1 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.
- 11.2 As such, the Empty Homes Strategy will continue to contribute to the delivery of 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

12.0 CONCLUSION

- 12.1 The Empty Homes Strategy has been implemented for one year and has provided a framework for all empty homes activity, ensuring a co-ordinated approach across the borough.
- 12.2 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 borough overall. The empty homes data for 2018/2019 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.