Welsh Empty Property Initiative “Houses into Homes”

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Housing Training & Consultancy Ltd
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Acknowledgements

The author would like to thank representatives of the Welsh Government, Local Authorities and other key stakeholders in Wales for their contribution and assistance in preparing this report.
1.0 Executive Summary

1.1 Tackling empty homes is now a core part of the Welsh Government’s national housing strategy, Improving Lives and Communities (April 2010). The Welsh Government’s Programme for Government published in May 2011 included a commitment to introduce a new Empty Property Initiative and to that end the Minister for Housing and Regeneration has confirmed that the Welsh Government will support local authorities in Wales to bring more empty homes back into use, through a £5 Million fund.

1.2 The overall aim of the scheme is to bring long term empty homes back into use, tackling negative social and environmental impact such properties can have on a neighbourhood. The scheme will also support regeneration through increased renovation and building work, increase the number of affordable homes and help local authorities to deal with homelessness.

1.3 The broad proposal involves setting up a short-term loan scheme which can be accessed by the owners of empty property to assist with the cost of renovating or converting their property. The promotion of greater regional working across Wales will be key to the scheme.

Scope of Study & Methodology

1.4 The purpose of the study was to carry out a broad review of how local authorities in Wales are tackling empty homes and to provide guidance on implementation of an Empty Property Initiative for Wales.

1.5 An initial questionnaire and interview were carried out with an appropriate representative from each local authority in Wales. In addition, interviews were carried out with other key stakeholders, including Welsh Local Government Association, Chartered Institute of Housing, Shelter Cymru and other interested parties.

Key Findings

Scale of Empty Homes in Wales

1.6 Accurate information on the number of empty homes is difficult to establish. There are 31,644 homes that have an exemption class (Council Tax) that indicates the property is empty (all tenures) (CT1 Form -2012-2013 data)\(^1\), representing 2.34% of the total housing stock. Seven out of ten empty homes are in the private sector.

1.7 However, properties that have been vacant for less than 6 months represent the normal churn of the market and are not generally a concern for local authorities and residents alike. Those dwellings that have been vacant for more than 6 months are considered long-term empty dwellings. There are currently 21,966 long-term empty homes in Wales (Performance Indicator PSR/004 (2010-2011))\(^2\), representing a 16.2% increase on the 2009-2010 figure of 18,980.

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\(^1\) Exempt dwellings, by local authority and class (number of dwellings) (Welsh UAs, Exemption class) 2012-2013 - [http://www.statswales.wales.gov.uk/TableViewer/tableView.aspx?ReportId=441](http://www.statswales.wales.gov.uk/TableViewer/tableView.aspx?ReportId=441)

\(^2\) Performance Indicator PSR /004 : The total number of private sector dwellings that had been vacant for more than 6 months at 1 April
1.8 The number of long term empty properties brought back into use through direct intervention by the local authorities in Wales increased from 596 in 2009-2010 to 955 in 2011-2012.

Council Tax Discounts

1.9 Since the Local Government Finance Act 1992, every dwelling within the local authority area is liable for full council tax, unless it is declared exempt or benefits from a discount. Until the Local Government Finance Act 2003 empty properties benefitted from a discount of 50%. However, the 2003 Act gave authorities the discretionary power to reduce or remove this discount. In 2011-2012, eight local authorities (36%) continued to provide a 50% discount and fourteen local authorities (64%) removed the discount all together.

Survey results

1.10 Twenty local authorities (95%) considered empty homes to be a priority for their local authority. Nine local authorities (41%) confirmed that empty homes were a significant problem in their area; ten local authorities (45%) indicated that they were a moderate problem; and only three local authorities (14%) indicated they were a minor problem.

Staffing (Resources)

1.11 Ten local authorities (45%) had a full time dedicated resource to deal with empty homes; with three local authorities (14%) having a part time resource who allocated between 30% - 50% of their time towards empty homes work. This represents an average of 0.6 full time equivalent posts per local authority.

Advice & Guidance

1.12 All local authorities in Wales provided independent advice and guidance to empty property owners. However, the extent and level of assistance provided was dependent on the level of staffing resources available.

Financial Assistance

1.13 Thirteen local authorities (59%) offered through their Housing Renewal Policy, some form of financial assistance to owners of empty homes.

1.14 The form of financial assistance predominantly fell into two distinct categories.

- 36% (8 LAs) offered some form of grant usually linked to nomination rights at an affordable rent (Local Housing Allowance)
- 23% (5 LAs) offered some form of interest free or low interest loan with payback over a number of years

Direct Purchase (Local Authority & Registered Social Landlord)

1.15 Only two local authorities (9%) indicated that they had directly purchased empty properties as a method of bringing them back into use. In addition, fourteen local authorities (64%) indicated that they worked in partnership with a Registered Social Landlord to purchase long term empty
properties, with a view to renovating and making them available for rent. This usually involved some provision of funding from the local authority in the form of Social Housing Grant, Section 106 Funding, or other capital investment.

1.16 Four local authorities (18%) have a partnership arrangement with a local auctioneer to offer empty property owners reduced fees to sell their properties through auction. One local authority was able to offer an independent estate agency and letting agency service as part of their strategy.

1.17 Only four local authorities (18%) operated a list of developers / landlords that were interested in buying empty properties or were able to offer a service to empty home owners to advertise their properties for sale at no cost (website).

1.18 Seventeen local authorities (77%) operate a Private Sector Leasing Scheme either through the Local Authority directly or through a Registered Social Landlord. In addition, ten local authorities (45%) operate a social letting scheme, which provides a service to those in need including the homeless or people on low income.

**Home Improvement Agency**

1.19 A frequent reason for properties being left empty is that the owners lack the confidence or knowledge to organise and carryout renovation works. One way local authorities can assist, is to help owners find suitable contractors or to manage the works on their behalf. Only nine local authorities (41%) operated builders list, many of which are only available to clients who use the home improvement agency.

1.20 Thirteen local authorities (59%) operated a home improvement agency either in house or through a third party such as a Registered Social Landlord or Charity. However, only 10 local authorities (45%) offered those services to landlords or non-owner occupier owners i.e. empty property owners.

**Enforcement (Legislation)**

1.21 Local authorities have a range of statutory powers to deal with empty homes and the problems associated with them. There was a high level of willingness on the local authorities’ behalf to use their statutory powers.

- 73% (16 LAs) regularly used their powers under Section 215 Town & Country Planning Act 1990 to deal with properties or land that were detrimental to the amenities of the area.
- 82% (18 LAs) used Section 79 Building Act 1984 (Ruinous and Dilapidated) to deal with properties that were in a poor dilapidated condition.
- 90% (20 LAs) indicated that they have used their powers under Section 77 & 78 Building Act 1984 to deal with dangerous structures.
- 95% (21 LAs) regularly use their powers under Section 29 of the Local Government (Miscellaneous Provisions) Act 1982 to board insecure properties.
- 82% (18 LAs) use Statutory Nuisance provisions under the Environmental Protection Act 1990.
95% (21 LAs) regularly use Section 4 Prevention of Damage by Pests Act 1949 to deal with accumulations of rubbish and rodent control

82% (18 LAs) indicated that they would be prepared to serve an Improvement Notice under the Housing Act 2004, to deal with the condition of empty properties.

However, only three local authorities (14%) had secured or were in the process of applying for an Empty Dwelling Management Orders (EDMOs). Many local authorities were reluctant to use EDMOs as they considered them to be complicated, required considerable resource both in terms of staffing and capital and were only suitable for properties that are in reasonable condition.

Seven local authorities (32%) had or were prepared to use Compulsory Purchase (CPOs) to deal with the empty properties. One of the main perceived barriers to local authorities undertaking more CPOs was their legal complexity and lack of capital funds to facilitate the purchase.

**Enforced Sales Procedure**

Sixteen local authorities (73%) stated that they had or were prepared to use the enforced sales procedure to recover debt owing to the local authority. While only fourteen local authorities (64%) indicated that they had used Charging Orders as a method to recover council tax debt and only eight local authorities (36%) stated that they had used bankruptcy (in appropriate cases).

**Welsh Empty Property Initiative (Houses to Homes)**

When local authorities were asked what where the main barriers to bringing more empty properties back into use, they indicated that:

- 73% (16 LAs) felt that staffing resources was a significant barrier with only 45% (10 LAs) having a dedicated officer.
- 86% (19 LAs) felt that lack of capital funding was a significant barrier
- 55% (12 LAs) felt technical and professional expertise was a significant issue
- 18% (4 LAs) felt that lack of effective partnership with RSL or 3rd Sector was an issue
- 41% (9 LAs) felt that a lack of a corporate approach was a major hurdle to being effective in delivering greater outcomes.

Twenty local authorities (91%) felt that having a strong national branding was an important element of any proposed national scheme, including the development of a dedicated website to provide advice and guidance to empty home owners.

**Recommendations**

Provide further clarification to local authorities on the interpretation of Performance Indicator PSR/004 to ensure there is a consistent approach across Wales.
1.28 Create a national steering group consisting of representatives from the Welsh Government, Welsh Local Government Association, each of the regions and other appropriate bodies to facilitate the development of the Welsh Empty Property Initiative and to monitor performance.

1.29 Develop a national publicity /marketing campaign to promote the Houses into Homes Scheme, including the development of a national empty homes website.

1.30 Having regard to the use of the £5 million capital fund, no restrictions should be placed on the local authorities on how they utilise the fund, other than it must be used to bring long term empty properties back into use and be recyclable within 3 years. This will encourage local authorities to be innovative in their approach.

1.31 The primary use of the funds should be directed towards providing short term loans to empty property owners.

1.32 The proposal for such a scheme would include the following terms:

- **Empty for more than 6 months** or creation of new dwellings from redundant space or conversion of commercial buildings (not new build per se)

- **Loans to sell** – renovate a property with a view to selling (maximum repayment period two years)

- **Loans to rent** – renovate a property and rent out (maximum repayment period three years)

- **Loans to Owner Occupiers** – discounted at this stage

- **Interest free loan amounts** £20,000 to £25,000 per unit, with a maximum loan value of £140,000 to £150,000 per applicant

- **Loan secured as first or second Charge** on the empty property or other suitable property offered as security

- **Maximum Loan to Value** including any existing mortgage - between 75-80%

- **Properties expected to meet** a reasonable standard on completion (no category 1 hazards and lettable condition

1.33 Consideration should be given to administering the loan scheme on a national basis through a single host authority or organisation rather than on a regional basis, which would involve six administration centres.

1.34 A formal review of the scheme should be undertaken to assess value for money and effectiveness of the scheme in meeting its objectives. This should be done on an annual basis.

1.35 The Welsh Government is to consider council tax reforms in relation to empty homes. As part of that review consideration should be given to removing or reducing the current level of discount. The increase in council tax receipts could be used to support the introduction of an empty property reward grant, which would be linked to local authority performance.
1.36 The Minister for Housing & Regeneration and Heritage is expected to present Wales’ first Housing Bill to the National Assembly in 2012-213. This would be an opportunity to deal with a number of deficiencies in the existing regulatory regime, in particular with the Housing Act 2004 as set out in the body of the main report.
2.0 Introduction

2.1 This report has been prepared for and funded by the Welsh Government.

2.2 Tackling empty homes is now a core part of the Welsh Government’s national housing strategy, Improving Lives and Communities (April 2010) and in September 2010 they published Empty Homes Guidance in partnership with Shelter.

2.3 The Welsh Government’s Programme for Government, published in May 2011, includes a commitment to introduce a new Empty Property Initiative.

2.4 The Minister for Housing and Regeneration has confirmed that the Welsh Government will support local authorities in Wales to bring more empty homes back into use, through a £5 Million fund.

2.5 The main aim of the scheme is to support regeneration through increased renovation and building work, increasing the number of affordable homes, supporting local authorities in addressing homelessness and tackling the negative social and environmental impact of empty homes.

2.6 The broad proposal involves setting up a short-term loan scheme on a similar basis to the Kent Empty Property Initiative (No Use Empty).

2.7 It is anticipated that the loan fund would add to the existing mechanisms used by local authorities, which includes advice, enforcement and existing financial support administered via local renewal policies (grants and loans) and for this reason it is important to analyse and consider how local authorities are currently tackling empty homes.

2.8 An important aspect of the funding and development of any scheme is to promote regional working and it has been suggested that the scheme be delivered on a regional basis based on health board areas.

2.9 Further clarification sought from the Welsh Government confirmed that the £5 Million funding could not be used to support Prudential Borrowing. The primary aim of the scheme is to bring long-term empty homes back into use as opposed to providing affordable homes; however, the provision of new affordable units occurs frequently when empty properties are brought back into use and should be encouraged where possible. The funding is to be used primarily to support owners through interest free loans, and recovery of the funds should be within a 3 year period of the initial granting of the loan.

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3 Empty Homes Good Practice Guidance, Welsh Assembly, 2010
3.0 Scope of Study

3.1 The purpose of the study was broadly to review how local authorities in Wales are tackling empty homes, including
- Strategic intent
- Members and senior management commitment
- Corporate working
- Management and availability of data
- Officer resources employed to tackle empty homes
- Financial resources including loans grant etc
- Enforcement tools
- Advice and partnerships
- Performance management

3.2 In addition, the study was to provide guidance on how and in what format an Empty Property Initiative for Wales could be developed.

4.0 Methodology

4.1 An empty property questionnaire was sent to all 22 welsh local authorities, a copy of which is included in Appendix A. In addition, face to face interviews were carried out with an appropriate representative from 19 Local Authorities; and telephone interviews were carried out with the remaining 3 Local Authorities.

4.2 In addition, interviews were carried out with other key stake holders, including
- Welsh Local Government Association
- Shelter Cymru
- Chartered Institute of Housing
- Empty Homes (former Empty Homes Agency)
- Empty Homes Network
- RSL representatives e.g. United Welsh Housing Association

5.0 Scale of Empty Homes in Wales

5.1 By their very nature, it’s difficult to estimate the absolute number of empty homes.

5.2 The total housing stock for Wales in 2010-211 was 1,349,636, with the private sector accounting for 1,127,272.
Table 1: Indicates the Estimated Housing Stock per Tenure for Wales 2010-2011

<table>
<thead>
<tr>
<th>Tenure</th>
<th>Dwelling Stock</th>
</tr>
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<tr>
<td>Local Authority</td>
<td>88,723</td>
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<tr>
<td>Registered Social Landlord</td>
<td>133,640</td>
</tr>
<tr>
<td>Owner occupied / Private rented</td>
<td>1,127,272</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,349,636</strong></td>
</tr>
</tbody>
</table>

5.3 The primary way that local authorities identify empty homes is through the council tax system. Council tax is set by each local authority to help pay for services and is the only form of locally set taxation available to local government (Local Government Finance Act 1992).

5.4 The Welsh Government conducts the council tax dwellings survey using CT1 form. Data is available on the number of dwellings eligible for council tax in each Local Authority, analysed by council tax band, including the numbers of properties eligible for council tax discounts and exemptions. The table on the next page sets out the data by authority.
Table 2: Exempt Dwellings by Local Authority and Class 2012-2013

Exempt dwellings, by local authority and class (number of dwellings) (Welsh UAs, Exemption class) 2012-2013

<table>
<thead>
<tr>
<th>Exemption class Authority</th>
<th>A - New and structural alterations</th>
<th>B - Unoccupied dwelling owned by charity</th>
<th>C - Empty and unfurnished</th>
<th>D - Qualifying person in detention</th>
<th>E - Hospitalitar e home patients</th>
<th>F - Property vacant on death</th>
<th>G - Properties where occupation is prohibited</th>
<th>H - Clergy dwellings</th>
<th>I - Receiving care</th>
<th>J - Providing care</th>
<th>L - Repossessions</th>
<th>O - Ministry of defence properties</th>
<th>Q - Dwellings left empty by bankrupts</th>
<th>Total all exemptions</th>
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<td>2</td>
<td>863</td>
</tr>
<tr>
<td>Torfaen</td>
<td>81</td>
<td>0</td>
<td>342</td>
<td>4</td>
<td>55</td>
<td>150</td>
<td>17</td>
<td>0</td>
<td>4</td>
<td>1</td>
<td>44</td>
<td>0</td>
<td>4</td>
<td>682</td>
</tr>
<tr>
<td>Monmouthshire</td>
<td>69</td>
<td>0</td>
<td>509</td>
<td>6</td>
<td>68</td>
<td>162</td>
<td>3</td>
<td>3</td>
<td>13</td>
<td>1</td>
<td>29</td>
<td>0</td>
<td>0</td>
<td>863</td>
</tr>
<tr>
<td>Newport</td>
<td>163</td>
<td>0</td>
<td>729</td>
<td>5</td>
<td>96</td>
<td>272</td>
<td>6</td>
<td>5</td>
<td>17</td>
<td>4</td>
<td>44</td>
<td>1</td>
<td>21</td>
<td>1,363</td>
</tr>
<tr>
<td>Cardiff</td>
<td>250</td>
<td>10</td>
<td>1,786</td>
<td>35</td>
<td>270</td>
<td>468</td>
<td>6</td>
<td>27</td>
<td>55</td>
<td>30</td>
<td>150</td>
<td>30</td>
<td>3</td>
<td>3,120</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,304</strong></td>
<td><strong>26</strong></td>
<td><strong>16,470</strong></td>
<td><strong>171</strong></td>
<td><strong>3,079</strong></td>
<td><strong>5,220</strong></td>
<td><strong>430</strong></td>
<td><strong>141</strong></td>
<td><strong>445</strong></td>
<td><strong>107</strong></td>
<td><strong>1,173</strong></td>
<td><strong>934</strong></td>
<td><strong>144</strong></td>
<td><strong>31,644</strong></td>
</tr>
</tbody>
</table>
5.5 The above table indicates that there are 31,644 homes that have an exemption class that indicates the property is empty (all tenures) (CT1 Form -2012-2013 data)\(^4\). This represents 2.34% of the total housing stock, which is marginally higher than England’s figure of 2.1%\(^5\). It should be noted that approximately 7 out of 10 empty homes in Wales are in the private sector.

5.6 Properties that have been vacant for less than 6 months represent the normal churn of the market and are generally not a concern for the local authority. These may include rental properties that are awaiting tenants or properties currently being marketed for sale. These properties will generally be brought back into use by market forces and without the need for intervention by the local authority.

5.7 Of more concern are those dwellings that have been vacant for more than 6 months. These are considered long-term empty dwellings and private sector properties of this type are a key government target. Local authorities are required to report their performance on National Performance Indicator (PSR/004).

| The percentage of private sector dwellings that had been vacant for more than 6 months at 1\(^{st}\) April that were returned to occupation during the year through direct action by the local authority |

5.8 For the purpose of the national indicator, a vacant dwelling excludes

- A second home or holiday home
- A newly completed dwelling that is awaiting occupation
- An existing dwelling that is being converted or modernised
- A dwelling that is in use but not for residential purposes

5.9 The following are examples of the types of direct action that can lead to a dwelling being returned to occupation

- Financial assistance such as grants and loans
- Provide advice such as:
  - Literature on the authority’s empty homes strategy
  - Advice on letting, including legal and housing benefit requirements
  - Advice on financial assistance including tax and vat concessions
  - Details of landlords forum or accreditation schemes
  - Advice on repairs, including details of building contractors meeting minimum requirements

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\(^4\) Exempt dwellings, by local authority and class (number of dwellings) (Welsh UAs, Exemption class) 2012-2013 - http://www.statswales.wales.gov.uk/TableViewer/tableView.aspx?ReportId=441

- Referral to a partner Registered Social Landlord (RSL) or other intermediary
- Enforcement action - statutory notices
- Enquiries made to establish ownership of the property and follow up action

5.10 A property should only be counted once, regardless of whether it has been subject to more than one action/intervention that led to it being returned to occupation.

5.11 Where properties are sub-divided into additional units in an effort to return a dwelling to occupation, the number of units created should be included. For example, a house that has been converted into three flats and then returned to occupation would count as three dwellings having been returned to occupation.

5.12 Table 3 on the next page shows the number of private sector dwellings that have been vacant for more than 6 months, the number returned by direct intervention by the Local Authority for 2009-10 and 2010-11.
| Local Authority       | 2009-10 | 2010-11 | | | 2010-11 | | | | |
|-----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|
|                       | No. private sector dwellings vacant for more than 6 months | Returned by Direct Action LA | % Returned through direct action by the local authority | No. private sector dwellings vacant for more than 6 months | Returned by Direct Action LA | % Returned through direct action by the local authority | | | | |
| Wales                 | 18,980  | 596     | 3.14    | 21,966  | 955     | 4.35     | | | | | |
| Isle of Anglesey      | 747     | 19      | 2.54    | 739     | 8       | 1.08     | | | | | |
| Gwynedd               | 1,379   | 35      | 2.54    | 1,160   | 55      | 4.74     | | | | | |
| Conwy                 | 1,028   | 8       | 0.78    | 1,056   | 182     | 17.23    | | | | | |
| Denbighshire          | 800     | 188     | 23.50   | 913     | 154     | 16.87    | | | | | |
| Flintshire            | 1,092   | 15      | 1.37    | 1,101   | 11      | 1.00     | | | | | |
| Wrexham               | 130     | 25      | 19.23   | 114     | 27      | 23.68    | | | | | |
| Powys                 | Not available | Not available | Not available | 1,446   | 26      | 1.80     | | | | | |
| Ceredigion            | 749     | 14      | 1.87    | 726     | 42      | 5.79     | | | | | |
| Pembrokeshire         | Not available | Not available | Not available | 150     | 2       | 1.33     | | | | | |
| Carmarthenshire       | 1,907   | 33      | 1.73    | 1,925   | 59      | 3.06     | | | | | |
| Swansea               | 1,983   | 23      | 1.16    | 1,888   | 23      | 1.22     | | | | | |
| Neath Port Talbot     | 141     | 9       | 6.38    | 619     | 9       | 1.45     | | | | | |
| Bridgend              | 170     | 0       | 0.00    | 855     | 95      | 11.11    | | | | | |
| Vale of Glamorgan     | 790     | 3       | 0.38    | 749     | 5       | 0.67     | | | | | |
| Cardiff               | 1,250   | 85      | 6.80    | 1,619   | 80      | 4.94     | | | | | |
| Rhondda Cynon Taf     | 2,899   | 16      | 0.55    | 2,967   | 16      | 0.54     | | | | | |
| Merthyr Tydfil        | 725     | 15      | 2.07    | 715     | 15      | 2.10     | | | | | |
| Caerphilly            | 1,296   | 40      | 3.09    | 900     | 37      | 4.11     | | | | | |
| Blaenau Gwent         | 418     | 8       | 1.91    | 461     | 26      | 5.64     | | | | | |
| Torfaen               | 398     | 2       | 0.50    | 380     | 36      | 9.47     | | | | | |
| Monmouthshire         | Not available | Not available | Not available | 450     | 0       | 0.00     | | | | | |
| Newport               | 1,078   | 58      | 5.38    | 1,033   | 47      | 4.55     | | | | | |

Note: Number in red are qualified by Audit because of doubts of its reliability

5.13 Homes that have been recorded as empty for more than six months are classified as long-term empty. There are currently 21,966 long-term empty homes in Wales (Performance Indicator PSR/004 (2010-2011)\textsuperscript{7}). This is a 16.2% increase on the 2009 -2010 figure of 18,980.

5.14 It should be noted that there was some differential on how some local authorities interpreted the Performance Indicator PSR/004. Most local authorities count long term empties back into use if they have had a direct intervention i.e. meeting the owner in person, enforcement action, financial

\textsuperscript{6} Performance Indicator PSR /004 : The total number of private sector dwellings that had been vacant for more than 6 months at 1 April 2009 - 2011

\textsuperscript{7} Performance Indicator PSR /004 : The total number of private sector dwellings that had been vacant for more than 6 months at 1 April
assistance etc. Some local authorities may issue a general letter to all empty property owners and then review their council tax data periodically. If the property becomes occupied then this may be counted as a return. Consequently, in some cases the figures presented in the above table may not be comparable. There needs to be a clear and consistent approach to the interpretation of the Performance Indicator PSR/004.

5.15 The Empty Homes Network has produced guidance to help local authorities standardised their reporting and monitoring of empty homes work.\(^8\)

5.16 All privately owned homes that are classified as empty for council tax charging purposes are counted as empty in Government statistics. The information is reasonably accurate at a national level and is the most reliable information available. It is important to note that some homes are not included in the statistics. These include:

- Homes that are still being built are not included. They are only liable for council tax once a completion notice has been issued by the local authority.
- Uninhabitable homes: homes in very poor condition can be removed from council tax by the Valuation Office Agency and so are not counted in these statistics. No data is available to quantify how many of these exist nationally.
- Homes due for demolition: again these are exempt from council tax.
- Flats above shops: many unused flats above shops have no residential planning use class even though they are clearly laid out as dwellings. These are charged under business rates and not council tax and so do not feature in empty homes statistics.

5.17 Consequently, the above figures are likely to be an under reporting of the absolute numbers of long-term empty homes.

Council Tax Discounts

5.18 Since the Local Government Finance Act 1992, every dwelling within the local authority area is liable for the full charge unless it is declared exempt or benefits from a discount. Exemptions are listed in the Council Tax (Exempt Dwellings) Order 1992 (as amended) and some of these exemptions are time limited.

5.19 Until the Local Government Finance Act 2003, empty properties benefitted from a discount of 50%. The 2003 Act gave authorities the discretionary power to reduce or remove this discount (since 2004/2005). Figure 1, shows the Council Tax rate charged by LA in Wales in relation to empty homes.

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\(^8\) Guidelines for Monitoring Empty Homes Interventions: A Standard Approach for Local Authorities
5.20 For many local authorities the decision to remove or retain the council tax discount on empty homes appears to be largely driven by financial considerations.

5.21 Many local authorities felt that removing the discount on its own would not have a significant impact on owner behaviour. However, some local authorities felt that removal of the discount was a valuable part of an overall package of measures to deal with empty homes. It provided a clear indication of the local authorities’ intention to deal with empty homes and removed a subsidy that may encourage owners to keep their properties empty.

5.22 However, when local authorities who currently provide a 50% discount were asked why they had not removed the discount. They indicated that any increase in revenue in the first year, would be compensated by a reduction in Revenue Support Grant in future years and recovery of council tax debts on empty homes was perceived as more onerous.

5.23 In local authorities that charge 100% council tax on empty homes, it is inevitable that their council tax data will be less accurate than a local authority that provides a 50% discount. Some commentators suggest that this could be as much as 15-25%. The primary reason is there is no financial incentive on the home owners to notify the local authority when the property becomes occupied.

5.24 In addition, where 100% council tax is charged there is some anecdotal evidence that certain owners are declaring that the dwelling is occupied by one person and thus gain a 25% discount for single person occupancy. The most immediate effect of this is the distortion of figures on the total number of long-term vacant dwellings.
6.0 Survey Results

6.1 The delivery of the project will be based on regional collaboration. In total there are 6 regional groups, which are associated with local health board areas. Table 4 shows the breakdown of Local Authorities by Regional Groups.

Table 4: Breakdown of Local Authorities by Regional Groups

<table>
<thead>
<tr>
<th>Regional Groups</th>
<th>Local Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Wales Regional Steering Group</td>
<td>Conwy County Borough Council</td>
</tr>
<tr>
<td></td>
<td>Denbighshire County Council</td>
</tr>
<tr>
<td></td>
<td>Flintshire County Council</td>
</tr>
<tr>
<td></td>
<td>Gwynedd County Council</td>
</tr>
<tr>
<td></td>
<td>Isle of Anglesey County Council</td>
</tr>
<tr>
<td></td>
<td>Wrexham County Borough Council</td>
</tr>
<tr>
<td>Mid &amp; West Wales Regional Steering Group</td>
<td>Powys County Council</td>
</tr>
<tr>
<td></td>
<td>Carmarthenshire County Council</td>
</tr>
<tr>
<td></td>
<td>Pembrokeshire County Council</td>
</tr>
<tr>
<td></td>
<td>Ceredigion County Council</td>
</tr>
<tr>
<td>Gwent Regional Steering Group</td>
<td>Blaenau Gwent County Council</td>
</tr>
<tr>
<td></td>
<td>Caerphilly County Borough</td>
</tr>
<tr>
<td></td>
<td>Monmouthshire County Council</td>
</tr>
<tr>
<td></td>
<td>Newport City Council</td>
</tr>
<tr>
<td></td>
<td>Torfaen County Borough Council</td>
</tr>
<tr>
<td>Swansea Bay Regional Steering Group</td>
<td>Bridgend County Borough</td>
</tr>
<tr>
<td></td>
<td>City and County of Swansea</td>
</tr>
<tr>
<td></td>
<td>Neath Port Talbot County Borough Council</td>
</tr>
<tr>
<td>Cardiff &amp; Vale Regional Steering Group</td>
<td>Cardiff Council</td>
</tr>
<tr>
<td></td>
<td>Vale of Glamorgan Council</td>
</tr>
<tr>
<td>Cwm Taf Regional Steering Group</td>
<td>Merthyr Tydfil County Borough Council</td>
</tr>
<tr>
<td></td>
<td>Rhondda Cynon Taf County Borough Council</td>
</tr>
</tbody>
</table>

6.2 When asked whether empty homes were a priority for their local authority, 95% (20 LAs) considered them a priority with only Pembrokeshire & Blaenau Gwent considering them not to be a priority. Pembrokeshire has the lowest number of private sector long-term empty properties at 150; and Blaenau Gwent has the 5th lowest at 4509.

6.3 When local authorities were asked how significant a problem empty homes were in their area, 41% (9 LAs) confirmed that they were a significant problem, 45% (10 LAs) stated that they were a moderate problem and only 14% (3 LAs) stated that they were a minor problem.

6.4 Cardiff & Vale Region 100% (2 LAs) and North Wales Region 67% (4 LAs) have the greatest concentration of local authorities stating that empty homes represented a significant issue for their area. Pembrokeshire, Monmouthshire and Powys indicated that empty homes were a minor issue for their areas.

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9 Performance Indicator PSR /004 : The total number of private sector dwellings that had been vacant for more than 6 months at 1 April
Figure 2: How Significant a Problem are Empty Homes?

![Pie chart showing how significant empty homes are]

7.0 **Staffing (Resources)**

7.1 Only 45% (10 LAs) have a dedicated full time equivalent (fte) post to deal with empty homes; Cardiff City Council has 2 (fte), 14% (3 LAs) have a part time post who allocates between 30% - 50% of their time towards empty home work. This represents an average of 0.6 fte per local authority.

<table>
<thead>
<tr>
<th>Regional Groups</th>
<th>Dedicated Officer (fte)</th>
<th>Other Staffing Resources (fte)</th>
<th>Total Resources (fte)</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Wales Regional Steering Group</td>
<td>6.00</td>
<td>5.4</td>
<td>11.4</td>
</tr>
<tr>
<td>Mid &amp; West Wales Regional Steering Group</td>
<td>1.00</td>
<td>3.8</td>
<td>4.8</td>
</tr>
<tr>
<td>Gwent Regional Steering Group</td>
<td>0.50</td>
<td>4.0</td>
<td>4.5</td>
</tr>
<tr>
<td>Swansea Bay Regional Steering Group</td>
<td>1.00</td>
<td>2.5</td>
<td>3.5</td>
</tr>
<tr>
<td>Cardiff &amp; Vale Regional Steering Group</td>
<td>3.00</td>
<td>0.8</td>
<td>3.8</td>
</tr>
<tr>
<td>Cwm Taf Regional Steering Group</td>
<td>0.80</td>
<td>0.4</td>
<td>1.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12.30</strong></td>
<td><strong>16.90</strong></td>
<td><strong>29.2</strong></td>
</tr>
<tr>
<td><strong>Average per Local Authority</strong></td>
<td><strong>0.6 fte</strong></td>
<td><strong>0.7 fte</strong></td>
<td><strong>1.3 fte</strong></td>
</tr>
</tbody>
</table>

7.2 Excluding any dedicated officer, local authorities were asked how many full time equivalent staff contributed to dealing with empty homes across the authority. This might include planning taking action in relation to land or properties that are having a detrimental effect on the area, building control having to deal with dangerous structures or environmental protection having to deal with refuse or pest control problems.
7.3 Across Wales, 16.9 full time equivalent posts were involved in empty homes work, generally dealing with the symptoms of empty homes. This represents an average of 0.7 full time equivalent posts per local authority. These figures should be treated with caution as they represent the local authority’s best estimate and are not based on any statistical analysis by the local authority.

7.4 For a local authority to be effective in dealing with empty homes then there needs to be a corporate approach to the problem. This involves all departments working to a common goal as each department has a pivotal role in dealing with empty homes.

Table 6: Local Authority Department Involvement with Empty Homes

<table>
<thead>
<tr>
<th>Department</th>
<th>Involvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning</td>
<td>Advice on conversions and developments</td>
</tr>
<tr>
<td></td>
<td>Enforcement powers under S.215, listed</td>
</tr>
<tr>
<td></td>
<td>Buildings and conservation</td>
</tr>
<tr>
<td></td>
<td>Compulsory Purchase Orders</td>
</tr>
<tr>
<td>Building Control</td>
<td>Dangerous structures, Ruinous &amp; Dilapidated</td>
</tr>
<tr>
<td>Environmental Health / Pest Control</td>
<td>Ruinous and Dilapidated, Housing Act powers</td>
</tr>
<tr>
<td></td>
<td>Empty Dwelling Management Orders (EDMO)</td>
</tr>
<tr>
<td></td>
<td>Compulsory Purchase Orders</td>
</tr>
<tr>
<td>Environmental Protection</td>
<td>Rubbish, refuse and rodent problems</td>
</tr>
<tr>
<td></td>
<td>Boarding up insecure properties</td>
</tr>
<tr>
<td>Legal Services</td>
<td>Compulsory Purchase Orders</td>
</tr>
<tr>
<td></td>
<td>Enforced Sales Procedure</td>
</tr>
<tr>
<td></td>
<td>Prosecutions</td>
</tr>
<tr>
<td>Revenue &amp; Benefits</td>
<td>Debt recovery of Council Tax and Business Rates</td>
</tr>
<tr>
<td></td>
<td>Information exchange, tracing owners</td>
</tr>
<tr>
<td>Housing Options</td>
<td>Rent deposit scheme / tenant matching service</td>
</tr>
</tbody>
</table>

7.5 It is not unusual for one or more departments within a local authority not to engage with the issue of problematic empty homes. This primarily revolves around them not understanding how they can influence the empty homes agenda and the wider benefit to the local authority and local.

7.6 Where the property has been vacant for a significant number of years (2-10 years), then often the advice and guidance offered to owners is ineffective and a more formal response such as service of statutory notices, is necessary. In some instances, there may only be one appropriate type of enforcement available and without this action being taken by the appropriate department, then the property will remain vacant and continue to cause problems.
Table 7: How Many Local Authorities have a Corporate Approach to Empty Homes

<table>
<thead>
<tr>
<th>Regional Groups</th>
<th>Corporate Group</th>
<th>Does LA have a Corporate Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Wales Regional Steering Group</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Mid &amp; West Wales Regional Steering Group</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Gwent Regional Steering Group</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Swansea Bay Regional Steering Group</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Cardiff &amp; Vale Regional Steering Group</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Cwm Taf Regional Steering Group</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>14</strong></td>
<td><strong>13</strong></td>
</tr>
<tr>
<td><strong>Percentage</strong></td>
<td><strong>64%</strong></td>
<td><strong>59%</strong></td>
</tr>
</tbody>
</table>

7.7 Only 64% (14) of local authorities had a corporate working group to deal with empty homes and the problems associated with them. There was some evidence to suggest that attendance at these groups could be sporadic. When asked whether the local authority had a corporate approach to empty homes (were all departments were prepared to play their relevant part) only 59% (13 LAs) gave a positive response.
### Capital (Resources)

#### Table 8: Capital Resources Directed to Empty Homes Work (2010 – 2013)

<table>
<thead>
<tr>
<th>Regional Groups</th>
<th>Local Authority</th>
<th>Capital Resources Directed to Empty Homes Work</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Capital 2010-2011</td>
</tr>
<tr>
<td>North Wales Regional Steering Group</td>
<td>Conwy County Borough Council</td>
<td>Not Provided</td>
</tr>
<tr>
<td></td>
<td>Denbighshire County Council</td>
<td>Not Provided</td>
</tr>
<tr>
<td></td>
<td>Flintshire County Council</td>
<td>£211,000</td>
</tr>
<tr>
<td></td>
<td>Gwynedd County Council</td>
<td>£200,000</td>
</tr>
<tr>
<td></td>
<td>Isle of Anglesey County Council</td>
<td>£150,000</td>
</tr>
<tr>
<td></td>
<td>Wrexham County Borough Council</td>
<td>£0</td>
</tr>
<tr>
<td></td>
<td><strong>Sub Total</strong></td>
<td><strong>£561,000</strong></td>
</tr>
<tr>
<td>Mid &amp; West Wales Regional Steering Group</td>
<td>Powys County Council</td>
<td>Not Provided</td>
</tr>
<tr>
<td></td>
<td>Carmarthenshire County Council</td>
<td>£140,000</td>
</tr>
<tr>
<td></td>
<td>Pembrokeshire County Council</td>
<td>£0</td>
</tr>
<tr>
<td></td>
<td>Ceredigion County Council</td>
<td>£139,000</td>
</tr>
<tr>
<td></td>
<td><strong>Sub Total</strong></td>
<td><strong>£279,000</strong></td>
</tr>
<tr>
<td>Gwent Regional Steering Group</td>
<td>Blaenau Gwent County Borough Council</td>
<td>£40,000</td>
</tr>
<tr>
<td></td>
<td>Caerphilly County Borough Council</td>
<td>£100,000</td>
</tr>
<tr>
<td></td>
<td>Monmouthshire County Council</td>
<td>£0</td>
</tr>
<tr>
<td></td>
<td>Newport City Council</td>
<td>£0</td>
</tr>
<tr>
<td></td>
<td>Torfaen County Borough Council</td>
<td>£1,000</td>
</tr>
<tr>
<td></td>
<td><strong>Sub Total</strong></td>
<td><strong>£141,000</strong></td>
</tr>
<tr>
<td>Swansea Bay Regional Steering Group</td>
<td>Bridgend County Borough Council</td>
<td>£25,000</td>
</tr>
<tr>
<td></td>
<td>City and County of Swansea</td>
<td>£80,000</td>
</tr>
<tr>
<td></td>
<td>Neath Port Talbot County Borough Council</td>
<td>£0</td>
</tr>
<tr>
<td></td>
<td><strong>Sub Total</strong></td>
<td><strong>£105,000</strong></td>
</tr>
<tr>
<td>Cardiff &amp; Vale Regional Steering Group</td>
<td>Cardiff Council</td>
<td>£0</td>
</tr>
<tr>
<td></td>
<td>Vale of Glamorgan Council</td>
<td>£0</td>
</tr>
<tr>
<td></td>
<td><strong>Sub Total</strong></td>
<td><strong>£0</strong></td>
</tr>
<tr>
<td>Cwm Taf Regional Steering Group</td>
<td>Merthyr Tydfil County Borough Council</td>
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</tr>
<tr>
<td></td>
<td>Rhondda Cyon Taf County Borough Council</td>
<td>£380,000</td>
</tr>
<tr>
<td></td>
<td><strong>Sub Total</strong></td>
<td><strong>£380,000</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£1,466,000</strong></td>
<td><strong>£2,295,160</strong></td>
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</tbody>
</table>
7.8 Having regard to the above table, local authorities were asked what level of capital resources were directed towards empty homes. During 2010-2011 just over £1.4 Million, 2011-2012 - £2.3 Million and 2012-2013 there was a significant reduction to £1.5 Million.

7.9 The Capital resources were used in a diverse range of products including

- Purchase & repair
- Grants (Nomination Rights)
- Loans (interest free)
- Enforcement
  - Compulsory Purchase Orders,
  - Empty Dwelling Management Orders
  - Works in default under a range of legislation
- Employment of Rural Housing Enablers

7.10 Only Bridgend, Carmarthenshire and the Isle of Anglesey stated that they had Section 106 monies that could be used toward empty homes work.

8.0 Advice & Guidance

8.1 All local authorities in Wales provided advice and guidance to empty property owners. This advice may be in many form, including:

- Methods of funding or raising finance
- Advice on letting, renovating or selling their home
- Letter confirming how long the property has been empty - Vat Note 708
- Signposting to other agencies, including home improvement agencies, Registered Social Landlords, builders etc.
- Extent of the works needed to renovate the property

8.2 Kent’s Empty Property Initiative (www.No-Use-Empty) from its inception in 2005 has brought back into use 2,126 long term empty properties. Some evaluation was undertaken as to the type interventions employed through the scheme and the numbers achieved by each method. The interventions were broken down into:

- Advice and guidance
- Financial assistance
- Threat or actual enforcement
- Other (Private Sector Leasing, reduced auction fees, land assembly, direct purchase)
Figure 3: Type of Intervention by Percentage of Properties Brought Back into Use

No Use Empty Initiative: Achievements by Approach

- **Compulsory Purchase Orders, Enforced Sales Procedure or Empty Dwelling Management Order**
  - CPO, EDMO & Enforced Sales 3%

- **Works in Default or Prosecution**

- **Enforcement (Notices Served on Owner)**
  - After exhausting of voluntary assistance, threat of appropriate enforcement action is raised with owner

- **Threat of Enforcement**
  - Threat of or Actual Enforcement 11%

- **Financial Assistance / Other Assistance (Loans, grants, home improvement agency, private sector leasing)**
  - Grants 6% & Interest Free Loans 18%

- **Advice and Guidance (Development advice, tax and VAT, reduced fees to sell via auctioneer, guidance on extent of works, guidance on planning, raising finance)**
  - Advice & Guidance 58%

- **Statutory Notices under a range of legislation. Owner has right of appeal.**
  - Other (Auctioneer, sale of LA land, PSL) 7%
8.3 From the analysis, it is evident that advice and guidance has proved to be the most effective method of bringing empty properties back into use in Kent. For an authority to be effective they need to ensure that they are proactive and meet owners in person, preferably at their property, to discuss their options. This allows officers to establish the condition of the property and to tailor their advice specifically to the requirements of the owner and property. In addition, it will provide the officer with a clear idea of the extent of the work that may be necessary, which may influence the enforcement action taken should the owner fail to engage with the local authority.

8.4 It therefore stands to reason, that there is a strong correlation between the performance of a local authority in bringing long term empty properties brought back into use and the staffing resources provided to this area of work.

8.5 It was positive to note that 86% (19 LAs) of local authority planning departments are prepared to provide pre-application advice to empty property owners. Providing an indication of whether in principle proposed plans would be acceptable provides a significant impetus to moving a project forward.

8.6 It should be noted that while local authority planning departments are prepared to provide pre-application advice, there seems to be an increase in the number that charge for this service.

9.0 Financial Assistance

9.1 Local Authorities were asked what type of financial assistance they currently provide through their Housing Renewal Policy (excluding Disabled Facilities Grant). The type of assistance relates to all types of housing, client groups and did not specifically relate to empty homes. In total, 73% (16 LAs) offered some form of financial assistance.

Figure 4: What Type of Financial Assistance do Local Authorities Provide
9.2 50% (11 LAs) offered grants often linked to nomination rights, where the funding was provided to private sector landlords or empty property owners. 32% (7 LAs) offered some form of loan, either interest bearing or interest free.

9.3 27% (6 LAs) offered Property Appreciation Loans, where the level of funding provided was linked to an equitable stake in the property. On the sale of the property the monies become repayable. In a rising market the increase in capital value of the property ensures that the local authority recovers their initial investment and potentially provides a surplus. Most schemes ensure that, if the property depreciates in value, the initial investment by the local authority does not depreciate. These types of investments, by their very nature, require local authorities to provide additional protection to owners by ensuring that they comply with the Mortgage Sales Guidance for Local Authorities and Registered Social Landlords. Primarily, it ensures that the owner has independent advice to ensure the suitability of the product being offered.

9.4 Most Local Authorities have operated this scheme through ART Homes, a subsidiary of Mercian Housing. However, Art Homes have recently withdrawn from the market and those local authorities that were involved are now looking at alternative options. Caerphilly also offers Property Appreciation Loans, both to owner occupiers and potentially to empty property owners, and operate the scheme in house.

9.5 Three North Wales local authorities have recently procured the services of Street UK Ltd (a joint venture company with SML Homes), to administer their loans schemes including Property Appreciation Loans. The other North Wales local authorities have the option to join this scheme in future years.

9.6 Generally, no local authority in Wales has used their Regulatory Reform or well being powers for the purpose of underwriting loans. Although, it should be noted that both Conwy and Powys operate a Local Authority Mortgage Scheme (LAMS), which could be considered underwriting loans or providing a guarantee.

---


11 Regulatory Reform (Housing Assistance) England & Wales Order 2002

**Table 9: Type of Financial Assistance Offered by Local Authorities by Regions**

<table>
<thead>
<tr>
<th>Regional Groups</th>
<th>Do You Offer Financial Assistance</th>
<th>Grants</th>
<th>Loans (Interest bearing or interest free)</th>
<th>Property Appreciation Loans (PAL)</th>
<th>Underwriting Loans</th>
<th>Social Housing Grant</th>
<th>Other (Specify)</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Wales Regional Steering Group</td>
<td>6</td>
<td>6</td>
<td>4</td>
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<td>2</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Caerphilly Regional Steering Group</td>
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<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Swansea Bay Regional Steering Group</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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</tr>
<tr>
<td>Carmarthenshire Regional Steering Group</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Total</td>
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<td>7</td>
<td>6</td>
<td>0</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td>Percentage</td>
<td>73%</td>
<td>50%</td>
<td>32%</td>
<td>27%</td>
<td>0</td>
<td>32%</td>
<td>5%</td>
</tr>
</tbody>
</table>

**Financial Assistance (Empty Homes)**

9.7 Looking specifically at those local authorities that offer some form of financial assistance to owners of empty homes, they predominantly fall into two categories.

- Grants: that provide some level of funding but require nomination rights at an affordable rent level (Local Housing Allowance)
- Loans: usually interest free with payback over a period of years

**Conwy County Borough Council**

9.8 Provide empty property grants of up to £10,000 with nomination rights for 5 years; or up to £20,000 with nomination rights for 10 years. Must be available for affordable housing and generally let through their Private Sector Leasing Scheme

9.9 In addition, Conwy County Borough Council and Powys County Council operate a Local Authority Mortgage Scheme (LAMS), which could be utilised to target empty properties, but in practice the properties have to be in reasonable condition to fall within the scheme.

9.10 The Local Authority Mortgage Scheme was developed by Sector Treasury Services in response to local authority concerns about access to home ownership by first time buyers. It is aimed at those first time buyers who can afford mortgage payments but cannot raise the higher deposits now required. Lenders will not normally exceed a Loan to Value ratio (LTV) of 75 – 85%, even a modest entry level property may require a deposit in excess of £30,000.

9.11 Essentially the scheme involves a local authority indemnifying, for a period of 5 years, the difference between an LTV typically acceptable to a lender 75% LTV and a 95% LTV. This enables a borrower to obtain the terms associated with a 75% mortgage but on the basis of a 5% deposit only, not the 25% deposit commonly required by commercial lenders.

9.12 The borrower benefits from the lower rates associated with lower LTV loans because of the reduced risk (the rates offered are not quite fully equivalent to 75% LTV rates because there is still
a slightly greater risk of default as the actual mortgage payments are covering a 95% LTV rate). The scheme does not promote reckless lending; potential borrowers are subject to very strict credit criteria by the lenders and, in practice, only about 1 in 4 applicants are accepted. Lenders do not reduce the score requirements to reflect the indemnity.

9.13 The indemnity offered by the local authority can be either unfunded or ‘cash backed’. If unfunded, the local authority will receive a premium dependent upon the value of the indemnity provided but typically in the region of £500 per mortgage. If cash backed (the great majority have been) the local authority provides a deposit of a minimum of £1 million (maximum £2 million) which is held in place for the term of the indemnity i.e. 5 years unless there is an extension if a mortgage is in arrears in the final six months of the indemnity period.

9.14 Whilst LAMS is proving of considerable benefit in terms of allowing first time buyers to gain access to owner occupation, it will be limited in relation to long term empty properties as given the strict lending criteria that apply, lenders are unlikely to want to offer finance on properties in poor condition.

**Denbighshire County Council**

9.15 Empty Homes Grant - The property must have been empty for at least 6 months. The grant is to cover up to 50% of the cost of the work, up to a maximum of £10,000. Landlords must provide nomination rights for 5 years with rents at a Local Housing Allowance level and the property must be managed by one of their RSL partners. The grant is repayable if the property is sold within 5 years or is no longer made available for affordable housing.

9.16 This policy is currently under review as the maximum grant of £10,000 was insufficient to attract suitable applicants. Consequently, the level of funding may be increased up to £20,000 and cover up to 75% of the cost of the work. Consideration is being given to whether this funding should be in the form of a grant or interest free loan.

**Flintshire County Council**

9.17 Empty Homes Loan - primary assistance is in the form of an interest free loan which is registered as a charge against the property and is available County wide. The local authority requires nomination rights for a minimum of 2 years, but this requirement remains in place until such time as the loan has been repaid. The property must be managed by an RSL and the maximum loan is £10,000. However, they try to match fund any Scheme from NEST (Welsh Government fuel Poverty Scheme), CERT (Carbon Emissions Reduction Target), ARBED (Strategic Performance
Investment Programme) or CESP (Community Energy Saving Programme) where possible (of which there are 5 active areas).

9.18 Empty Homes Grant - £20,000 non repayable grant but only available in strategic areas (Renewal Areas). Applicants must agree to 5 year nomination rights and must be managed by an RSL (only 4 properties to date).

9.19 Flintshire, Denbighshire and Gwynedd Council have recently appointed Street UK Ltd to deliver equity and non equity based loans. Applicants will be offered Property Appreciation Loans and repayment loans, at subsidised rates of interest. However, these will not be generally available to empty property owners.

**Gwynedd County Council**

9.20 Empty Homes Grant – maximum grant £20,000 for a single house or £10,000 for a single flat. If it involves a conversion into flats, then maximum loan of £15,000 per unit, with no maximum per applicant or scheme. The owner must provide nomination rights for 5 years, which is linked to their private sector leasing scheme (homeless). Only available in specific areas and must contribute to meeting housing needs for that area.

**Isle of Anglesey County Council (Ynys Mon)**

9.21 Empty Homes Grant - the property must have been empty for at least 6 months. The grant is to cover up to 75% of the cost of the work up to a maximum of £20,000 houses / £15,000 flats. Landlords must provide nomination rights for 5 years at Local Housing Allowance level or if nominations are not forth coming, then may be let at market rent to people with a local connection. If the property is sold within 5 years the grant is repayable.

9.22 This grant is also available to first time buyers and a charge is placed on property for 5 years, if sold during this period then the grant becomes repayable.

9.23 In addition, the authority is working in partnership with Rural Housing enablers to provide affordable housing via the Homebuy Scheme. In such cases there are energy efficiency grants up to £10,000 available for those purchasing an empty property (vacant 6 months or more) as owner occupiers. The grant is repayable if the property is sold within 5 years.

9.24 HomeBuy Direct - This is a variation of the FirstBuy Scheme where the equity loan element can be a maximum of 30%. Again, charges apply after 5 years. In both cases the equity loan has to be repaid after 25 years and in both cases there is a second charge on the property to secure the equity loan.
**Wrexham County Borough Council**

9.25 No specific capital funding towards empty homes, but some funding may be available in the South West Wrexham and Brymbo-Broughton Renewal Areas for eligible properties. In addition, there may be limited funding through the Townscape Heritage Initiative in Cefn Mawr.

9.26 Conversion Grants available to convert redundant commercial premises to residential accommodation – 50% of the cost of work.

9.27 Two Loans schemes:
- Dee Rental operate in North West England and North Wales, they provide an interest bearing loan up to a maximum of £10,000. They manage the works and charge an agency fee of 15%; they also manage the property on behalf of the owner. They utilise the rental income to pay back loan (small scale – 20/30 properties on their books).
- Offa Lettings (subsidiary of the Pennaf Housing Group) (£600,000 funding in principle) on a similar basis to Dee Rental, but maximum loan £5,000. This scheme has not been launched yet, but will be available across North Wales.

**Powys County Council**

9.28 Provide an interest free loan up to 50% of the cost of the work. There is no maximum level of funding and each case is dealt with on its own merits (maximum to date £50K / unit). First year is payment free, Years 2-5 20% of loan amount repayable. The loan is recovered within 6 years.

9.29 Works must go through their in house grant agency and there is no charge to the client for this service. Nomination rights may be required in certain cases but are decided on a case by case basis.

9.30 As indicated in paragraph. 9.9 – 9.14, Powys County Council operates a Local Authority Mortgage Scheme (LAMS)

**Ceredigion County Council**

9.31 Empty Homes Loan – are only available in the Aberystwyth Renewal Area. Landlords will be offered up to 50% of the cost of the work up to a maximum of £20,000, whichever is the lower. Loan repayments will commence on the first anniversary of the final payment. Repayments can be arranged either annually (20% on the anniversary) or monthly by agreement.

**Caerphilly County Borough Council**

9.32 Empty Property Grant and Conversion Grant of non domestic accommodation to domestic accommodation – the grant will cover up to 50% of the cost of the work, up to a maximum of £15,000. The local authority requires 5 years nomination rights.
In addition, the local authority is able to offer Property Appreciation Loans to empty property owners. This service is administered in house.

**Bridgend County Borough Council**

Empty Property Grant – property must have been vacant for at least 6 months and must be more than 10 year old. The grant will cover up to 75% of the cost of the work, up to a maximum of £10,000. The local authority requires 3 years nomination rights and must be rented at a local housing allowance level. Breach of any conditions within 3 year period requires repayment of the grant.

**City and County of Swansea**

Empty Property Grant – the grant will cover up to 75% of the cost of the work, up to a maximum of £20,000. The local authority requires 5 years nomination rights and must be rented through their preferred letting agent. Property must have been empty for a minimum of 2 years.

**Vale of Glamorgan Council**

Empty Property Loan – maximum loan £20,000 (3/4 bedroom unit), £15,000 (1/2 bed unit). The loans are unsecured and interest free, but the work must be carried out through the Local Authority’s Agency. The property is tied to a social letting scheme such as “Can Do Lettings”, “VATS Scheme” or other RSL leasing scheme.

The loan is repayable over 3 years. If the property is sold within that period or the property is not made available to let through the social letting scheme, then the loan becomes repayable and/or interest to be charged (scheme not yet finalised).

**Rhondda Cynon Taf County Borough Council**

Empty Property Grant - restricted to certain areas of the County and will be based on housing need and the benefit to wider community. The maximum grant is £20,000 and is available to first time buyers, who are purchasing a property that has been empty for more than 12 months.

This grant is also available to landlords, where they are prepared to adapt the property to meet the needs of a disabled person. They must renovate it to a “Lifetime Homes” standard, provide nomination rights for 5 years and be available to anyone on the Pathways to Adapted Housing waiting list.

Living over the Shops Scheme (LOTS) / Homes Above Retail Premises (HARP) Grant – targeted at creating, restoring or improving accommodation above shops. If there is an existing flat, then it
must have been empty for more than 12 months. The grant will cover up to 75% of the cost of the work, up to a maximum of £15,000. The grant is repayable if the property is sold within 5 years

10.0 **Softer Interventions**

**Direct Purchase (Local Authority & Registered Social Landlord)**

10.1 Only Flintshire & Carmarthenshire County Council indicated that they have directly purchased empty properties as a method of bringing them back into use. In some cases the property may be sold on by auction or private treaty; or the local authority may undertake remedial works themselves. In some instances, direct purchase will be offered as a pre-requisite to a potential compulsory purchase of a property.

10.2 It is always advisable to offer to purchase a property at market value prior to any application for a Compulsory Purchase Order (CPO). This will strengthen the local authority case if there is a Planning Inquiry. In addition, any compensation that would have been due under a CPO, such as basic home loss payment (7.5% market value), as well as the costs associated with CPO’s i.e. Solicitors and Valuation costs, would be avoided.

**Figure 5: Direct Purchase by Local Authority or Registered Social Landlord**

10.3 64% (14 LAs) indicated that they worked in partnership with a Registered Social Landlord or other third party to purchase long term empty properties with a view to renovating them and making them available for rent. This usually involves some provision of Social Housing Grant, Section 106 Funding, or other capital investment from the Local Authority.

10.4 A small number of Registered Social Landlords are prepared to take long leases on empty properties at a peppercorn rent. They then utilise their own funding to renovate the property, with a view to recovering their expenditure through the rental income in the longer term.
10.5 Local Authorities should be working in partnership with all their Registered Social Landlords to try and maximise their involvement in empty home work. Many Registered Social Landlords are reluctant to get involved in this type of work, but they do bring particular skills, knowledge and possible funding streams to the table.

Assisting Owners to Sell

10.6 When advising owners on their options, in some instances it may be appropriate to encourage them to sell the property, for instance:
- The Owner does not have adequate finance to undertake the renovation or development
- The owner may not have the knowledge or ability to undertake the works
- They may live abroad or remote from the property
- They do not want to live in the property themselves and do not want to become a landlord
- For estate planning reasons i.e. Inheritance Tax, Care Costs or Capital Gains etc.

10.7 Properties that have been empty for a significant number of years tend to be in a poorer condition and not mortgageable. Consequently, potential buyers to be targeted with these types of properties are developers or investors that have adequate funds available without reference to financial institutions. Selling the property by auction rather than by private treaty, may therefore be more appropriate.

10.8 Generally, auctioneers tend to have higher fees than estate agents due to the additional costs involved in producing and distributing the auction catalogue. 18% (4 LAs) have a partnership arrangement with a local auctioneer to offer reduced fees to empty property owners that sell their properties through their auction. This approach has been used extensively in the Kent Scheme and in Carmarthenshire.

10.9 The benefit to the auctioneer is that it brings a new supply of properties to the market, which would not have been available for sale without the direct intervention of the local authority.

10.10 The benefit to the local authority is that it creates a change in ownership. The purchaser is more likely to be motivated to bring the property back into use and secure a return on their investment, particularly in the current financial climate where capital growth will be stagnant for a number of years.

10.11 Neath Port Talbot Council has developed a separate independent company that is able to offer an estate agency and letting agency service. Property Bay Wales is also able to offer other associated services such as Energy Performance Certificates, asbestos surveys, party wall surveys, property design and project management services (www.neathporttalbothousing.co.uk).
10.12 Only 18% (4 LAs) have a list of developers or landlords that are interested in buying empty properties or have a provision for owners to advertise their properties for sale (free). There are a number of local authorities in England, including Bristol, Kent and South Derbyshire that allow owners to advertise their property for sale for free. The Welsh Empty Property Initiative (Houses to Homes) website could incorporate such a service. In addition, this service could be extended to the existing Landlord Accreditation Wales website (www.welshlandlords.org.uk).

**Private Sector Leasing / Social Letting Scheme**

10.13 Many empty property owners say they would like to bring their property into use by renting it out, but lack the skills or the time to be able to manage the process. Private Sector Leasing Schemes (PSL) help by providing that management service. Local authorities have, for many years, procured privately owned homes on short-term leases to meet demand for social housing. This provides local authorities with a supply of temporary housing, thereby enabling local authorities to reduce homelessness and provides the property owner with a letting and property management service.

10.14 In many cases, authorities with PSL schemes procure properties directly from the private rented market, offering landlords with ready to let properties, an alternative to private renting. However, many schemes directly target empty homes offering the owner an incentive to get their property back into use. These schemes have a number of benefits, not only do they help create additional housing supply, but they do so without the local authority having to compete with private tenants for existing ready to let properties.

10.15 Some local authorities operate PSL schemes directly; others do so in a partnership with a Registered Social Landlords. The local authority tenants are housed on a non-secure occupation agreement, rather than a tenancy.

10.16 This gives the local authority the ability to hand back the property with vacant possession at the end of the lease.

**Table 10: Type of Private Sector Leasing by Regional Groups**

<table>
<thead>
<tr>
<th>Regional Groups</th>
<th>Private Sector Leasing Scheme (LA)</th>
<th>Private Sector Leasing Scheme (RSL)</th>
<th>Social Letting Scheme</th>
<th>Tenant Matching Service</th>
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</thead>
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<td>North Wales Regional Steering Group</td>
<td>4</td>
<td>0</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Mid &amp; West Wales Regional Steering Group</td>
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<td>2</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Swansea Regional Steering Group</td>
<td>1</td>
<td>5</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Cardiff &amp; Vale Regional Steering Group</td>
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<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Carm Taf Regional Steering Group</td>
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<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total Number</strong></td>
<td><strong>7</strong></td>
<td><strong>11</strong></td>
<td><strong>10</strong></td>
<td><strong>8</strong></td>
</tr>
<tr>
<td><strong>Percentage of 22 LAs</strong></td>
<td><strong>32%</strong></td>
<td><strong>50%</strong></td>
<td><strong>45%</strong></td>
<td><strong>36%</strong></td>
</tr>
</tbody>
</table>
10.17 77% (17 LAs) operate a Private Sector Leasing Scheme either through the Local Authority or through a Registered Social Landlord. Newport City Council operate both an in-house and Registered Social Landlord scheme.

10.18 45% (10 LAs) operate a social letting scheme, which provides a service to those in need, including the homeless, people on low income or to those in immediate housing need. The local authority may be able to assist by providing rent in advance or the provision of a bond (bond board), to give a guarantee to the landlord.

10.19 One of the reasons some properties become empty is because private landlords are unable to find tenants. There is the potential for shared interest; local authorities often face the opposite problem, lots of people looking for homes, but not enough properties to offer them.

10.20 A number of local authorities have systems in place that try to match up the two. In effect, the council becomes a letting agent, finding tenants and managing re-lets. The landlord, however, has full responsibility for management of the property and collection of rent. Only 36% (8 LAs) provide a tenant matching service.

**Living Over the Shop / Homes Above Retail Premises (LOTS/HARP)**

10.21 59% (13 LAs) have done Living over the Shop Schemes (LOTS) or Homes Above Retail Premises Schemes (HARP). There is often available space above shops that had previously been used as accommodation or could be converted into accommodation. At a time when the high street is struggling in many towns, the conversion of spaces to provide housing increases the supply of small dwellings, revitalises town centres, improves security for people and businesses, safeguards investment in the building stock and provides additional custom for local businesses.

10.22 The overwhelming reason for upper floor vacancy is not physical factors or even financial, but stems from the perception of commercial owners that incorporating residential use invariably damages investment value.

10.23 These type of scheme can sometimes be difficult to progress and there may be both legal and practical obstacles to overcome, including:

- Conversion costs can be quite high
- Properties tend only to be suitable for occupation by single people or couples without children
- Providing a separate entrance or access to the upper floors can be difficult, if the access was previously provided by internal stairs
- Planning can be an issue if the property is listed or in a Conservation area
- Many multi-national companies have a policy of not wanting to use the empty space above their commercial properties
• Resolving legal matters or lease arrangements with the freeholder and other interested parties.
• There may be difficulties in obtaining insurance

Homesteading
10.24 This approach is only available to local authorities that retain their own stock and are in low demand areas. Some local authorities in England have disposed of their excess empty properties by selling them at very big discounts. The sale is on condition that the new owners have to live in the property as owner occupiers for a number of years and fully renovate the property up to a reasonable standard. The benefit to the local authority is to encourage new people and investment into an area that may be in decline.
10.25 No local authority in Wales was administrating any type of homesteading scheme.

Public Requests to Order Disposal (PROD) & (Community Right to Reclaim Land)
10.26 The Local Government, Planning and Land Act 1980 gives members of the public the power to request Secretary of State or Minister in Wales to investigate why public sector land, owned by local authorities and a limited number of other public bodies, are empty; and gives power to the Minister to force the sale of the property or land.
10.27 This system is currently called the 'public request to order disposal' (PROD) and is to become part of the Community Right to Reclaim Land. This is a little known or used power and no local authorities in Wales were aware of it having been used.

Home Improvement Agency
10.28 A common reason for properties being left empty is that some owners lack the confidence to organise renovation works. One way of assisting is for the local authority to provide services to help organise building work by employing contractors.
10.29 59% (13 LAs) operated a home improvement agency either in house or through a third party such as a Registered Social Landlord or Charity. Most are small not-for-profit surveying businesses that work on behalf of homeowners employing and supervising contractors. They generally offer the following services:
• advice on options for redesigning and renovating the property
• advice on grants loans and other sources of funding
• links to end users such as PSL schemes and managing agents
• plans and specification service
• tendering for contractors
• approved list of contractors
• supervising contractors whilst works are underway
• organising payment of contractors

10.30 Most were set up to provide assistance to low income and vulnerable households, who are unable to use the private market.

10.31 Only 45% (10 LAs) of home improvement agencies offer services to landlords or non-owner occupier property owners i.e. empty property owners.

List of Builders

10.32 Providing a list of suitable builders is a very useful method to help owners. This is especially true if the owner has little experience of organising work or may live remote from the property, making finding a suitable builder a major barrier.

10.33 41% (9 LAs) operated a builders list, some of these were just available to clients through the home improvement agency and others were open to the general public.

10.34 The main concerns for those local authorities that did not offer such a service was the possible liability aspect, should the work be done to a poor standard it is possible the local authority could be held responsible. Those local authorities that offer an approved builders list undertake a certain level of due diligence, consisting of passed inspections, including Insurance, financial standing and health and safety at the time of application.

10.35 Persons using companies from this list are advised to make their own enquiries, and the decision to use any company is entirely that person’s own decision. Information provided regarding the companies listed is in no-way representative of any recommendation or endorsement of quality.

10.36 There are a number of national schemes which work in partnership with trading standard officers (for example Trustmark), which could be made available to home owners.

11.0 Enforcement (Legislation)

11.1 Local authorities have a range of powers at their disposal to require owners to improve their properties. None of these powers extend to forcing the owner to bring the property back into use, (except for an Empty Dwelling Management Order), but when used correctly they can help deal with the problems caused by empty properties and ensure that the owner takes responsibility for their property.

11.2 Once an owner has had to expend money on their property this will generally result in the owner bringing the property back into use, to get a return on their investment.
11.3 Enforcement should be seen as a step on the way to getting the property back into use, but even where the local authority are pursuing enforcement action, they should try and maintain a working relationship with the property owner. This enables the owner to engage constructively with the local authority at any stage.

11.4 The main legislative options available are:
- Town & Country Planning Act 1990 (Section 215 adverse affecting amenity, CPO)
- Building Act 1984 (Section 77-79, dangerous structures & ruinous and dilapidated)
- Housing Act 1985 & 2004 (improvement notices, EDMO’s, demolition, clearance, CPO)
- Environmental Protection Act 1990 (Section 79/80 statutory nuisance)
- Prevention of Damage by Pests Act 1949 (Section 4 harbourage & treatment of pests)
- Local Government (Miscellaneous Provisions) Act 1982 (section 29 boarding up)

11.5 In addition to the above there are a range of other powers to deal with listed & historic buildings (Planning (Listed Building and Conservation Areas) Act 1990)\textsuperscript{13}, filthy and verminous premises (Public Health Acts 1961) and drainage (Building Act 1984).

11.6 It was evident from the survey that there was a high level of willingness amongst local authorities in Wales to use enforcement powers in appropriate cases and that authorities were generally good at dealing with the symptoms associated with long term empty properties.

\textbf{Figure 6: Type of Enforcement Used by Local Authorities}

\begin{center}
\includegraphics[width=\textwidth]{enforcement_chart.png}
\end{center}

\textsuperscript{13} Stopping the Rot: A Guide to Enforcement Action to Save Historic Buildings – www.english-heritage.org.uk
11.7 The most common reason for people to object to empty properties in their neighbourhood is the visual impact on the area. If not dealt with, individual empty properties can prompt the decline of an area. There is clear evidence that they attract petty crime\(^{14}\), and research carried out in 2003 by Hometrack suggested that they cause neighbouring property prices to be devalued by up to 18 per cent.

11.8 Two pieces of legislation allow local authorities to tackle these problems directly:
- Section 79 of the Building 1984 Act empowers local authorities to deal with ruinous and dilapidated buildings or structures and neglected sites ‘in the interests of amenity’; and
- Section 215 of the Town and Country Planning Act 1990 allows local authorities to deal with unsightly land or the external appearance of property\(^{15}\).

11.9 Both powers allow local authorities to serve notice on the owner of a property requiring them to address the problems. Owners can comply by restoring the property or by demolishing it. It is sometimes possible for the owner to comply by improving the external appearance of the property, but still leave it uninhabitable.

11.10 73% (16 LAs) regularly used their powers under Section 215 Town & Country Planning Act 1990 to deal with properties or land that were detrimental to the amenities of the area.

11.11 This provision is usually enforced by Planning Officers. However, a significant number of local authorities in Wales had delegated the use of these notices to other appropriate staff, including Empty Property Officers and Environmental Health, Environmental Protection and Street Scene staff.

11.12 82% (18 LAs) used Section 79 Building Act 1984 (Ruinous and Dilapidated) to deal with properties that were in a very poor condition.

11.13 Dangerous Buildings: derelict buildings can be hazardous to neighbours and passers-by and provide a playground for children, who can easily come to harm.

11.14 Local authorities have a number of powers to require owners to make their property safe or to carry out work directly themselves
- Section 77 of the Building Act 1984 enables local authorities to deal with buildings that it considers to be dangerous. An Authority can apply to a Magistrates’ Court for an order requiring the owner to make the building safe or demolish it. If the owner fails to comply then the authority can carry out the works in default.
- Section 78 of the Building Act 1984 allows local authorities to deal with buildings that pose an immediate danger. This emergency measure allows the local authority to carry out remedial

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\(^{14}\) Fixing Broken Windows: restoring order and reducing crime in our communities, George Kelling & Catherine Coles (1996)

\(^{15}\) Best Practice Guide: Section 215, Town & Country Planning Act 1990, ODPM
works itself without giving the owner the opportunity to deal with it himself. The local authority is only entitled to carry out works that remove the immediate danger.

- Section 29 of the Local Government (Miscellaneous Provisions) Act 1982 allows local authorities to carry out works to an unoccupied building to prevent unauthorised entry or to prevent it from becoming a danger to public health. The local authority must give the owner or occupier 48 hours notice of their intention.

- Sections 79-81 of the Environmental Protection Act 1990 allow a local authority to require abatement of statutory nuisances. The term statutory nuisance applies to a range of problems that might arise from empty homes, including accumulations of rubbish or dampness affecting neighbouring properties. The Act allows local authorities to serve an abatement notice on the owner of the premises, requiring works to abate the nuisance. If the notice is not complied with then the local authority can carry out works in default or prosecute for non compliance.

- Section 76 Building Act 1984 allows the local authority to require abatement of nuisance where they believes that any premises are in such a state as to be prejudicial to health or a nuisance and unreasonable delay in remedying the defective state would be occasioned by following the procedure prescribed by section 80 of the Environmental Protection Act 1990.

11.15 90% (20 LAs) indicated that they have used their powers under Section 77 & 78 Building Act 1984 to deal with dangerous structures. This role primarily was the responsibility of Building Control.

11.16 95% (21 LAs) regularly use their powers under Section 29 of the Local Government (Miscellaneous Provisions) Act 1982 to board insecure properties.

11.17 82% (18 LAs) use Statutory Nuisance provisions under the Environmental Protection Act 1990.

11.18 95% (21 LAs) regularly used Section 4 Prevention of Damage by Pests Act 1949, which gives local authorities the power to require the owner or occupier of land (apart from agricultural land) to take steps for the destruction of rats or mice or keeping land free from rats and mice, including clearing of rubbish. The power extends to carrying out works in default and recovery of the costs incurred.

**Housing Act 2004**

11.19 The Housing Act 2004 abolished the housing fitness regime of the old Housing Act 1985 and introduced the Housing Health and Safety Rating System.

11.20 The Housing Health and Safety Rating System (HHSRS) is a risk based evaluation tool to help local authorities identify and protect against potential risks and hazards to health and safety from any deficiencies identified in dwellings.
11.21 The Housing Act 2004 places a duty on authorities to take appropriate enforcement action where serious hazards are identified in residential properties (Cat 1) and a power to take action to deal with any less serious hazards (Cat 2). The local authority has a range of enforcement options:-

- Serve an Improvement Notice (s.11 and 12) (can be suspended)
- Make a Prohibition Order (s.20 and 21) (can be suspended)
- Serve a Hazard Awareness Notice (s.28)
- Take Emergency Remedial Action (s.40)
- Make an Emergency Prohibition Order (s.43
- Make a Demolition Order (s.265)
- Declare a Clearance Area (s.289)

11.22 Primarily, when dealing with long term empty properties consideration will usually be given to service of an Improvement Notice or Prohibition Order, unless the property is beyond economical repair, when Demolition may be a viable option. The local authority has the option to suspend any Improvement Notice or Prohibition Order.

11.23 The HHSRS is a health and safety standard and many local authorities consider that if the property is not occupied, then a Prohibition Order may be the most appropriate course of action. While it may prevent the property from being occupied, it allows the property to remain vacant and to deteriorate further as the Prohibition Order does not require an owner to bring a property back into use, only to require that the property (or part of it) is not used (or not occupied in a particular way).

11.24 Under the old Housing Act 1985, when considering the most satisfactory course of action, the local authority considered the social, economic and environmental impact of the property. This made it easier to justify the service of notices to improve the condition of empty properties under the previous unfitness regime, than under the Housing Act 2004.

11.25 In addition, there are some practical deficiencies with the Housing Act 2004; for example there are no warrant provisions to enable the local authority to undertake works in default. This can be a major barrier when the property is vacant.

11.26 The survey indicated that 82% (18 LAs), would be prepared to serve an Improvement Notice to deal with the condition of empty properties. This figure is significantly higher than was expected. 77% (17 LAs) would be prepared to use Prohibition Orders.

11.27 41% (9 LAs) had or would be prepared to serve Demolition Orders. This figure is not surprising on the basis that property values over the last decade have increased significantly, making it difficult to show that a property is beyond economic repair.
11.28 Only 14% (3 LAs) had used Clearance Areas, (Flintshire, Caerphilly and Rhondda Cynon Taf). Generally, these powers are used only where there is obsolete housing in low demand areas.

11.29 The Housing Act 2004 introduced Empty Dwelling Management Orders (EDMOs) as a new legislative tool for local authorities to tackle privately owned empty homes.

**Empty Dwelling Management Orders**

11.30 The EDMO allows local authorities to take over the management of long term empty residential properties. The legislation and procedures surrounding EDMOs are rather cumbersome and this, to some extent, explains why many local authorities are reluctant to use them.

11.31 There are a number of important protections for property owners. In every case, the council must get approval to make an interim EDMO (which is the first stage) from an independent Residential Property Tribunal. The Tribunal will only give its approval if it is satisfied that the property has been unoccupied for *at least* the previous six months, none of the exemptions apply, that there is no reasonable prospect of it becoming occupied in the near future and that, if an EDMO is made, there is a reasonable prospect the council would be able to get it occupied. The Tribunal must also consider how making the order would impact on the property rights of the owner and is not obliged to confirm the order, if it considers there are good reasons not to do so.

11.32 An interim EDMO last for up to 12 months and the local authority needs the consent of the owner to grant a tenancy. If this consent is not forthcoming or there are reasonable grounds to do so, the local authority can proceed to a Final EDMO, which allows the Local Authority to take over management of the property for up to 7 years. Where a Final EDMO is in place the local authority can grant a tenancy without the owner’s consent.

11.33 In England, there have been less than 65 Interim EDMOs granted, with less than 20 proceeding to Final Empty Dwelling Management Orders. Often the threat of their use is sufficient to encourage owners to engage with the local authority.

11.34 In Wales, only 14% (3 LAs) have secured or were in the process of applying for an EDMO. Swansea City Council had made two successful applications for Interim EDMOs, one of which led to a final EDMO. Carmarthenshire had secured an interim EDMO, which lead to a final EDMO. At the time of writing this report, Newport City Council were also intending to make their first application to the Residential Property Tribunal.

11.35 It was clear from the discussion with local authorities that many of them were not prepared or willing to use EDMOs. While there are difficulties with EDMOs in that they are cumbersome, resource intensive and only suitable for properties that are in reasonable condition, it is highly desirable that local authorities are able and prepared to use these powers in appropriate cases.
11.36 A lack of Capital finance was another significant reason why local authorities were not using EDMOs. Potentially, the Capital Funding to undertake the work could be tied up for 7 years or even longer.

Compulsory Purchase Orders (CPO)

11.37 Where a local authority has tried to facilitate a private sale and this and other methods of returning the property back into use have failed, compulsory purchase may be considered appropriate, but should be considered a measure of last resort, after all other reasonable methods have been tried.

11.38 A local authority may apply to the Welsh Government for an order to be made. The local authority will need to demonstrate that there is a compelling case in the public interest for the property to be compulsorily purchased, and that other methods of returning the property have been tried and failed.

11.39 In addition, the local authority will need to show that it has clear intentions for the use of the property/land and be able to show that it has the necessary resources available to go through with the CPO.

11.40 Legislation in England and Wales gives local authorities the power to acquire land and property compulsorily where the owner is not willing to sell by agreement. Section 17 Housing Act 1985 is a general enabling piece of legislation that allows a local authority to acquire under-used or ineffectively used property/land etc. for residential purposes, if there is a general housing need in the area.

11.41 In addition, Section 226 Town and Country Planning Act 1990 (as amended by Planning and Compulsory Purchase Act 2004) allows local authorities to acquire land or buildings if acquisition will allow improvements or redevelopment to take place (provided the improvement, development, or redevelopment will contribute to the promotion or improvement of economic, social or environmental well being). This power can be used to acquire empty properties that adversely affect the street scene because of their dilapidated condition. There are also additional powers to make CPOs in Renewal Areas and under Section 47 Planning (Listed Buildings and Conservation Areas) Act 1990.

11.42 Often the threat to pursue a Compulsory Purchase Orders is sufficient to encourage owners to deal with their empty properties. Compensation is payable to owners of properties purchased under a compulsory purchase order. Compensation is payable by the local authority to the owner at the open market value of the property. Additional compensation may be payable to the owner for severance or injurious affection, disturbance and other losses. Usually, it is only basic home loss
payment that is available to an empty property owner (7.5% market value up to a maximum of £75,000).

11.43 In practice, these can be avoided if the owner has been served with and failed to comply with certain statutory notices requiring works to the property (Section 215, Town & Country Planning Act 1990, Housing Act 2004 & Section 48 Planning (Listed Buildings and Conservation Areas) Act 1990).

11.44 On a unit cost basis compulsory purchase will generally be more expensive when compared to other forms of enforcement. However, in certain cases this may be the only viable option available to the local authority. Furthermore, a successful CPO can send out a clear message to other owners of the long term empty properties in a locality.

11.45 The Kent ‘No Use Empty’ Scheme uses extensive publicity around successful cases, where formal action has been pursued such as the use of Section 215 notices, CPO, EDMO and Enforced Sales. This over time, has resulted in the need for less enforcement as owners become aware that the local authority is prepared to follow through with their proposed action.

11.46 Only 32% (7 LAs) had used or were prepared to use Compulsory Purchase to deal with empty homes. The main perceived barriers to local authorities undertaking CPOs are their legal complexity and lack of capital funds.

11.47 During the 1960s/1970s, local authorities were well versed in the use of Compulsory Purchase powers. However, many Local Authorities have lost the expertise and skills to undertake this type of work. Compulsory Purchases Orders are not overly complex but are procedurally taxing.

11.48 There is at least one local authority in each regional group that undertakes CPOs, except for Swansea Bay. Consequently, the expertise is available in Wales and cross boundary working could be developed to assist those local authorities that have to date not undertaken CPOs. This can be achieved through training, outsourcing the work to a neighbouring Authority or there are other third party specialists in the market. However, it is essential that local authorities have a willingness and capability to undertake CPOs in the appropriate cases.

**Enforced Sales Procedure**

11.49 Enforced sale is a debt recovery procedure. A significant number of local authorities now use this procedure to enforce the sale of a property to recover unpaid debt. In doing so, this creates a change in ownership which usually brings the property back into use.

11.50 The properties which are the target of this procedure tend to be the very worst properties, where there have been intractable problems both with the owner and the condition of the property.
11.51 There are two tracks to the enforced sales procedure:

- *Legislation that enables the recovery of debt through the use of the Law & Property Act 1925 via the District Land Registry;* and

- *Other debts such as Council Tax debts that are recovered through the County Court*

11.52 It very much depends on which legislation the local authority uses as to which track is the most appropriate. It is far more beneficial to use the Law & Property Act 1925, where possible rather than go through the County Court procedure. The reason for this includes:

- It is more streamlined (normally the property can be sold within 5-6 months of the demand being served)

- The Local Authority’s charge generally takes priority over any mortgage, ensuring recovery of funds

- Can be used against unregistered land (subject to caveats) and registered land

- Can be used on owners that cannot be traced, unregistered land or where the owner is deceased. These issues would cause considerable difficulty through the County Court approach.

11.53 The Law of Property Act 1925 gives the local authority similar powers to mortgagees where the mortgagor has failed to pay their mortgage.

11.54 In essence, the local authority serves a statutory notice, which the owner fails to comply with. Consequently, the local authority undertakes the works in default and creates a debt. It is important to ensure that the legislation on which the local authority is relying on enables the powers under the Law & Property Act 1925 to be used.

- The debt is registered as a charge against the title in District Land Registry

- The owner is given 3 months written notice under the Law & Property Act 1925

- On expiry of this timescale, assuming that the debt has not been paid, then the local authority can dispose of the property

- Disposal is usually through auction as the authority is under a duty to obtain best price

- The local authority recovers their debts and associated costs, any surplus is provided to any other Chargees, then to the owner

- The Limitation Act 1980 applies and the Local Authority has 12 years to recover their debt

11.55 However, certain debts such as those that have been created by undertaking works in default under Section 29 Local Government (Miscellaneous Provisions) Act 1982 - boarding up empty property are not land charges and are personal debts, similar to council tax debt.

11.56 Consequently, these types of debts have to be recovered through the County Court and there are a range of remedies available through the Court:
• **Bailiffs**, threatening to take or actually taking goods, can only do this through peaceful entry.

• **Attachment to earning**, if the debtor pays PAYE the authority can apply to their employer for deductions to be made to their wages (level of deductions is set by Statute for Council Tax). If the debtor is self employed, earns less than £75 per week or £300 per month before tax or lives on a pension or investment income then deductions cannot be made.

• **Committal hearing**, usually after bailiff failed, debtor can be committed for wilful refusal. Court can send debtor to prison or more likely set up a new payment plan. If debtor does not attend court, an authority can obtain an arrest warrant (**only for Council Tax**).

• **Bankruptcy**, debt must be a minimum of £750, prerequisite to show that the Council has secured a liability order and has served a Statutory Demand (explains debt). If debt remains outstanding after 21 days and the debtor has made no arrangements to make payment., then can proceed to bankruptcy. A Licensed Insolvency Practitioner – secures the debtors assets for the benefit of the debtors.

• **Charging Orders** – can secure them against someone’s property, although the debt will not be given priority. In addition, if the debt is small or someone is living in the property or the property is jointly owned and the debt relates to a one party, then the authority may be unsuccessful in securing an Order of Sale.

11.57 Using **Bankruptcy** (not suitable if owner has mental health issues) or **Charging Orders**, is another way of forcing the sale of the property to recover said debt. However, the size of the debt, length of time the debt has remained outstanding and the personal circumstances of the debtor are relevant factors that will need to be considered.

**Figure 7: Local Authority Debt Recovery Procedures**
11.58 73% (16 LAs) stated that they had or were prepared to use the enforced sales procedure. This is higher than expected. A distinction can be drawn between having the relevant policy in place and actually pursuing the recovery of debt through this procedure. Realistically, a smaller number of local authorities have pursued the matter from service of notice through to the sale of the property.

11.59 It was evident from discussions with officers that many local authorities do not think tactically about which legislation would be best suited to that property. Local authorities should consider what their measure of last resort is likely to be for that particular property i.e. EDMO, CPO or enforced sale. Once this has been established, then an officer can work backwards to assess which legislation is the most appropriate. For instance, if a local authority considers that CPO would be the final outcome for a particular property, then the local authority might wish to pursue service of a Housing Act 2004 notice or a Section 215 notice. Failure to comply with a statutory notice would assist in the justification for pursuing a CPO, but would also limit the owners ability to claim compensation (basic home loss payment).

11.60 Similarly, if the local authority wishes to pursue an enforced sale then it is preferable to use particular legislation. Using a charge created under the Housing Act 2004, enables the local authority to use the provisions of the Law & Property Act 1925 and is no more than an administration procedure with the District Land Registry.

11.61 Recovering a debt from boarding a property under Section 29 of the Local Government (Miscellaneous Provisions) Act 1982 needs to be recovered through the County Court. This could either be recovered through the Charging Order route or Bankruptcy, if the debt is of sufficient size. However, the local authority will have a number of hearings to attend in order to justify their approach, and the issue of proportionality is more likely to be a major issue.

Table 11: Local Authority Debt Recovery Procedures by Regions

<table>
<thead>
<tr>
<th>Regional Groups</th>
<th>Enforced Sales Procedure</th>
<th>Prosecution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Law &amp; Property Act 1925 (Legislation)</td>
<td>Council Tax (Charging Orders)</td>
</tr>
<tr>
<td>North Wales Regional Steering Group</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Mid &amp; West Wales Regional Steering Group</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Gwent Regional Steering Group</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Swansea Bay Regional Steering Group</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Cardiff &amp; Vale Regional Steering Group</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Cwm Taf Regional Steering Group</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Total Number</td>
<td>16</td>
<td>14</td>
</tr>
<tr>
<td>Percentage of 22 LAs</td>
<td>73%</td>
<td>64%</td>
</tr>
</tbody>
</table>
11.62 64% (14 LAs) indicated that they used Charging Orders as a method to recover council tax debt and 36% (8 LAs) stated that they had used Bankruptcy.

11.63 In most instances, when an owner has not paid their council tax, the local authority will attend the Magistrates Court to obtain a Liability Order, confirming the debt is due. As mentioned in paragraph 11.56, there are a range of remedies available to the local authority.

11.64 Initially, local authorities are likely to pursue the bailiff option, but this is frequently ineffective due to their lack of entry powers and by their very nature long-term empty properties are unlikely to have any goods of value.

11.65 Consequently, for the more significant council tax debts consideration should be given to pursuing Charging orders or Bankruptcy. Bankruptcy should not be pursued if the debtor is known to have mental health issues\(^{16}\). The benefit of using Charging Orders is that they can be registered against the property title in the District Land Registry. While it does not take priority over any mortgage, it does ensure that the local authority will recover their funds at some stage, assuming that there is sufficient equity in the property.

11.66 In addition, the Charging Order is not time limited under the Limitation Act 1980 and will sit on the title indefinitely. However, if the owner wishes to refinance or sell the property, the debt will have to be repaid. The Ministry of Justice Consultation on Charging Orders\(^{17}\), indicates that on average this takes up to seven years.

11.67 Few local authorities proceed to the point of obtaining an Order of Sale. However, where the property is a long term empty, there is a significant level of debt and the property is having a detrimental effect on the neighbourhood, then pursuing an Order of Sale may be considered appropriate.

11.68 68% (15 LAs) indicated that they would pursue a prosecution for non compliance of a notice. In certain circumstances prosecution is preferable to pursuing works in default. Such cases may include where the property is heavily mortgaged and the local authority has served a notice under legislation that does not allow the charge to take priority over the mortgage. In such cases it would be unwise to undertake the works in default, as recovery of the debt might be difficult. Alternatively, an authority might have served a notice some months ago, but the property might have been further vandalised and the works specified in the notice do not reflect what is now required.

11.69 The experience of the Kent ‘No Use Empty’ Scheme as shown in figure 3, indicates that only 11 % of properties were dealt with by threat or actual enforcement action. Only 3% of the properties

\(^{16}\) Ombudsman Cases – Manchester City Council

\(^{17}\) Ministry of Justice Consultation: Charging Orders 2011
required measures of last resort such as Compulsory Purchase, Empty Dwelling Management Orders or Enforced Sale.

11.70 However, when dealing with very long term empty properties the ability to deal with them through negotiation is limited. Therefore, these types of properties generally will require some form of statutory action and it is these properties that the public and local residents are concerned about.

12.0 Welsh Empty Property Initiative (Houses to Homes)

12.1 When developing an Initiative to deal with empty homes, it is important to establish what the main barriers are and what action or steps can be taken to overcome them.

12.2 Having reviewed a number of initiatives across the Country including the Kent ‘No Use Empty’ Scheme, it is evident that the following elements contribute to the overall success of the scheme. Clearly, there is a revenue implication to each element and it is a matter for Welsh Government / Steering Group to assess which, if any of the elements should be part of the Welsh Empty Property Initiative. The main elements are:

- Adequate staffing resources
- Capital & revenue funding
- Technical & professional expertise
- Effective partnerships
- PR & media
- Corporate approach to the problem

12.3 Local authorities were asked what where the main barriers to them bringing more empty properties back into use. Table 12 indicates their responses.

Table 12: Main Barriers to Bringing More Empty Properties Back into Use

<table>
<thead>
<tr>
<th>Regional Groups</th>
<th>Staffing Resources</th>
<th>Capital Funding</th>
<th>Lack of Funds Enforcement</th>
<th>Technical &amp; Professional Expertise</th>
<th>Effective Partnerships (RLIs Landlords or 3rd Sector)</th>
<th>Lack of Corporate Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Wales Regional Steering Group</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>3</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Mid &amp; West Wales Regional Steering Group</td>
<td>2</td>
<td>4</td>
<td>3</td>
<td>2</td>
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<td>2</td>
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<td>Swanssea Bay Regional Steering Group</td>
<td>3</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Cardiff &amp; Vale Regional Steering Group</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Carm. Tyf Regional Steering Group</td>
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<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total Number</strong></td>
<td>16</td>
<td>19</td>
<td>16</td>
<td>12</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td><strong>Percentage of 22 LAs</strong></td>
<td>79%</td>
<td>86%</td>
<td>73%</td>
<td>93%</td>
<td>18%</td>
<td>41%</td>
</tr>
</tbody>
</table>
12.4 73% (16 LAs) felt that staffing resources were a significant barrier, with only 45% (10 LAs) having a dedicated full time officer. However, it must be accepted that the level of staffing resources must be proportionate to the problem empty homes represent for that local authority.

12.5 At times of austerity empty homes work tends to suffer, as it is not a statutory function and perhaps considered a lower priority than dealing with such matters as houses in multiple occupation or unsatisfactory conditions in the private rented sector.

12.6 However, the Welsh Government has made empty homes a core part of their National Housing Strategy, Improving Lives and Communities (April 2010) and in September 2010, they published Empty Homes Good Practice Guidance\textsuperscript{18}. National Performance Indicator (PSR /004) provides a measure of local authorities’ performance across Wales.

12.7 There are good reasons for local authorities to provide adequate resources to this area of work:

- Empty homes are a major concern to local residents and elected members alike.
- Bringing long term empty properties back into use contributes to regeneration of an area. Where there are a number of empty properties in a street or area, then this has a negative impact on the neighbourhood as a whole. Owners of other properties will not tend to invest in their own property if they feel their area is in decline. Dealing with the worst properties in an area encourages wider regeneration.
- It is not unusual for local authorities to expend a considerable amount of resources dealing with the effects of empty homes. This includes boarding insecure properties, dealing with dangerous structures or resolving the poor external condition of the property. However, if greater emphasis was given to bringing the property back into use, rather than just dealing with the symptoms, then this would be a more effective approach in the long run.
- Early intervention when the property does not present a significant problem for either local residents or the authority, enables the matter to be resolved with fewer public resources and at a lower cost to the owner.
- They contribute to meeting housing need and homelessness by maximising the use of existing homes.
- Improving properties means investment in the area, creating employment for local builders and suppliers.
- Returning properties back into use will generally increase the income received through council tax and increases the supply of homes in particular affordable homes.

\textsuperscript{18} Empty Homes Good Practice, Welsh Assembly Government, 2010

New Homes Bonus

12.8 In England, the Government has introduced the New Homes Bonus\(^\text{19}\), which is a financial incentive that provides additional funding or a 'bonus' for new homes by match funding the additional council tax raised for new homes and empty properties brought back into use, with an additional amount for affordable homes, for the following six years. A reduction in the number of long-term empty homes is rewarded the equivalent to building the same number of new homes. The Scheme is designed to be revenue neutral.

12.9 The New Homes Bonus is making a major contribution towards empty homes work being a key priority for local authorities in England and has provided real impetus to local authorities to take effective action.

12.10 Local authorities were asked whether they would support a similar scheme in Wales. Not surprisingly all 22 local authorities were in favour of a financial reward linked to performance.

12.11 As discussed previously, 14 local authorities in Wales still offer a 50% council tax discount to empty property owners. Having regard to council tax returns 2011-2012 there were 19,519 properties that were in receipt of a 50% discount. However, there are other categories other than empty homes that may have a 50% discount i.e. second homes or properties occupied by certain category of exempt occupier.

12.12 As a crude calculation, if all local authorities removed their discount altogether or allowed a 10% discount (encourage people to report their property as empty), then this would provide a significant level of funding that could support any performance related scheme.

The average council tax bill in Wales is £1,118.

**Increased Revenue**

10% discount @ 19,519 properties = £8.7 Million

No discount @ 19,519 = £10.9 Million

12.13 In 2010-2011, 955\(^\text{20}\) long term empty homes were brought back into use.

12.14 If a reward grant based on the average council tax bill £1,118 was payable to the local authority per empty property returned back into use then it is likely the costs in terms of the reward grant would be more than covered by the increase in council tax revenue.

955 properties @ 1 Year Council Tax (£1,118) = £1.06 Million

12.15 It would be beneficial to provide a greater level of reward based on how many years the property has been empty. The reason for this is that the level of work involved in bringing a property that has been empty for 4 years is substantially greater than a property that has been empty for 6

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\(^{19}\) [http://www.communities.gov.uk/housing/housingsupply/newhomesbonus/](http://www.communities.gov.uk/housing/housingsupply/newhomesbonus/)

\(^{20}\) Performance Indicator PSR /004 : The total number of private sector dwellings that had been vacant for more than 6 months at 1 April
months. This therefore would encourage local authorities to deal with their longer term problem properties rather than the easy wins.

6 months to 1 Year – 1 Year council tax reward
1 year to 2 Years – 2 Years council tax reward
3 years or more or new supply – 3 Years council tax reward

12.16 This highlights one of the weaknesses of the New Homes Bonus in England, in that the reward is the same whether a property has been empty for 6 months or empty for a significant number of years. This has encouraged local authorities to undertake a data cleansing exercise and to target the easier properties.

12.17 The Welsh Government assumes that the local authorities recovers 100% of the council tax and reduces the Revenue Support Grant accordingly. If the Welsh Government were to support such a performance related reward, then the funding would have to be ring fenced for that purpose.

12.18 Such a reward grant would be cost neutral to the Welsh Government and the Local Authority in that empty property owners / second home owners would be funding the work through increased council tax revenue.

12.19 Such a reward grant would encourage local authorities to provide adequate resources to deal with their empty homes. A reasonable level of performance by a local authority would ensure that the post would be self financing.

12.20 It would be essential that the Welsh Government clearly defined what the reward grant was payable for. It is evident that some local authorities in Wales have a differing interpretation of Performance Indicator PSR /004. Therefore, there needs to be a clear and consistent approach to the interpretation of the Performance Indicator.

**Capital Funding**

12.21 The Welsh Government is making £5 Million available to support local authorities in bringing back more empty homes into use.

12.22 The broad proposal involves setting up a short term loan scheme on a similar basis to the No Use Empty Scheme run by Kent County Council.

12.23 The Welsh Government has indicated that:
   - The priority for the loan funding is to bring empty homes back into use.
   - There should be a high level of recyclability (no more than 3 years)
12.24 It is for that reason that none of the following mechanisms are suitable:

Grants – including those linked to nomination rights (value for money)

Property Appreciation Loans – repayment only occurs on sale or transfer of ownership

Longer term loans – interest free or otherwise (fall outside time restraints of the scheme – 3 years)

12.25 Consequently, there is limited scope to develop any other product than a short term loan scheme, but the capital funding could be used to support other mechanisms. The overriding criterion is that it brings empty properties back into use and is recyclable within the 3 years period.

12.26 Therefore, there is no reason in principle that the Capital funding cannot be used for:

- Compulsory Purchase Orders
- Direct Purchase
- Interim & Final Empty Dwelling Management Order
- Works in default
- Loans to Owner Occupiers

12.27 Potentially, if the monies were used to support a Final Empty Dwelling Management Order, then the monies may not be recovered within the 3 year period. Therefore, the local authority would have to agree to repay the monies back within the 3 years. However, it would allow a local authority to pursue this option if they so wished, knowing that in 3 years time the level of funding they would have to find would be significantly less.

12.28 The provision of loans to owner occupiers over a 3 year period would be of limited value. In reality, while the loan might assist the owner in undertaking the works, would they be likely to be in a position to pay back the loan in such a short timescale? Their income would be unlikely to have increased substantially during this period and being able to secure a larger mortgage might be difficult.

12.29 If the local authority were to provide such a loan and the owner was unable to repay the loan, the Authority would have to consider pursuing active recovery of the loan? The possible negative media coverage that could result from making a family homeless would be likely to do substantial damage to any scheme developed.

12.30 In addition, if the loan were to be first charge and the applicant intended to live in the property themselves, then it would be a requirement for the local authority to comply with Mortgage Sales Guidance for Local Authorities and Registered Social Landlords21. This would normally require some form of guidance from an Independent Financial Advisor or other appropriately qualified person.

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12.31 The position is different if the loan were provided to an owner who wished to develop and sell or to rent. These would be seen more of a business arrangement and therefore the rationale for pursuing debt recovery and forcing the sale of the property would be considered more reasonable.

12.32 When Local Authorities in Wales were asked what the Capital funding should be used for they responded as follows:

**Table 13: What Should the Capital Funding be used for?**

<table>
<thead>
<tr>
<th>Regional Groups</th>
<th>Loans</th>
<th>Works in Default (Enforced Sales)</th>
<th>Direct Purchase</th>
<th>CPO</th>
<th>EDMO</th>
<th>No Restrictions</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Wales Regional Steering Group</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Mid &amp; West Wales Regional Steering Group</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Gwent Regional Steering Group</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Swansea Bay Regional Steering Group</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Cardiff &amp; Vale Regional Steering Group</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Cwm Taf Regional Steering Group</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total Number</strong></td>
<td>22</td>
<td>21</td>
<td>21</td>
<td>21</td>
<td>17</td>
<td>21</td>
</tr>
<tr>
<td><strong>Percentage of 22 LAs</strong></td>
<td>100%</td>
<td>95%</td>
<td>95%</td>
<td>95%</td>
<td>77%</td>
<td>95%</td>
</tr>
</tbody>
</table>

12.33 Twenty two local authorities (100%) confirmed that the funding should be used to provide empty home owners with financial assistance in the form of a loan. Twenty one local authorities (95%) stated that the funding should be available for local authorities to utilise towards undertaking works in default, with a view to a robust recovery of the debt through the enforced sales procedure, if appropriate.

12.34 95% (21 LAs) indicated that the funding should be made available to assist with any potential CPO or direct purchase of a property. The lack of capital funding was one of the main reasons why some local authorities were not prepared to pursue CPOs.

12.35 77% (17 LAs) felt that the funding should be made available to local authorities to assist them with undertaking works in relation to Empty Dwelling Management Orders.

12.36 95% (21 LAs) stated that they would prefer no restrictions on the use of the capital funding other than it should bring empty properties back into use and is recoverable within 3 years.
No Use Empty Scheme

12.37 Kent County Council launched its ‘No Use Empty’ campaign in 2005 as part of its Public Sector Service Agreement (PSA2) targets, to examine better ways of delivering services, and particularly to work more effectively with lower tier councils. The primary aim of the Initiative was to improve the physical urban environment in Kent by bringing empty properties back into use as quality housing accommodation.

12.38 The initiative was originally focused on the towns of the four districts of Thanet, Dover, Shepway and Swale, as research has found that the majority of empty properties (over 3,000) are located within these four districts. In January 2008, due to the success of the scheme Kent County Council (KCC) expanded the initiative to include all 12 lower tier councils in the county.

12.39 The main funding for the Initiative, both revenue and capital has been provided by KCC. The scheme had a capital funding of £5million (Capital Reserves & Prudential Borrowing).

12.40 The Initiative developed three strands of financial assistance to use its capital funding (£5 Million) to encourage the re-use of empty properties. These are as follows:

**Loan Scheme** – interest free loans are available to help owners/developers for the refurbish/ conversion of empty homes or redundant commercial buildings to provide good quality residential accommodation. On completion properties must be made available for sale or rent (not occupation by owners). The loan fund is operated as a revolving fund, so that as loans are repaid, the money is then re-lent to support new schemes. Loans are capped at £25,000 per unit and £175,000 per applicant, secured as first or second charge and based on a maximum 90% LTV (loan to value) ratio.

**Partnership Fund** – funding available to help the partner authorities undertake enforcement where deemed necessary e.g. compulsory purchase orders, works in default or direct purchase. Lower tier councils have extensive powers to deal with run down empty properties but often lack both financial resources and personnel or knowledge to utilise these powers effectively.

**Direct Purchase Scheme** – involving the acquisition of empty properties by KCC for redevelopment into good quality housing accommodation.

12.41 The success of the project has been measured by the tangible results achieved through the number of empty homes brought back into use, which amounted to 487 properties in the first three-year period. In total, since its inception the scheme has brought back into use 2,126 properties (up to March 2012)

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22 No Use Empty Scheme – See Appendix C
Loan Scheme

12.42 The scheme has approved over £5.5 Million of interest free loans, involving 295 units of accommodation. This has brought in excess of £11.1 Million of private sector funding (contribution from owners), giving a total investment through the loan scheme of £16.7 Million (up to March 2012).

Table 14: Kent Empty Property Initiative Loan Scheme – Investment vs. Leverage

<table>
<thead>
<tr>
<th>Loan Scheme</th>
<th>Funding By</th>
<th>No. of Units</th>
<th>% of Units</th>
<th>Value NUEI Loan £</th>
<th>Leverage</th>
<th>Total Investment</th>
<th>% of Loan</th>
<th>% of Leverage</th>
<th>% of Total Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individuals (&lt;3 units)</td>
<td>85</td>
<td>29%</td>
<td>£2,088,150</td>
<td>£4,824,166</td>
<td>£6,912,316</td>
<td>38%</td>
<td>43%</td>
<td>41%</td>
<td></td>
</tr>
<tr>
<td>Developers (&gt;4 units)</td>
<td>210</td>
<td>71%</td>
<td>£3,473,000</td>
<td>£6,370,141</td>
<td>£9,843,341</td>
<td>62%</td>
<td>57%</td>
<td>59%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>295</td>
<td>100%</td>
<td>£5,561,150</td>
<td>£11,194,507</td>
<td>£16,755,657</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

- 12% Loan to Sell (2 years) & 88 % Loan to Let (3 years)
- The average cost to renovate a unit = £56,798 (often very worst properties)
- KCC average investment per unit £18,851
- Actual cost to KCC = £2,804 per unit via loan (loss of interest and management costs)
- Repayment of loans to date £1.4 Million (March 2012)
- Estimated to have created over 303 jobs
- For each £1 spent on interest and administration, this translates to £20.26 being spent in the local economy (labour & materials)

12.43 Having regard to those loans that have been paid out the scheme has a low default rate. Although owners contract to complete the works within a specified timescale, it is not unusual for that timescale to slip. Although, the owner is technically in breach of the loan, as long as the project is ongoing and reasonable progress is being made, then a flexible approach to recovery is adopted.

12.44 12% of the loans through the Kent Scheme are loans to sell: the money is loaned to the owner with a view to completing the development and on the sale of the property or no later than 2 years, the monies are repaid. There are 3 loans that have become repayable, but the owners have been
unable to sell in the current market. In these cases agreements have been reached in relation to making part payment on the capital and regular payments in return for an additional period of grace. The cases are regularly reviewed and are not open end commitments. However, on the loans that are in default, then the interest becomes payable on the whole loan amount from the start.

12.45 Two loans have been fully repaid without the works being completed due to owners ill health

12.46 In addition, there are 2 loans where the company has gone into administration and it is likely that when the receiver sells the property, Kent County Council may only be able to recover 50% of their loan moneys. This would increase the unit cost via the loan scheme to £2,889.

“Houses to Homes” Loan Scheme (Recommendations)

12.47 Having regard to the No Use Empty Scheme, it is suggested that a suitable proposal for a Welsh Empty Property Initiative Loan scheme would include the following elements:

- **Empty for more than 6 months** or the creation of new dwellings from redundant space / conversion of commercial buildings (not new build per se)
- **Loans to sell** – renovate a property with a view to selling (maximum repayment period 2 years)
- **Loans to rent** – renovate a property and rent out (maximum repayment period 3 years)
- **Loans to Owner Occupiers** – not at this stage, due to potential negative PR and FSA Requirements (Mortgage Guidance)

- **Interest free Loan amounts** £20,000 to £25,000 per unit, with a maximum loan value of £140,000 to £150,000 per applicant
- **Loan secured as first or second charge** on the empty property or other suitable property offered as security
- **Maximum Loan to Value** including any existing mortgage - between 75-90% (suggest 85%)
- **Properties expected to meet** a reasonable standard on completion (no category 1 hazards and lettable condition)
- **Loan monies are paid in advance**, if larger loan then paid in stages based on suitable receipts and evidence of works having been done

12.48 It should be noted that an interest free loan in the amount of £25,000 would only save the owner approximately £2,400 over a loan made at 3.2%. Therefore, in cash terms it is not a significant amount of money. However, by paying all or some of the loan upfront before the works start, it provides good working capital to assist the owner undertake the works.
12.49 It should be noted that interest free loan scheme may not be viable product in low demand areas, such as parts of Rhondda Cynon Taf & Merthyr Tydfil because of low property values and limited demand for rental.

12.50 In addition, certain Local Authorities offer more favourable financial incentives than the interest free loans, which may result in no or limited uptake in these areas.

- Caerphilly – grants £15k, 50% cost of works, nomination rights 5 yrs
- Denbighshire – grant £10K or 50% of works – managed through RSL, nomination rights 5 years (being reviewed)
- Powys – interest free loans – 6 years, maximum 50% cost of works – first year free, 20% repayment year 2-4, must use in house home improvement agency.

12.51 Consequently, these local authorities might need to modify their existing scheme or offer the interest free loans in addition to their existing schemes (grant & loan). Alternatively, the new scheme could provide the equivalent level of support to supplement their existing schemes. For instance Powys could borrow as an inter authority loan up to £20,000 to £25,000 per unit up to 3 years. At which point the loan would become repayable to the new scheme. This would allow them to achieve greater leverage with their existing funds.

12.52 If used solely for interest free loans and the maximum loan amount of £25,000 per unit, £5 million capital funding, would equate to a maximum of 200 loans. In many cases a single loan application might relate to conversion of a property into multiple units. Therefore, the actual number of loans would be significantly less. As an example the No Use Empty Scheme has approved 85 loans (295 units), totalling £5.5 Million loan investment. Therefore, it would be anticipated that there would be approximately 90-110 loans to achieve the same level of expenditure of £5 Million in Wales.

12.53 One of the requirements of the scheme is to improve regional working. However, there seems little merit in having separate regional loan schemes (6 Regions). The amount of funding available plus the additional resources needed to develop mechanisms, policies and procedures would not be proportional to the amount of funding involved. Therefore, it would be beneficial for any loan scheme to be administered nationally via a single organisation / local authority.

12.54 It would be necessary to underwrite the costs of the host organisation or local authority in relation to administering and recovery of any loans. This could in part be covered by an application fee paid by the applicant, but this would need to be set at a level that did not discourage the applicant in taking up the loan. In addition, it might be necessary for each local authority participating in the scheme to provide some revenue support towards the scheme, as they do for the Landlords Accreditation Wales Scheme.
The local authorities were asked whether any loan scheme should be administered nationally or regionally. They responded as follows:

**Figure 8: National or Regional Loan Scheme**

12.56 86% (9 LAs) confirmed that a national scheme would be beneficial for the reasons highlighted above, 9% (2 LAs) felt that a regional approach would be better and 5% (1 LA) had no preference.

**Additional Conditions - Interest Free Loans**

12.57 There were a diverse range of views on whether the interest free loans should have additional conditions attached to them, such as:

- Nomination rights for 3-5 years (provides affordable housing)
- Must use in house grant agency or approved contractor (protects jobs and controls the standard of work)
- Loans are payable only after the works have been completed (staged payments – ensure that the works are done to an acceptable standard)
- Landlords must join the Landlord Accreditation Wales Scheme

12.58 Each of these has its own merit. However, experience would suggest that the more criteria or burdens placed on a scheme the less attractive it is to the owner and therefore the lower the uptake. It is always a balance between the level of funding provided and what the local authority can reasonably expect in return.

12.59 As mentioned earlier, it should be borne in mind that an interest free loan in the sum of £25,000 over 3 years only saves the owner some £2,400 compared with a loan at 3.2%. Therefore, in monetary terms it is not a significant amount.
12.60 If it is a requirement that the local authority secures nomination rights for 3-5 years, then this will have an impact on the rent achieved by the landlord (Local Housing Allowance vs Market Rent). In addition, some owners may not wish to rent to this client group, particularly due to recent and proposed changes to benefits such as rents being paid to tenants rather than directly to landlords.

12.61 It might be that in certain areas where the market rent is the local housing allowance, then the above conditions could be introduced with little impact.

12.62 If a local authority requires the owner to work through an in house agency rather than manage the works themselves, there might be an additional cost to the owner of 8-12%. While it is very attractive for the local authority to manage the works to ensure that it would be done to a good standard, the additional cost burden to the owner compared to the benefit from an interest free loan might be outweighed.

12.63 There is often an issue with owners being able to secure suitable builders. Builders are less attracted to contracts where the works are being paid for retrospectively, due to the perceived bureaucracy involved and the delay in payment.

12.64 Lastly, the requirement for landlords who benefit from the loan scheme to join the Landlord Accreditation Wales Scheme is not onerous and should not discourage applicants.

12.65 It is a matter for the Steering Group/ Welsh Government to consider the merits and impact such conditions would have on the scheme. When designing the scheme it is important that it is viewed from the client’s point of view. Would the conditions being imposed be such that the benefit of any loan would be reduced to such a level as not to encourage applicants?

12.66 In conclusion, it is important to assess whether any additional conditions should be mandatory or discretionary based on the individual circumstances of the case.

**Allocation of Capital Funds**

12.67 Consideration should be given as to how the funds should be allocated on a regional basis. As the scheme is targeted towards long term empty private sector properties, the proposal is to split the £5 Million based on the number of private sector properties in each local authority area. The allocations can then be added to give an accumulated allocation for the region\(^23\).

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\(^{23}\) See appendix C for full breakdown per Local Authority
Table 15: Regional Allocation of Capital Funds

<table>
<thead>
<tr>
<th>Regional Groups</th>
<th>Private Sector</th>
<th>£5M Split based on Private Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Wales Regional Steering Group</td>
<td>261,988</td>
<td>£1,166,266</td>
</tr>
<tr>
<td>Mid &amp; West Wales Regional Steering Group</td>
<td>202,122</td>
<td>£899,767</td>
</tr>
<tr>
<td>Gwent Regional Steering Group</td>
<td>199,115</td>
<td>£886,381</td>
</tr>
<tr>
<td>Swansea Bay Regional Steering Group</td>
<td>187,033</td>
<td>£832,597</td>
</tr>
<tr>
<td>Cardiff &amp; Vale Regional Steering Group</td>
<td>164,456</td>
<td>£732,093</td>
</tr>
<tr>
<td>Cwm Taf Regional Steering Group</td>
<td>108,477</td>
<td>£482,896</td>
</tr>
<tr>
<td><strong>Total Number</strong></td>
<td><strong>1,123,191</strong></td>
<td><strong>£5,000,000</strong></td>
</tr>
</tbody>
</table>

12.68 It would be a matter for the regions to decide on how the money would be allocated and on what basis. However, outcomes should be monitored on a quarterly basis to ensure that monies are being spent and objectives achieved. Should a region fail to make use of the funds in a timely fashion, then the Welsh Government or Steering Group should have the discretion to reallocate funding to other regions.

Technical and Professional Expertise

12.69 55% (12 LAs) stated that they would benefit from some form of technical or professional support in relation to their empty home work. There are a range of capabilities within Wales, with many local authorities being well versed in the approaches available to deal with empty homes. Other local authorities are at an early stage of development. Consequently, the level of support required varies significantly between authorities.

12.70 Generally, local authorities need support when they are undertaking work that they have no experience of or have not done for some years. This includes matters such as Compulsory Purchase Orders, Empty Dwelling Management Orders or Enforced Sales Procedure. Having professional advice at key stages can be invaluable to a local authority, saving them time and resources in the longer term. Once the procedure has been established, then the local authority will have the necessary skills and knowledge for future cases.

12.71 41% (9 LAs), indicated that lack of a corporate approach was a significant barrier to bringing more empty property back into use. This is not unusual and the main difficulty is that each department
does not see how their role fits into the wider picture. This results in a silo mentality rather than working constructively to a common goal.

12.72 Generally, the above problems can be overcome with specialist training and a commitment from the leaders of the local authority, that bringing empty homes back into use is a key corporate priority.

12.73 If a local authority does not have the skills in house then the work could be outsourced to one of their regional partners or can be outsourced to a third party.

12.74 Only 18% (4 LAs) stated that a lack of an effective partnership with an RSL or other third party was a major barrier to bringing long term empty properties back into use. Most local authorities were very positive about their RSL partners. Although, a lack of available funding was a major issue preventing Registered Social Landlords becoming more involved in this type of work.

**Welsh Empty Property Initiative (Key Elements)**

12.75 Local Authorities were asked whether a Welsh Empty Property Initiative should contain the following elements.

- Branding exercise to cover the scheme across Wales.
- Development of a website for the Initiative
- Regular Newsletters
- Public / Media relations to promote the scheme and local successes
- Membership to the Empty Homes Network

**Figure 9: Elements of Welsh Empty Property Initiative**
12.76 91% (20 LAs) felt that having a national branding of the scheme would be beneficial. Having a cohesive brand for publicity both at a national and local level enables a greater awareness of the scheme to be developed and helps get the message out to empty home owners.

12.77 100% (22 LAs) considered the development of a website as essential. The internet is the now main way that the great majority of people look for information. Having a well designed website can assist in raising the profile of the scheme, can provide advice and guidance to empty home owners and is a way of attracting clients for the loan scheme or other initiatives. The website could be developed to enable local authorities to share their policies, procedures and standard documentation. This will enable local authorities to learn from each other and save time and resources. The website could be used as a one stop shop for the reporting of empty homes in Wales.

12.78 Building on the use of sharing good practice, 64% (14 LAs) thought that membership to the Empty Homes Network (www.ehnetwork.org.uk ) would be a good idea. This network is set up by practitioners for practitioners and enables officers to exchange good practice in the field of empty homes. The website allows the creation of special interest groups for example for all Welsh authorities and for each of the Welsh sub-regions. Each sub-group can have its own discussion forums, library, events and news stories. Membership costs approximately £95 a year per authority. However, the Empty Homes Network has indicated that it would offer collective membership to all the Welsh authorities at a significant discount of £60 per authority.

12.79 82% (18 LAs) considered development of a newsletter to be a useful tool for marketing and to assist with getting the message out. The benefit of having a national or regional newsletter is that it only requires a small contribution from each local authority, but can be utilised by all local authorities saving time and resources.

Table 16: Elements of Welsh Empty property Initiative by Region

<table>
<thead>
<tr>
<th>Regional Groups</th>
<th>National Branding</th>
<th>Website</th>
<th>Newsletter</th>
<th>Professional &amp; Technical Support</th>
<th>Membership EH Network</th>
<th>Public &amp; Media</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Wales Regional Steering Group</td>
<td>5</td>
<td>6</td>
<td>5</td>
<td>5</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Mid &amp; West Wales Regional Steering Group</td>
<td>4</td>
<td>4</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Gwent Regional Steering Group</td>
<td>4</td>
<td>5</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Swansea Bay Regional Steering Group</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Cardiff &amp; Vale Regional Steering Group</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Cwm Taf Regional Steering Group</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total Number</strong></td>
<td><strong>20</strong></td>
<td><strong>22</strong></td>
<td><strong>18</strong></td>
<td><strong>15</strong></td>
<td><strong>14</strong></td>
<td><strong>14</strong></td>
</tr>
<tr>
<td><strong>Percentage of 22 LAs</strong></td>
<td><strong>91%</strong></td>
<td><strong>100%</strong></td>
<td><strong>82%</strong></td>
<td><strong>68%</strong></td>
<td><strong>64%</strong></td>
<td><strong>64%</strong></td>
</tr>
</tbody>
</table>
12.80 64% (14 LAs) thought the use of some PR & Media resource would be beneficial. There are two roles, to create a national recognisable brand and to support local authorities in promoting their successes locally.

12.81 When local authorities were asked whether they would be prepared to contribute £6,000 for 3 years to support the above elements of the scheme the responses were as follows:

**Figure 10: Local Authorities Provide Revenue Support to the Scheme**

![Local Authority Contribute to Scheme (£6K)](image)

12.82 23% (5 LAs) stated that they would be prepared to provide revenue support, 23% (5 LAs) said they would not be able to contribute and 55% (12 LAs) stated maybe. Where they stated maybe, they would have to look at the relevant costs and the benefits to the local authority before committing themselves.

13.0 **Recommendations**

13.1 Provide further clarification to local authorities on the interpretation of Performance Indicator PSR/004 to ensure there is a consistent approach across Wales.

13.2 Create a national steering group consisting of representatives from the Welsh Government, Welsh Local Government Association, each of the regions and other appropriate bodies to facilitate the development of the Welsh Empty Property Initiative and to monitor its progress.

13.3 Develop a national publicity /marketing campaign to promote the Houses into Homes Scheme, including the development of a national empty homes website.

13.4 Having regard to the use of the £5 million capital fund, it will be beneficial for there to be no restrictions on how the local authorities or the regions can use the fund, other than it must be used to bring long term empty properties back into use and be recyclable within 3 years of the initial
granting of the funding. This will encourage and enable local authorities to be innovative and may include such mechanisms as:

- Interest free loans (loans to sell, Loans to rent)
- Works in default
- Direct purchase
- Compulsory Purchase Orders
- Empty Dwelling Management Orders

13.5 In developing the interest free loan scheme, it is proposed that the scheme should have the following criteria:

- **Empty for more than 6 months** or creation of new dwellings i.e. LOTS/HARP or conversion of commercial buildings (not new build per se)
- **Loans to sell** – renovate a property with a view to selling (maximum repayment period two years)
- **Loans to rent** – renovate a property and rent out (maximum repayment period three years)
- **Loans to Owner Occupiers** – discounted at this stage
- **Interest free loan amounts** £20,000 to £25,000 per unit, with a maximum loan value of £140,000 to £150,000 per applicant
- **Loan secured as first or second charge** on the empty property or other suitable property offered as security
- **Maximum Loan to Value** including any existing mortgage - between 75-90%
- **Properties expected to meet** a reasonable standard on completion (no category 1 hazards and lettable condition)
- **With lower value loans monies are paid in advance.** With larger loans, payment to be made in stages, subject to applicant supplying proof of expenditure and an interim inspection by the local authority.

13.6 Consideration should be given to administering the loan scheme on a national basis through a single host authority or organisation rather than on a regional basis, which would involve six administration centres. The costs of the host authority/organisation in administrating the loans and pursuing recovery of debts should be underwritten by the scheme in some form.

13.7 A formal review of the scheme should be undertaken to assess value for money and effectiveness of the scheme in meeting its objectives. This should be done on an annual basis.

13.8 The Welsh Government is to consider council tax reforms in relation to empty homes. As part of that review consideration should be given to removing or reducing the current level of discount. The increase in council tax receipts could be used to support the introduction of an empty property reward grant, which would be linked to local authority performance.
13.9 The Minister for Housing & Regeneration and Heritage is expected to present Wales’ first Housing Bill to the National Assembly in 2012-213. This would be an opportunity to deal with a number of deficiencies in the existing regulatory regime, in particular with the Housing Act 2004.

- As one example, the 2004 Act does not have any warrant provision to enable local authorities to enter the property and undertake works in default. This is a major limitation in relation to empty homes where there is no occupier to provide access.
- The Housing Act 2004 introduced the Housing Health and Safety Rating System (HHSRS) as the minimum legal standard for housing. The prime focus of the HHSRS is to deal primarily with deficiencies in the property which could adversely affect the health and safety of potential occupiers over the next 12 months. It is unable to deal with a property that is in serious disrepair but does not present any significant risk to the occupier over the next 12 months.
- The Act does not allow local authority to take more than one type of action simultaneously for the same hazard. Consequently, the local authority could serve a prohibition order on a property where there were significant hazards (or an emergency prohibition order where there was an imminent risk to the occupiers). The order would require the occupiers to move out, but would not require the owner to undertake any remedial works. The property could therefore remain empty for a significant period of time.
- In addition, it may be difficult to justify service of an improvement notice instead of a prohibition order on health and safety grounds where the property has been unoccupied for a considerable of time or where the property is in a very poor structural condition. Consequently, Part 1 of the Housing Act 2004 does not encourage the renovation or improvement of empty homes. The old Housing Act 1985 regime required local authorities to consider the most satisfactory course of action with properties in poor condition. The assessment required the local authority to consider the economic, social and environmental factors, which enabled action to be taken against empty properties.
- Part 4 of the Housing Act 2004 did introduce Empty Dwelling Management Orders (EDMOs) as a specific power to deal with long term empty properties. However, the number of EDMOs granted in England and Wales is less than 70 and they are only suitable for properties that are in reasonable condition. Most local authorities consider them to be cumbersome and resource intensive. It would be beneficial to streamline and simplify the process.

13.10 Specialist training should be offered to those officers or local authorities that lack a corporate approach with a view to securing a greater commitment to the empty homes agenda and a more coherent, effective response.
Appendix A

Interview and Questionnaire
## Welsh Empty Property Initiative Questionnaire

**Officer:**

**Designation:**

**Telephone No:**  
**Email address:**

### Extent of Empty Homes

**Q 1.** How many long term empty properties do you have in your area (Council Tax)?

**Q 2.** Are empty properties a priority for the local authority (LA)?  
Yes / No

**Q 3.** How significant a problem are empty homes in your area?  
Significant / Moderate / Minor / not a problem

### Staffing Resources

**Q 4.** Do you have a dedicated officer to deal with empty homes?  
Yes / No, if yes

How many dedicated full time equivalent staff (fte) have been employed to deal with empty homes during:

<table>
<thead>
<tr>
<th></th>
<th>2010-2011</th>
<th>2011-2012</th>
<th>2012-2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>fte</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

If no, is dealing with empty homes part of an individual Officer’s job or generally delivered through a range of officers across the local authority?

Part of Individual officer’s Job / range of Officers across the LA / other (please specify)

Excluding any dedicated officer, how many full time equivalent staff (fte) contribute to dealing with empty homes across the Local Authority?

<table>
<thead>
<tr>
<th></th>
<th>2010-2011</th>
<th>2011-2012</th>
<th>2012-2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>fte</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Q 5.** How much capital resources have you directed towards empty homes?

<table>
<thead>
<tr>
<th></th>
<th>2010-2011</th>
<th>2011-2012</th>
<th>2012-2013</th>
</tr>
</thead>
</table>

**Q 6.** Do you have an internal corporate group set up to deal with empty homes?  
Yes / No

**Q 7.** Do you consider that your local authority has a corporate approach to empty homes in that all departments will actively engage for the common purpose of bringing an empty property back into use (Planning, Building Control, Env Health, Street Scene, Legal services and debt recovery)?  
Yes / No
**Capital Resources**

Q 8. In what form is this capital funding being used towards empty homes work? Please specify

Loans / grants / Property Appreciation Loans / works in default / EDMO / other – please specify the terms of any scheme i.e. 25K loan interest free, secured as 1st or 2nd charge up to 90% loan to value. Funding provided up front over 2 years for loan to sell or 3 years loan to let.

Q 9. Do you have any Commuted funds (Section 106), which could be used towards empty homes Yes / No, if yes please specify amount and for what purpose.

**Targets**

Q 10. What were your targets for bringing empty properties back into use

<table>
<thead>
<tr>
<th>Year</th>
<th>Target</th>
<th>Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010-2011</td>
<td>Target</td>
<td>Achieved</td>
</tr>
<tr>
<td>2011-2012</td>
<td>Target</td>
<td>Achieved</td>
</tr>
<tr>
<td>2012-2013</td>
<td>Target</td>
<td></td>
</tr>
</tbody>
</table>

**Council Tax Rates – Empty Homes**

Q 11. What rate of CT does the LA charge in relation to empty homes i.e. when Class C or A exemption expires - please specify 100% / 50% / other specify

Q 12. Are second homes an issue for your LA Yes / No

Q 13. What rate of CT does the LA charge in relation to second homes - please specify

100% / 50% / other specify

Q 14. Has your Local Authority considered charging 90-100% CT on long term empty properties, Yes / No, if No

What was the reason for this i.e. any increase in revenue would be offset against the level of grant provided by the Welsh Government and therefore there is no financial incentive to charge at the above rate, please specify reason
### Barriers to Bringing Empty Homes Back into Use

Q 15. What are the main barriers to your local authority returning more long term empty properties back into use?

<table>
<thead>
<tr>
<th>Barriers</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staffing resources</td>
<td>Yes / No</td>
</tr>
<tr>
<td>Capital funding</td>
<td>Yes / No</td>
</tr>
<tr>
<td>Lack of available funds to undertake enforcement, such as works in default, Empty Dwelling Management Orders or Compulsory Purchase Orders</td>
<td>Yes / No</td>
</tr>
<tr>
<td>Technical / professional expertise in using a broad range of enforcement such as Enforced Sales Procedure, Compulsory Purchase Order, Empty Dwelling Management Orders or other mechanisms</td>
<td>Yes / No</td>
</tr>
<tr>
<td>Need to develop effective partnership with other organisations such as Residential Social Landlords / Landlords / Third Sector</td>
<td>Yes / No</td>
</tr>
<tr>
<td>Lack of a corporate approach to deal with problem empty homes (not all departments willing to engage)</td>
<td>Yes / No</td>
</tr>
<tr>
<td>Others, please specify</td>
<td></td>
</tr>
</tbody>
</table>
**Types of Intervention**

**Q 16.** What type of interventions does your LA undertake with the exclusive reason to bring long term empty properties back into use.

<table>
<thead>
<tr>
<th>Intervention</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advice &amp; Guidance (Persuasion)</td>
<td>Yes / No</td>
</tr>
<tr>
<td>Do your planners offer pre application advice</td>
<td>Yes / No</td>
</tr>
<tr>
<td>Do they charge for this service</td>
<td>Yes / No</td>
</tr>
<tr>
<td>Do you offer financial assistance to empty property owners</td>
<td>Yes / No</td>
</tr>
<tr>
<td>• Grants</td>
<td>Yes / No</td>
</tr>
<tr>
<td>• Loans (interest free or interest bearing)</td>
<td>Yes / No</td>
</tr>
<tr>
<td>• Property Appreciation loans</td>
<td>Yes / No</td>
</tr>
<tr>
<td>• Underwriting loans</td>
<td>Yes / No</td>
</tr>
<tr>
<td>• Social Housing Grant</td>
<td>Yes / No</td>
</tr>
</tbody>
</table>

If you have not provided the information previously could you provide additional information as to the type of financial assistance you offer (at the end of this form or by email)

| Does your local authority undertake direct purchase of properties           | Yes / No     |
| Does your local authority in partnership with an RSL or other organisation, purchase long term empty properties to bring them back into use. | Yes / No     |
| Do you have a reduced fee arrangement with a local auctioneer that can be accessed by empty property owners | Yes / No     |
| Do you keep a list of developers or landlords that are interested in buying empty properties and notify them in appropriate cases | Yes / No     |
| Do you offer any service to empty property owners to advertise their properties for sale - on your website or other suitable website, such as Landlord Accreditation Wales | Yes / No     |

**Do you or any RSL partner operate a private sector leasing scheme or social letting scheme? please specify i.e. property must be in good condition, operated through an RSL, lease properties for 1-5 years, guaranteed rent and property returned in same condition, but only used for LA homeless**

<p>| Do you offer a tenant matching service i.e. advertise landlords properties for rent on your own website or make a list of properties available to tenants on the LA waiting list | Yes / No |</p>
<table>
<thead>
<tr>
<th>Question</th>
<th>Yes / No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does your local authority actively use enforcement as a tool to</td>
<td></td>
</tr>
<tr>
<td>bring empty homes back into use?</td>
<td></td>
</tr>
<tr>
<td>Which of the following do you actively use?</td>
<td></td>
</tr>
<tr>
<td><strong>Housing Act 2004</strong></td>
<td></td>
</tr>
<tr>
<td>Improvement Notices</td>
<td>Yes / No</td>
</tr>
<tr>
<td>Prohibition Orders</td>
<td>Yes / No</td>
</tr>
<tr>
<td>Empty Dwelling Management Orders</td>
<td>Yes / No</td>
</tr>
<tr>
<td>Demolition</td>
<td>Yes / No</td>
</tr>
<tr>
<td>Clearance Areas</td>
<td>Yes / No</td>
</tr>
<tr>
<td><strong>Town &amp; Country Planning Act 1990</strong></td>
<td></td>
</tr>
<tr>
<td>Section 215 – Detrimental to Amenities</td>
<td>Yes / No</td>
</tr>
<tr>
<td><strong>Building Act 1984</strong></td>
<td></td>
</tr>
<tr>
<td>Section 76/77/78 Dangerous Structures / Expedient Nuisance</td>
<td>Yes / No</td>
</tr>
<tr>
<td>Section 79 – Seriously Detrimental to Amenities</td>
<td>Yes / No</td>
</tr>
<tr>
<td><strong>Environmental Protection Act 1990</strong></td>
<td></td>
</tr>
<tr>
<td>Section 79-81 Statutory Nuisance</td>
<td>Yes / No</td>
</tr>
<tr>
<td><strong>Prevention of Damage by Pests Act 1949</strong></td>
<td></td>
</tr>
<tr>
<td>Section 4 – Harborage / Rodents</td>
<td>Yes / No</td>
</tr>
<tr>
<td><strong>Local Government (Miscellaneous Provisions) Act 1982</strong></td>
<td></td>
</tr>
<tr>
<td>Section 29 – Securing / Boarding Insecure Properties</td>
<td>Yes / No</td>
</tr>
<tr>
<td><strong>Compulsory Purchase Orders</strong></td>
<td></td>
</tr>
<tr>
<td>Section 17 HA 1985, Section 226 T &amp; CP Act 1990, Section 93LG&amp;HA1989 or</td>
<td>Yes / No</td>
</tr>
<tr>
<td>Section 47 P(LB&amp;CA) Act 1990</td>
<td></td>
</tr>
<tr>
<td>Do you actively pursue prosecutions in appropriate cases?</td>
<td>Yes / No</td>
</tr>
<tr>
<td>Do you actively pursue the enforced sales procedure to recover</td>
<td>Yes / No</td>
</tr>
<tr>
<td>debts, where the local authority has undertake works in default</td>
<td></td>
</tr>
<tr>
<td>under statutory legislation i.e. Building Act 1984, Housing Act 2004?</td>
<td></td>
</tr>
<tr>
<td>What level of budget do you have to enable the local authority to</td>
<td></td>
</tr>
<tr>
<td>undertake works ?</td>
<td>£</td>
</tr>
<tr>
<td>Does your local authority actively pursue Council Tax debts in</td>
<td>Yes / No</td>
</tr>
<tr>
<td>relation to empty homes with a view to causing a change in ownership?</td>
<td></td>
</tr>
<tr>
<td>Do they use:</td>
<td></td>
</tr>
<tr>
<td>• Charging Orders through to Order of Sale</td>
<td>Yes / No</td>
</tr>
<tr>
<td>• Bankruptcy</td>
<td>Yes / No</td>
</tr>
<tr>
<td>• Both</td>
<td>Yes / No</td>
</tr>
</tbody>
</table>
Does your local authority undertake or has undertaken any Living Over the Shop Schemes (LOTS) or Homes Above Retail Premises Schemes (HARP)? | Yes / No
---|---
Has your local authority undertaken any homesteading using their own housing stock? | Yes / No
Has your local authority facilitated a Public Request Ordering Disposal (PROD)? | Yes / No
Does your local authority or partner organisation operate a home improvement agency? | Yes / No
If yes, are they prepared to work with empty owners to manage the works? | Yes / No
If no, do you have a list of local agents or Architects that you can refer an owners to? | Yes / No
Do you operate an approved list of builders that can be made available to empty property owners? | Yes / No
If there are any other types of intervention that your local authority pursues, which has not been covered by the above, please specify?

**Developing a Welsh Empty Property Initiative**

Q 17. Do you think that a Welsh Empty Property Initiative should have the following elements?

| Branding exercise to cover the whole of Wales, similar to Landlord Accreditation Wales or No Use Empty Scheme for Kent | Yes / No
---|---
| Development of a website for the Scheme. To act as a one stop shop for owners looking for information and to enable reporting of empty homes online or through a single phone number. In addition, to share good practice between all 22 LAs. | Yes / No
| Development of regular newsletters (6 monthly / yearly ) to support and promote the work LA have undertaken. | Yes / No

**Capital Funding - to be used for:**
- Loans or other financial products
- Works in Default – recover through enforced sales procedure
- Direct purchase of properties
- Compulsory Purchase Orders
- Empty Dwelling Management Order
- No restriction on its use, other than it has to be highly recyclable within the terms of the scheme

Yes / No
Yes / No
Yes / No
Yes / No
Yes / No
Yes / No
Yes / No
Professional & technical support, to assist those LAs that do not have the knowledge or experience in pursuing certain courses of action such as CPO, Enforced Sales, EDMO, development of loans, assessing viability of projects etc.

<table>
<thead>
<tr>
<th>Membership of the Empty Homes Network?</th>
<th>Yes / No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public / media relations to promote the scheme nationally and to report on individual successes within each LA area?</td>
<td>Yes / No</td>
</tr>
</tbody>
</table>

Q 18. If a national scheme included the above elements, would your LA be prepared to provide revenue funding towards the running of an Initiative in the order of £6,000 a year (max of 3 years)

Yes / No / Maybe

Q 19. What type of financial product would you like developed to support the local authority works in relation to empty homes. Please specify the terms of any such product.

Please note that the mechanism must be highly recyclable within a fairly short period of time to fit within the requirements of the scheme. It should be sufficiently attractive to encourage owners to engage with the scheme.

For instance property appreciation loans may be unacceptable as the time period for repayment of the monies would be unknown and therefore difficult to recycle within an acceptable time period. There are several schemes/models that may be considered appropriate such as the interest free loans offered by Powys or the No Use Empty model (www.no-use-empty.org)

Matters you may wish to consider

- High level of recyclability - what would be the minimum loan period. The longer the loan period the less ability to recycle monies to support other projects.
  - 2-3 years Kent Scheme
  - 6 years Powys
- What should be the maximum loan amounts
  - Kent 25K per unit, up to max £175K per applicant
- The loan should be secured as either 1st or 2nd charge on the property to ensure enforceability.
- Kent Scheme pays the money up front before works start to provide working capital for the owner. If paid retrospectively after the works have been completed, then there will be a difficulty in attracting builders. The only alternative is for the owner to find the funds upfront to undertake the works, which would be a major barrier to the project moving forward.
- What ratio should the LA be prepared to lend up to. Kent Scheme 90% loan to value
  - Property work £100K
  - Existing Mortgage £70K
  - If working to a maximum of 90% LTV, then maximum loan available to owner would be £20K
- Should there be any other conditions attached to the loan and should these be a mandatory requirements or voluntary. Please note the more conditions attached the less attractive it will be to the owner.

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Q 20. If there was an interest free loan scheme developed, would it be beneficial to administer on a regional basis, resulting in 6/7 loan schemes or would a centrally administered scheme be more appropriate? Regional / National

Q 21. Does your LA have any specialism that they would be prepared to provide specialist support to the other LAs i.e. CPOs, enforced Sales, administering loans on behalf of other LAs etc. Please specify:

Q 22. If you would like to make any additional comments or want to include any other ideas or views then please specify below.

Please return to Andrew Lavender Email: Andrew.Lavender@htlc.co.uk or Housinglc@aol.com, if you have any queries then please do not hesitate to contact me on 07867987550.

Thank you for completing this questionnaire
Appendix B

Kent County Council

No Use Empty Scheme
Kent County Council – No Use Empty: Kent Empty Property Initiative

Overview

Kent County Council launched its ‘No Use Empty’ campaign in 2005 as part of its Public Sector Service Agreement (PSA2) targets, to examine better ways of delivering services, and particularly at working more effectively with district councils. The primary aim of the Initiative is to improve the physical urban environment in Kent by bringing empty properties back into use as quality housing accommodation.

The initiative was originally focused on the towns of the four districts of Thanet, Dover, Shepway and Swale, as research has found that the majority of empty properties (over 3,000) are located within these four districts. Additionally 19 of the 20 most deprived wards are also located within these same areas.

In January 2008, due to the success of the scheme Kent County Council expanded the initiative to include all 12 district councils in the county.

Objectives

Overall the aim of the initiative has been to substantially increase the number of long-term empty homes returned to use as good quality housing accommodation. A specific numerical target to return 372 empty properties to use over three years was set, which represented a doubling of previous targets. This was to be achieved through the development of new and innovative practice and improved partnership working. The total of 487 properties was achieved in the three-year period, which was a 262% increase on previous performance prior to the Initiative commencing.

Setting up the Scheme

Prior to the launch of the Initiative a large amount of research was undertaken to:

- Identify the location of the empty properties through a empty property condition survey in the four districts to establish their condition and likely costs for refurbishment;
- Business and local residents perceptions survey
- Appointment of PR and media company to raise and promote the profile of the initiative
- Development of No Use Empty Campaign and associated website
- Appointment through competitive tendering, a specialist private sector company to work with the Districts
- Research and develop the full range of options available (in conjunction with the Empty Homes Agency) to help bring these properties back into use; and
- To establish what help and assistance would encourage owners to return their properties back into use.

Using this research the Initiative developed a project plan that would focus on the following to secure its aim and objectives:
• An awareness campaign to highlight the issue of empty homes to be targeted at owners;
• The development of an information resource for owners, residents, and anyone else with an interest in empty properties. This led to the creation of the No Use Empty web site www.no-use-empty.org, and the production of regular newsletters;
• Financial support to encourage owners to refurbish and bring their properties back into use;
• Training for empty property officers and other local authority personnel involved in this work e.g. solicitors, planners, environmental health officers, building control on the enforcement options; and
• Practical one-to-one on the ground guidance for empty property officers /local authority staff provided by the project consultant. Enabling them to utilise the full range of legislation options and wider mechanisms / methods to bring empty homes back into use. available

Additionally a residents' and business survey was undertaken to gauge the impact of empty properties on resident and business confidence in their locality. A follow-up survey was undertaken in Summer 2008, which demonstrated an increase in business and resident confidence in their locality as a result of bringing empty properties back into use. In December 2006 the Initiative undertook a series of events, to which owners were invited, to launch the Initiative and outline the assistance available.

Annual empty property surgeries are undertaken to encourage owners of empty properties to bring their properties back into use.

The Initiative has now developed three strands of financial assistance to use its capital funding (£5 million) to encourage the re-use of empty properties. These are as follows:

**Loan Scheme** – loans are available to help owners/developers for the refurbish/conversion of empty homes or redundant commercial buildings to provide good quality residential accommodation. On completion properties must be made available for sale or rent. The loan fund is operated as a revolving fund, so that as loans are repaid, the money is then re-lent to support new schemes. £25K per unit, max £175K per applicant, secured as 1st or 2nd charge based on a max 90% LTV (loan to value).

**Partnership Fund** – funding available to help the Districts undertake enforcement where deemed necessary e.g. Compulsory Purchase Orders, works in default or direct purchase. District Councils have extensive powers to deal with run down empty properties but often lack both financial resources and personnel or knowledge to effectively utilise these powers.

**Direct Purchase Scheme** – involving the acquisition of empty properties by KCC for redevelopment into good quality housing accommodation.

**Resources**

The Initiative is delivered by the Empty Property team - this is made up of the KCC project manager, private sector consultant and the district empty property officers (predominantly part time Officers). This team operates as a "virtual team " as they are not employed by one body and work from different locations. Additional resources are provided by KCC's legal services dept and its property group as and when required. Support is also provided to the team for its communication strategy by the PR firm engaged specifically for the Initiative.

The main funding for the Initiative, both revenue and capital has been provided by KCC. The scheme had a capital funding of £5million (Capital & Prudential Borrowing).
In 2012, KCC is launching a loan scheme for affordable housing which has a Capital fund of £2 million. The scheme is jointly funded by KCC and the Homes & Community Agency.

The districts have provided "in-kind" support through the involvement by their empty property officers and other staff.

Evaluation

The success of the project has been measured by the tangible results achieved through the number of empty homes brought back into use, which amounted to 487 properties in the first three-year period. In total, since its inception the scheme has brought back into use 2,126 properties (up to March 2012)

The scheme has approved over £5.5 Million of interest free loans, which equates to 295 units of accommodation. This has leveraged in excess of £11 Million of private sector funding (owners contribution), giving a total investment through the loan scheme of £16.5 Million (up to March 2012)

- The average cost to renovate a unit = £56,798 (often very worst properties)
- KCC average investment per unit £18,851
- Actual cost to KCC = £2,804 (loss of interest and management costs)
- Repayment of loans to date £1.4 Million
- Loans scheme created over 303 jobs & homes for approximately 600 people
- For each £1 spent on interest and administration, this translates to £20.26 being spent in local economy (labour & materials)

The completed business and resident survey demonstrated an increase in confidence in localities as a result of bringing empty properties back into use. No Use Empty is now widely regarded as one of the most effective initiatives to deal with empty properties in the UK. The scheme and their partners have won an award from Regeneration & Renewal for their partnership working and have recently been shortlist for an award by the Chartered Institute of Housing.

In partnership with Bristol City Council, the No Use Empty Initiative brand was rolled out to the West of England Local Authorities.

The Audit Commission cited the scheme as good practice to other Local Authorities and has been recognised by a number of organisations including the Scottish Government, Welsh Assembly Government and the Empty Homes Agency as a beacon of good practice.

The Empty Property Initiative has been incorporated into KCC’s Housing Strategy as a target to support its joint wider regeneration projects within the partner districts and increase housing provision and quality. Specifically the Initiative has linked with these regeneration projects to identify key properties to target for action. All districts had an empty property strategy in place prior to the commencement of the project. The Initiative has contributed to the aims and objectives of these strategies and increased the numbers of empty properties that have been brought back into use.

Lessons Learnt

The main lessons learnt from establishing the project were firstly, an awareness of the time taken to develop this type of Initiative. Although not overly complex bringing together the resources, information and personnel required took much longer than originally anticipated and there was a large time lag
between the launch in December 2006 and the availability of the main financial funding. Good customer care was essential to keep clients informed of progress (or lack at times) in order to keep them on board.

The lack of resources at District level to undertake empty property work – both in terms of personnel and financial was a limiting factor. The provision of the capital funding by KCC has in the main overcome the issue of financial resources, but manpower remains an issue. Only two of the districts have dedicated empty property officers (and to some extent the numbers returned to use by the individual districts reflect this situation). For the other districts empty property work is just one of a number of tasks undertaken by person allocated with this role.

Initially there was a lack of a corporate approach to the problem of empty properties, which resulted in Councils dealing with the problem in a piecemeal fashion. There was also a lack of understanding of the overall picture and the methods available to deal with empty properties. Creating a change in culture has facilitated a more positive approach to the problem.

The importance of training both for personnel directly involved in empty property work and for departments that can contribute to this area of work e.g. legal, building control, environmental health and planning. For departments that contribute a “supporting” role an increased awareness and knowledge has brought about an increased level of support for empty property work, which is helping to tackle particularly difficult cases.

Shared learning, this has brought about an increasingly improved level of skills and knowledge, which are being effectively utilised in empty property work. Low cost training has been provided to over 790 officers, through the initiative. One aspect that has proved invaluable has been the services of the project consultant, who has provided ground support and practical training on the use of the wide ranging legislation.

P.R. and communications, throughout the project we have achieved wide coverage both nationally and locally, including television, radio, national and local press. This has not only achieved a strong brand name in the partner districts, but has also created a ripple effect within the County and beyond through publishing our successes. This has resulted in owners becoming more open to constructive dialogue with the Councils, knowing that they are prepared to follow through their threat.

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Email Andrew.Lavender@kent.gov.uk Andrew.Lavender@htlc.co.uk
Appendix C

Regional Groups
&
Capital Allocation
<table>
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<tr>
<th>Regional Groups</th>
<th>Local Authority</th>
<th>LA</th>
<th>RSL</th>
<th>Private</th>
<th>All Tenures</th>
<th>£5M Split Based on All Tenures</th>
<th>£5M Split based on Private Sector</th>
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