

Agenda



Delegated Decisions - Cabinet Member for Regeneration and Housing

Date: Thursday, 1 August 2019

To: Councillor J Mudd

Item		Wards Affected
1	<u>Empty Homes Strategy</u> (Pages 3 - 18)	All Wards

Contact: Governance Team
Tel: 01633 656656
E-mail: Cabinet@newport.gov.uk
Date of Issue: 24th July 2019

This page is intentionally left blank

Report

Cabinet Member for Regeneration and Housing

Part 1

Date: 5 August 2019

Subject Empty Homes Strategy

Purpose To propose a new action plan for long-term empty private homes

Author Policy and Performance Monitoring Manager

Ward All

Summary There are many reasons to be concerned about the number of long-term empty private homes. Leaving homes empty reduces the supply of available housing and, given the current housing shortage, increases the pressure for development on green space.

Properties that look unoccupied and neglected tend to attract antisocial behaviour or even criminal damage and, when clusters of empty homes occur in the same area, they reduce its vibrancy. Neighbours living next to empty homes can be affected by environmental health hazards such as penetrating damp and overgrown gardens that provide harbourage for rodents. Complaints about empty homes have to be investigated and, often, follow-up action is required, so there are costs to the council and the local taxpayer. High numbers of long-term empty homes could undermine two of Newport's well-being objectives: that people feel good about living, working and investing in Newport and that Newport has healthy, safe and resilient environments.

In 2010, Newport City Council adopted a comprehensive five-year Empty Homes Strategy but the number of long-term empty private homes in Newport has continued to rise, by 16% since 2010. This is a lower rate than for Wales as a whole (24% over the same period) but still means that Newport has many homes remaining unoccupied for long periods. In April 2017, there were almost 1,200 private residential addresses in the city that had been empty for more than 6 months. This includes some addresses which would not be suitable for rental without substantial change, such as flats over shops where the only entrance is through the retail premises, but there is still considerable scope to try to reduce the number of unoccupied properties.

This report proposes a new strategic action plan for empty homes which focuses on improving the collaboration between services to tackle problem properties, increasing the resources to deal with empty homes and taking enforcement action where appropriate.

Proposal To approve the revised Empty Homes Strategy & Action Plan

Action by Head of Regeneration, Investment and Housing

Timetable Immediate

This report was prepared after consultation with:

- Strategic Director – Place
- Head of Finance – Chief Finance Officer
- Head of Legal – Monitoring Officer
- Head of People and Business Change
- Head of Regeneration, Investment and Housing

Signed

Background

Newport's existing Empty Homes Strategy was developed in 2010. It set out a five-year action plan to return empty homes to use, to limit their impact on the city and to prevent properties from falling into long-term disuse.

Local authorities are required to report their performance on returning empty homes to use for the national Performance Accountability Measure, PAM/013, 'The percentage of empty private sector properties brought back into use during the year through direct action by the local authority.' The guidance defines an empty home as one that has been unoccupied for six months or more. Newport City Council's performance on that indicator is shown below:

Year	PI performance	No. empty homes	No. homes returned to use
2010/11	4.55%	1033	47
2011/12	4.64%	1121	52
2012/13	4.23%	1134	48
2013/14	4.33%	1339	58
2014/15	3.36%	1250	42
2015/16	6.39%	1314	84
2016/17	3.87%	1293	50
2017/18	1.25%	1199	15

The guidance for this indicator was changed in 2017/18 due to concerns about inconsistencies in compilation; following the changes, the performance average for Wales dropped from 8.8% in 2016/17 to 5.2% in 2017/18. Nevertheless, Newport's performance in 2017/18 was one of the lowest in Wales, alongside Cardiff. However, it should be noted that PAM/013 only includes properties that had already been registered as dwellings, so it does not include renovation or conversion works that result in new housing units. A new performance indicator, PAM/014, was introduced in 2017/18 to capture this activity and, on this measure, Newport's performance was the best in Wales. This was largely achieved through the provision of loans to developers and investors, who are usually keen to take projects forward and to take advantage of loan assistance, whereas empty homes owners are generally not, or do not qualify.

The new national guidance is clear about what 'direct action' a council can take to bring a property back into use:

- grants, loans or other financial assistance either provided or facilitated by the local authority
- working with RSL's or other intermediary with relevant expertise in order to seek a suitable tenant for the property
- enforcement action including statutory notices
- tax concession letters (on request from the owner)
- direct third party purchases enabled by the local authority; or
- dialogue with the owner where the owner has engaged with, and responded to, the local authority

In practice, action normally begins with a letter to the owner once the property has been empty for 2 years but the response rate has been negligible. Owners who are serious about selling, letting or renovating a property will normally have done so within the first 2 years, or be making good progress towards doing so. Those who have not, are generally reluctant to engage in a dialogue with the council. However, this may change from 2019/20 onwards as the Council decided in November 2018 to discontinue the 50% council tax discount allowed on empty homes. From April 2019, owners will be charged 100% council tax unless their property qualifies for a statutory exemption.

There are many reasons why homes are left empty and it is often a combination of issues but the main themes concern:

- Condition and renovation

- financial issues, including unrealistic ideas about value
- relationship breakdown or a new household forming
- illness
- family disputes
- a deceased owner and no-one willing or able to administer the estate
- 'hoarding' of property (i.e. holding onto the property without any intention of returning it to occupation within a reasonable timescale)
- emotional attachment
- Legal complications connected with the property title e.g. an old leasehold interest which has been overlooked but is still valid; joint ownership with an estranged ex-partner

It can be genuinely difficult to overcome these issues and, often, even more difficult for owners to face the fact that the wisest course of action is to sell the property. Some are willing to sell but believe that the housing market will improve and that they will get a better price if they wait. Sometimes, owners are prevented from selling by disputes or legal complications. Empty homes are rarely owned by commercial developers or landlords, who are experienced in the property sector, it is far more often the case that the owners are ordinary individuals who are unable or unwilling to consider letting or selling.

Where owners do not engage with the council, enforcement action can only be considered under the appropriate statute if the empty dwelling presents an environmental health risk, is unsightly and detrimental to the local amenity, or is in such disrepair that it puts the public at risk. In any of these cases, the owner may be asked to remedy the problem but that does not bring the property back into use. In some cases, re-occupation can only be brought about by a change of ownership or management.

In summary, the statutory enforcement options that normally bring about re-occupation via a change of ownership or management are:

- to apply to the Property Tribunal for authorisation to issue an Empty Dwelling Management Order (EDMO) and take over the property for 7 years, or
- if there is a debt to the council, to use debt recovery procedures to sell the property, or
- to undertake a Compulsory Purchase.

With regard to 7.1, Newport City Council issued one of the first Empty Dwelling Management Orders in Wales. An EDMO means that the council becomes responsible for managing the property and keeping it occupied for 7 years. However, the EDMO process, and responsibility for managing the property, require a significant level of input from the housing and legal services. In addition, there is a financial cost to the council for the improvement works required, until the expenses can be recovered from the rental income.

With regard to 7.2, the sale of an empty home normally brings about re-occupation by the new owner or a tenant. An enforced sale can be considered either when there is a persisting debt owed to the authority for works carried out in default under a statutory notice, or when there are substantial arrears of council tax. Two enforced sales have been carried out under the existing strategy, one following works in default and one under a court order for the collection of unpaid council tax. Both properties are now occupied and the sale proceeds are held by the authority for an indefinite period until claimed by someone who is legally entitled to them.

Enforced sales following works in default can, in certain circumstances, be carried out without going to court but are likely to be a viable option in only a small number of cases, where:

- there are grounds for statutory works in default, *and*
- the invoice remains unpaid, *and*
- there is equity value in the property to recover the costs *and*

- there is a reasonable market for the property.

Enforced sales will involve a number of service areas.

Debts for council tax are part of a different process; the authority regularly obtains Interim Charging Orders for council tax arrears and, if the debt persists, can apply to court for a Final Charging Order. When the council holds a Final Charging Order, it can apply to court for an Order for Sale. The court has discretion to make the order and will consider the size of the debt in relation to the value of the property and the length of time it has been outstanding, as well as any homelessness and human rights implications.

The Local Government Finance Act 1972 gave billing authorities in Wales the power to allow a 50% council tax discount on homes that are substantially unfurnished and unoccupied, where no statutory exemption applies. Newport City Council applied this discount until April 2019 but has now decided to discontinue it. The aim is to deter owners from leaving properties empty indefinitely if they could be occupied. Removing the discount will also mean that, where owners do not pay, arrears will accumulate at a quicker rate.

The Housing (Wales) Act 2014 empowers councils to introduce discretionary council tax premiums in respect of certain long-term empty dwellings. This is intended to be a tool to:

- help local authorities to bring long-term empty homes back into use to provide safe, secure and affordable homes; and
- support local authorities in increasing the supply of affordable housing and enhancing the sustainability of local communities.

Council tax billing authorities may, by a resolution of Council, decide to impose a premium of up to 100% of the standard rate of council tax. This would double the rate of council tax payable for an empty home compared to an occupied one. At the time of writing, 9 local authorities in Wales are charging a premium of 25% to 100% on empty homes.

The third enforcement option, 7.3, is the Compulsory Purchase Order. This has not been seen as a viable option for individual empty homes, mainly due to the lengthy process involved and the costs it can incur for the local authority, but it has been used successfully in other areas, in carefully selected cases.

This report proposes a new strategic Action Plan (Appendix 1) on empty homes. In practice, returning empty homes to use largely depends on voluntary action by the owners; it is likely that enforcement action will always be limited to a very small number of cases. The principal aims are to deter owners from letting properties fall into disuse by raising public awareness of the issues, making sure owners are informed about their responsibilities and providing assistance to help them overcome barriers. However, in those cases where owners persist in leaving homes empty, we must be prepared to step in.

NB: All reports to the Council meeting; the Cabinet and Cabinet Members that are seeking a decision, or decisions; must include reference to all options considered; options appraisals and implications of options, as well as the preferred option.

In any dispute, the SLT will conclude on whether the options appraisals are of sufficient quality and the case for the preferred option is well made.

Financial Summary

Point 5 of the action plan refers to the provision of interest-free Housing Improvement Loans to help owners make properties fit for re-occupation. This is a continuation of current arrangements funded by the Welsh Government through an award of grant and repayable funding, under a new Housing Improvement Loans Policy.

Point 8 refers to increased capacity to tackle empty homes. Proposals to create a small number of additional posts in the housing, legal and finance teams to help tackle empty homes were included in the Head of Finance's report to Council in November 2018.

	Year 1 (Current) £	Year 2 £	Year 3 £	Ongoing £	Notes including budgets heads affected
Costs (Income)					
Net Costs (Savings)					
Net Impact on Budget					

Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Inadequate capacity and/or resources to carry out the proposed Action Plan	L	M	Increased liaison between services areas to focus resources more effectively Use any additional revenue generated from council tax premiums to support action on empty homes	Housing & Assets Manager Head of Finance
Public expectations for problem properties cannot be met	L	M	Explore all possible options for action on problem properties	Housing & Assets Manager

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

Newport City Council's Corporate Plan 2017-22 'Building on Success, Building a Better Newport' sets out the council's priorities for a five-year period. Tackling empty homes can contribute to all the Council's Well-being Objectives as detailed in the corporate plan:

1. To improve skills, educational outcomes and employment opportunities – renovating and improving empty properties brings work and training opportunities to local construction businesses
2. To promote economic growth and regeneration whilst protecting the environment – returning empty homes to use contributes to the overall regeneration of the city
3. To enable people to be healthy, independent and resilient – clusters of unsightly, problematic empty homes contribute to the concentrations of inequality and disadvantage that affect the resilience and well-being of communities and individuals
4. To build cohesive and sustainable communities – empty homes often attract antisocial behaviour and crime and detract from the vitality of local communities

The corporate plan was informed by two key questions:

- How can we use our resources to best effect?
- How do we treat the causes of problems rather than the consequences?

Homes that are left empty for years often become a problem for the owners, neighbours and council services. The longer they are empty, the more difficult it becomes to bring them back into occupation. The Empty Homes Action Plan aims to minimise the number of homes which become long-term empties and to set out a realistic plan for what can be achieved with current resources.

Options Available and considered

Option A To adopt the new Empty Homes Action Plan detailed in Appendix 1.

Option B Not to adopt the new Empty Homes Action Plan

Preferred Option and Why

The Empty Homes Strategy 2010-2015 set out a comprehensive five-year action plan, which has been largely completed, but the number of empty homes in the city continues to rise. Some of these are, or will become, problematic long-term empty dwellings that will have a detrimental impact on neighbourhoods and cause repeated demands on council services. In addition, there is a need to make effective use of the existing housing stock to address the housing shortage. Any action to tackle empty homes needs to be underpinned by a clear strategy that has been formally adopted by the council, therefore Option A is the preferred option.

Comments of Chief Financial Officer

This report has no immediate further financial implications on the Council; the funding for the scheme is grant funding and repayable funding from Welsh Government in line with the recent Cabinet Member report on the Revised Housing Improvement policy. The report asks for Cabinet Member to agree to the Empty Homes Strategy. Again, it should be noted that repayment of the repayable funding element of the scheme needs to be made to Welsh Government by 2029/30.

Where the above is not an available option and the use of statutory powers is required to carry out remedial works or compulsory use of Empty Dwelling Management Order powers to take over long-term empty homes, there will be a financial cost to the council which will be only recovered once the house is sold.

Comments of Monitoring Officer

There are no specific legal issues arising from the Report as the proposed strategy simply sets out a revised framework for addressing the problems of long-term empty properties and identifies a range of solutions for bringing them back into meaningful occupation. The underlying purpose of the strategy is entirely consistent with the Council's well-being objectives and has due regard to the public sector equality duty under the Equality Act. There are a range of statutory powers available to the Council to take appropriate enforcement action under the strategy, including enforced sales, charging orders, EDMO's and CPO's. The focus on the revisions to the previous policy are in relation to increased collaboration and resources. Taking statutory enforcement action to secure the sale and re-use of an empty property is extremely complex and time consuming. Therefore, additional funding has been identified and agreed by Council, following the abolition of the 50% council tax discount for empty properties, to pay for extra legal resources to deal with the empty homes work. An additional Empty Homes Solicitor has recently been recruited for this purpose.

Comments of Head of People and Business Change

As required, this report has considered the Well-being of Future Generations (Wales) Act 2015. The strategy strongly supports two Well-being Goals, two PSB Well-being Plan Objectives and all four Council Well-being Objectives. In addition, there are no adverse effects on the other goals and objectives.

Furthermore, all five aspects of the Act's sustainable development principle have been reflected in the report (*looking to the long term, involving people, collaborating with others, prevention and taking an integrated approach*).

Finally, from an HR perspective, there are no staffing implications.

Comments of Non-Executive Members

Councillor David Fouweather:

The performance of the council and the current and previous cabinet members has been nothing short of poor with regards the empty homes strategy.

I raised this matter at council and again at scrutiny and only now have they decided to take some real action and put in place a plan that might actually reduce the number of empty homes and bring them back into use especially for families.

The council received a significant sum of money from the Welsh government to enable them to lend money to home owners so that their properties could be brought back into use. The table in the report demonstrates just how poor the performance has been. The cabinet member should ensure that she now leads on this and she must make sure that the officers especially the head of service knuckles down and drives this new policy forward.

I have asked for a report to come to the next performance scrutiny committee. You will find my request in the minutes of the last meeting where Kier Duffin did not have the answers to my questions.

Councillor M Al-Nuaimi:

It was instructive to see the data on empty properties in Newport since 2010 and the relatively high number of 1199 such properties. The report is right to point out the social and economic values to be accrued from returning these properties to occupation, and especially for the letting market. Furthermore, realising the aims of the action plans should provide cost reductions for the Council and improve the environment for neighbours and the area vibrancy.

In particular the removal of the 50% council tax relief for empty properties, outside the statutory exemption, might provide the incentives for owners of some of these long standing empty properties to try and sell them, or return them to occupancy.

But while the action plan is broadly welcome, it's somewhat disappointing that as outlined in Appendix 1, the series of actions is lacking in targets and timelines. It would be good to know what would be the effects of some or all the actions and their impact on the number of empty properties say after 12 and 24 months. Action 8 dealing with increasing capacity is much needed and that would be financed from the expected increased revenue from the 100% council tax. It's presumed that there's current data available on the revenue just before April 2019, so that it's possible to estimate the increased revenue by April 2020.

The strategy could also benefit from specific measures to boost contact with, and to obtain meaningful responses from the property owners. This is a crucial part of the strategy and a pro-active approach is likely to bear dividends on returning empty properties to use. Council needs to press on owners the anti-social impact resulting from leaving properties in unkempt and deteriorating conditions, on the neighbourhoods. But also the extra costs Council itself has to bear, as a result of dealing with complaints. Pro active information to and contact with owners followed by encouragement should be balanced against finding ways of charging for these costs. This should focus minds and hopefully result in significant reduction.

In summary, the action plan to deal with empty properties is very welcome. However the action plan needs details in targets, specific timelines and impact assessment. Suggest 12 and 24 months as useful milestones.

Response from the Cabinet Member for Regeneration and Housing:

The empty homes performance measure is intended to bring forward additional homes, including affordable homes, for residents of the City of Newport. Newport achieved the highest number of affordable units that were built in any local authority area in Wales in 2017 and we have a land supply to

cater for the forecast demand of housing development for the forthcoming 5.2 years. Nevertheless, it is important that we continue to make the best use we can of the housing stock we have. The performance indicator is an important measure for Newport City Council and this is evident in the development of the empty homes strategy and action plan, as well as the additional resources that are being made available in the housing and assets, legal and council tax enforcement service areas. The additional capacity will increase the number of interventions which the council is able to undertake on empty homes.

However, it should be noted that, of the 1,200 empty homes that have been empty for over six months in Newport, there are over 200 properties at any point in time that are held in abeyance due to construction works being undertaken, the death of the owner or a legal issue preventing occupation. This highlights just a few of the reasons for some of the numbers of empty properties; no form of intervention from the council would reduce this element of the 1,200 empty homes figure.

As you are aware there are loans available to encourage and support property owners throughout Newport, however, these do rely on a number of conditions being met in order to provide a loan in the first instance. These matters include, for example, willingness of the owner to enter into debt, sufficient levels of equity in the asset and the financial viability of the project. We have been very successful in making loans for the conversion of empty commercial properties with loans of over £1.5 million to date, resulting in 75 additional housing units. On this national performance measure, Newport had the second best performance in Wales for 2018-19. Making loans for owner-occupation has proved more challenging but we now have arrangements in place to facilitate this and aim to see improved take-up in that sector.

Newport City Council's commitment to the management of empty homes has been further shown through the removal of the 50% discount for long-term empty homes, which is intended to prompt owners to take steps to return their properties to use. The possibility of a council tax premium on empty homes will be reviewed, pending the aforementioned action and implementation of the revised empty homes strategy and action plan. The authority's performance on returning empty homes to use will be reported in the Public Accountability Measure PAM/013 and monitored through the Service Plan for Regeneration, Investment & Housing.

Comments of Cabinet Member

Cabinet Member has been briefed on this report.

Local issues

None

Scrutiny Committees

No consultation with Scrutiny Committees.

Equalities Impact Assessment and the Equalities Act 2010

The Empty Homes Action Plan has no particular equalities implications, as far as we know, but we have no actual data on protected characteristics in relation to the owners of empty homes. We do know that the largest numbers of empty homes are found in Allt-yr-yn, Victoria, Pillgwenlly and Stow Hill wards.

Research has identified that areas with concentrations of long-term empty homes relative to other neighbourhoods in the same authority often share some key characteristics. As well as lower household incomes, lower house prices, more deprivation and older housing, which are characteristic of local authority areas with high levels of empty homes, these neighbourhoods often also have:

- More anti-social behaviour
- More changes in population/higher population turnover
- More crime
- More private rented accommodation
- More private rented accommodation in poor condition

These characteristics are in evidence and well documented for Victoria, Pillgwenlly and Stow Hill. These wards also have a high proportion of residents from a non-white ethnic background: almost half in Stow Hill (48.8%), 65.3% in Victoria and 79% in Pillgwenlly. We can infer from the data that people from a non-white background are more likely to be affected by empty homes than people from a white background, because they are more likely to live in areas where there is a cluster of empty homes. It is also possible that the owners of empty homes are more likely to be from a non-white background than a white background but we have no data on this. In considering whether to adopt the Empty Homes Action Plan, the authority must give due regard to the need to eliminate unlawful discrimination, harassment and victimization; to advance equality of opportunity between persons who share a protected characteristic and those who do not; to foster good relations between persons who share a protected characteristic and those who do not. Taking action on empty homes will help to combat disadvantage in those areas where many of the population share the protected characteristic of race.

Children and Families (Wales) Measure

Action on empty homes is particularly relevant to two of the broad aims of the Measure:

- (h) to ensure that all children grow up in decent housing, and
- (i) to ensure that all children grow up in safe and cohesive communities.

Action on empty homes helps to ensure that Newport's housing stock is kept in good order, providing decent housing for families. Homes that are left empty tend to attract anti-social behaviour or crime and to reduce the vitality of local communities. The eradication of child poverty must be underpinned by an adequate supply of affordable housing in good condition and the Empty Homes Action Plan will contribute to that.

Wellbeing of Future Generations (Wales) Act 2015

In addressing the issue of long-term empty homes, this strategy particularly supports two objectives from Newport's Well-being Plan:

- people feel good about living, working, visiting and investing in Newport
- Newport has healthy, safe and resilient communities.

Long-term empty homes often develop a neglected appearance that can depress the value of neighbouring properties and deter potential investors; conversely, areas where there are high numbers of empty properties can attract property speculators who have no local presence and do not have plans for timely redevelopment. There are many examples of long-term empty homes becoming a venue for anti-social behaviour so that local communities do not feel safe.

Future generations need housing. Looking to the **long-term** means looking after the housing we have now, so that it continues to provide decent homes for as long as possible. The Empty Homes Action Plan aims to **prevent** empty properties from falling into long-term disuse but, where they do exist, to **prevent** detriment to the local community. The strategy requires active **collaboration** between council services and, where possible, a **collaborative** approach with owners. Owners need to be **involved** in finding solutions to return their properties to occupation. Long-term empty homes can undermine communities, reduce income for public services and, often, become a problem for the owners themselves. A healthy local economy needs short-term empty homes to enable people to move but a high number of long-term empty homes is symptomatic of inequality; in **a more equal Wales, a Wales of cohesive communities**, there would be fewer empty homes.

Crime and Disorder Act 1998

Empty homes are the subject of frequent complaints to the council from neighbours who are worried about waste accumulations, fly-tipping, vandalism and crime. Once a property begins to look empty, with an overgrown garden and a build-up of mail behind the front door, it becomes a potential venue for anti-social behaviour. Making sure that homes are lived in can make a positive contribution to the prevention of crime and disorder.

Consultation

Comments received from wider consultation, including comments from elected members, are detailed in each application report in the attached schedule.

Background Papers

Empty Homes Strategy 2010-2015 – this is available to the public on the council's website at:
<http://www.newport.gov.uk/documents/Strategies/Empty-Homes-Strategy-2010-2015.pdf>

Dated: 5 August 2019



Empty Homes Strategy

Foreword

Keeping properties empty means fewer homes for people to live in and contributes to Newport's housing shortage. Bringing empty homes back into occupation provides more homes that are available and helps to bring about safe and settled communities.

There are over 7,000 households seeking affordable housing in Newport. In 2018/19, over 1,800 people applied to Newport City Council for housing assistance. Over the course of the year, more than 300 households in Newport became legally homeless. At the same time, around 1,200 privately owned residential addresses had been empty for more than 6 months.

It is almost always the case that the longer a property is empty, the harder it is to return it to use. Often, the council is called upon to investigate complaints about empty properties and this adds to pressure on services and, indirectly, to costs for local taxpayers. Like many other councils in Wales, Newport City Council has decided that it will no longer allow a council tax discount on long-term empty homes although, in some cases, statutory exemptions will still apply.

We recognise the difficulties that many owners face. It is all too easy for a property that was seen as an asset to turn into a worry; owners may be faced with negative equity, costly repair bills, complex legal problems, family disputes and many other issues. Few owners, although there are some, intend to keep their property empty year after year and many need assistance to bring them back into use.

We want to work with owners wherever possible to find solutions and see those empty properties lived in once more. We will continue initiatives such as our interest-free loan scheme for housing improvements, and our private property leasing scheme, to offer practical help to owners as well as information and advice. However, where necessary, we will take steps of enforcement to see that owners take responsibility for their property, so that it is not left to become a problem at others' expense.

A thriving and resilient city needs good housing, of all kinds. There should be some homes empty to allow for the changes that take place in people's lives, and to allow the city to adapt and grow, but long-term empty homes do not contribute to the social and economic health of the city.

This strategy and action plan aims to reduce the number of empty homes and limit their impact.

Councillor Jane Mudd,
Cabinet Member for Regeneration and Housing

Introduction

Newport City Council's Empty Homes Strategy is concerned with privately owned homes that are left unoccupied. At April 2017, there were 1,199 residential addresses in Newport that had been unoccupied for more than 6 months, despite the current demand for housing. Local authorities in Wales carry out a Local Housing Market Assessment (LHMA) to help them determine the level of housing need and demand in their area. The LHMA for Newport found that there is a shortfall of over 500 units of affordable housing¹ each year. In the 2017/18 financial year, 279 households in Newport were found to be statutorily homeless and were given emergency accommodation by the council. In March 2018, 66 families with children were being housed by the local authority in temporary accommodation.

Leaving homes empty year after year reduces the housing supply. Often, unoccupied properties fall into disrepair and cause problems for neighbours, eventually becoming uninhabitable without serious investment. Empty properties tend to depress the value of the adjoining properties and high levels of empty homes in an area are usually associated with socio-economic deprivation and low property values².

Newport's Empty Homes Strategy 2010

In 2010, Newport City Council adopted its second formal Empty Homes Strategy, with a five-year action plan for bringing privately owned empty homes back into use. In Wales, local authorities are required by the Welsh Government to intervene to return long-term empty homes to use; they report their performance according to a national performance indicator (PRS/004 until 2017/18, then changed to PAM/013). The figures for empty homes are based mainly on council tax records showing addresses that are either unoccupied and subject to statutory exemption or that are allowed a discount as unfurnished and unoccupied. At April 2010, Newport had 1,033 long-term empty homes, compared with the 1,199 empty at April 2017. Although this represents a rise of 16.1% in Newport, the increase for Wales as a whole over the same period was 24.1%. Economic and social factors had continued to push up the number of long-term empty homes in most areas of the country.

Despite the difficult conditions, there were successful interventions on some particularly problematic individual properties:

- In 2010, Newport City Council obtained a court order for the sale of a property in the Beechwood in order to recover unpaid council tax. The house, which had been partially converted to two flats, without planning approval, and then abandoned, was sold at auction to a buyer who renovated the property to a high standard for occupation as a family home
- In 2012, Newport City Council was authorised by the Residential Property Tribunal to issue its first Empty Dwelling Management Order. This enabled the authority to take over a house in Bettws that had been empty for over 10 years; the property was renovated and then used by the council as temporary accommodation
- In 2016, the council used its statutory powers to carry out works to a house in Baneswell that had been empty for over 10 years, then saw the property returned to use through an enforced sale under the Law of Property Act, 1925

Under the Empty Homes Strategy 2010, the council endeavoured to contact owners in the first instance, to offer advice and assistance, but there was found to be a very low response rate from owners. It has been found that, when owners persist in leaving a property empty year after year, the problems associated with it are often complex and it takes significant input from several services to build a successful intervention. In the worst scenario, the empty property deteriorates to the point where it is uninhabitable and the owner may then apply to the Valuation Office Agency, a central government department, to have the property 'de-listed' for council tax purposes, so that there is no longer any

¹ Affordable housing is 'generally defined as the ability of households or potential households to purchase or rent property that satisfies the needs of the household without subsidy.' Planning Policy Wales, Technical Advice Note 2, 'Planning and Affordable Housing'.

² 'Empty Homes in England', Empty Homes, Autumn 2015

council tax due on that property. This reduces one incentive for the owner to take steps to rehabilitate the property.

In November 2018, Newport City Council decided to discontinue the 50% council tax discount which had been allowed on 'standard' empty properties – that is, where no statutory exemption applied. This means that, from April 2019, unless a statutory exemption applies, the owners of empty properties will be charged the full council tax rate. Owners who are likely to be affected were notified in early 2019.

Future Action

It remains the aim of Newport City Council to return as many privately owned, long-term empty homes to use as possible and to prevent homes falling into disuse if they could be providing decent housing.

When a property is left empty, it is the owner's responsibility to keep it secure, to make sure that it does not become unsightly or give rise to environmental hazards. Newport City Council will continue to offer information, advice and assistance to owners before considering any enforcement action but will use enforcement powers, where they are applicable, to resolve problem properties, help meet housing need and recover debt to the authority.

The new Action Plan for empty homes has two main focuses: increasing the collaboration between services and increasing the resources for action on empty homes. Some increase in council tax revenue is expected as a result of ending the 50% discount and this will be used to increase staff capacity in the council tax and housing teams for dealing with empty homes. The impact of ending the discount will need to be assessed; it should prompt owners to return properties to use as quickly as possible but, where an empty property is causing problems for local residents, or generates ongoing council tax arrears, enforcement action will be considered.

EMPTY HOMES ACTION PLAN

	Action	Options/steps	Responsibility
1.	Promote awareness of the detrimental impact of empty homes and the need for housing	<ul style="list-style-type: none"> • Press/Newport Matters • NCC website • Letters/flyers to empty homes owners 	Housing & Assets Manager
2.	Contact the owners of properties which remain empty for more than 2 years, to offer information and advice	<ul style="list-style-type: none"> • Annual mailshot & follow-up enquiries 	Housing & Assets Manager
3.	Develop improved recording on empty homes	<ul style="list-style-type: none"> • Liaise with Newport Intelligence Hub • Create and maintain empty homes records on Uniform IT system 	Housing & Assets Manager
4.	Prioritise problematic empty homes and undertake follow-up action	<ul style="list-style-type: none"> • Develop priority list agreed between service areas • Progress collaboration and interventions case by case via Empty Homes Working Group 	Housing & Assets Manager
5.	Offer interest-free housing improvement loans for qualifying properties to help prepare them for let, sale or owner-occupation	<ul style="list-style-type: none"> • Implement revised Safe, Warm & Secure loan scheme to offer improvement loans for empty homes for sale, let or owner-occupation 	Housing & Assets Manager
6.	Offer a lease and management service to the owners of empty homes	<ul style="list-style-type: none"> • Increase referrals to NCC Private Sector Leasing scheme 	Housing & Assets Manager

	Action	Options/steps	Responsibility
7.	Collect and review data on the impact of ending the 50% council tax discount	<ul style="list-style-type: none"> Record responses and requests for assistance Review impact of PAM/013 on the number of empty homes 	Housing and Assets Manager/Head of Finance
8.	Increase capacity to deal with empty homes	<ul style="list-style-type: none"> Establish new posts in the housing, revenue and legal teams 	Housing and Assets Manager/Head of Finance/Chief Legal Officer
9.	Enforce Charging Orders on empty homes to recover unpaid council tax and bring about a change of ownership	<ul style="list-style-type: none"> Establish procedure to enforce sales 	Income Collection Manager/Chief Legal Officer
10.	Use statutory powers: <ul style="list-style-type: none"> carry out works in default to remedy statutory non-compliance; and enforce the sale of the property if necessary to recover costs 	<ul style="list-style-type: none"> Identify priority properties on a case by case basis Establish procedures for enforced sale following works in default 	Regulatory Services Manager (Environment & Community)/ Development & Regeneration Manager/Chief Legal Officer
11.	Make use of Empty Dwelling Management Order powers to take over long-term empty homes	Report to Head of Service on a case-by-case basis, subject to authorisation by Residential Property Tribunal	Housing & Assets Manager/Principal Environmental Health Officer (Housing)
12.	Consider use of Compulsory Purchase powers where appropriate	Report to Head of Service and Cabinet, subject to authorisation by Welsh Government	Housing & Assets Manager/Chief Legal Officer