

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO THE SUBJECT OVERVIEW AND SCRUTINY COMMITTEE 3

21 MARCH 2018

REPORT OF THE CORPORATE DIRECTOR, OPERATIONAL & PARTNERSHIP SERVICES

EMPTY PROPERTIES

1. Purpose of Report

- 1.1 The purpose of the report is to update Committee on how effective the Local Authority has been in bringing back into use empty private sector residential and commercial properties and the processes, powers and policies the Authority has to bring these empty properties back into use.

2. Connection to Corporate Improvement Objectives/Other Corporate Priorities

- 2.1 The report contributes to the following outcome within the Corporate Plan 2016-20:

- Supporting a successful economy

- 2.2 The report contributes to the following goals within the Wellbeing of Future Generations (Wales) Act 2015:

- A prosperous Wales
- A resilient Wales
- A Wales of cohesive communities
- A globally responsive Wales

3. Background

3.1 Local Context

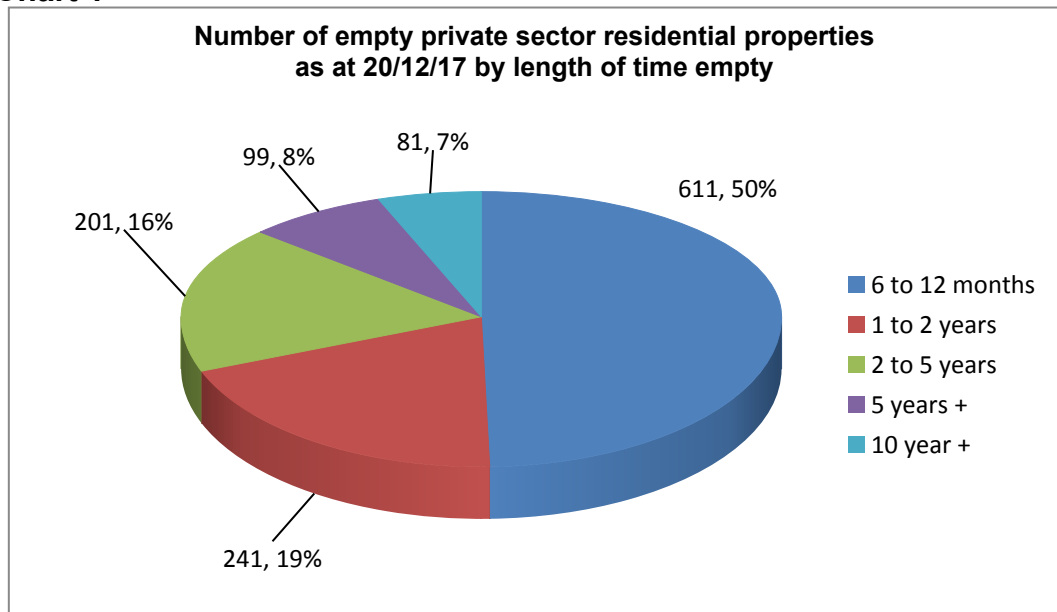
- 3.1.1 There are an estimated 62,462 homes in the County Borough. Approximately 70% of these are owner occupied, 16% privately rented, and the remaining 14% rented from a housing association. In September 2003 the Council transferred its housing stock to Valleys to Coast Housing Association and therefore is no longer a social landlord and does not own any houses, flats or sheltered housing.

- 3.1.2 As at 20th December 2017 there were 1233 private sector residential properties empty for 6 months or longer (2% of the total homes in the County Borough). Whilst it is acknowledged that flexibility and churn is a healthy and normal part of the housing market and there will be empty homes for sale or let, it is the long-term empty properties that are a particular concern, especially where there is no plan in place to bring them back into use.

- 3.1.3 Chart 1 shows the length of time residential properties have been empty. It can be seen that the majority of the empty properties (50%) have been empty for 6 to 12 months. However, 31% of properties have been empty for 2 or more years and it is

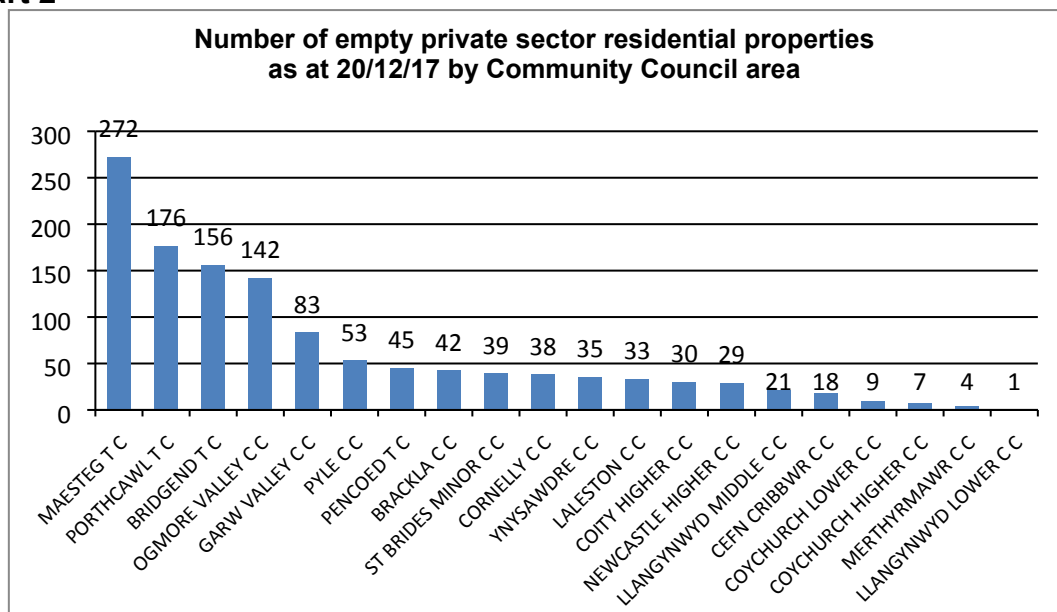
these longer-term empty properties that are of more concern and require a particular focus.

Chart 1



3.1.4 Chart 2 shows the areas (by Community Council area) residential properties are located in. It can be seen that the majority of properties are in and around the town centre areas; Maesteg, Porthcawl and Bridgend and account for 49% of empty residential properties. This would indicate that a particular focus on the town centres and their periphery would be of benefit, especially in order to facilitate vibrant and viable town centres and contribute to supporting a successful economy.

Chart 2



3.1.5 Empty private sector commercial properties are also a wasted resource. As at 6th March 2018 there were approximately 309 empty commercial properties across the county borough.

3.1.6 Under Business Rates Legislation shops and offices are entitled to a 3 month rate free period after which a full charge is applicable. Factories and warehouses are entitled to a 6 month rate free period after which a full charge is applicable.

3.1.7 There are certain categories of empty commercial properties that do not have to pay any Business Rates such as those below. Currently there are 170 empty commercial properties (55%) that fall into these categories:

- Properties that are listed buildings
- Properties that are in administration
- Properties where the occupation is prohibited
- Commercial land
- Properties with a rateable value less than £2600

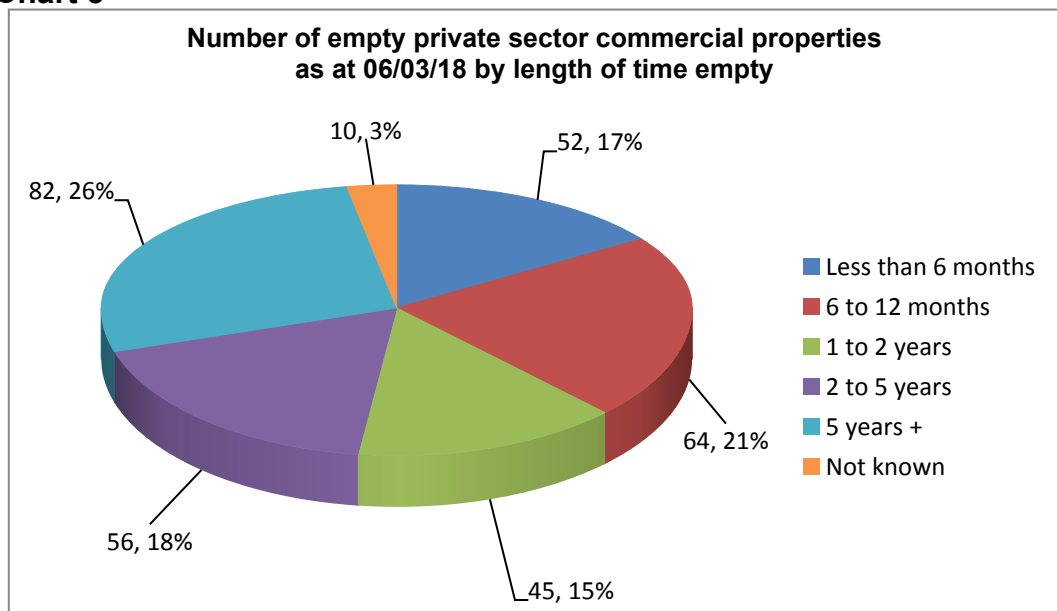
The following categories of occupied commercial properties are also not required to pay Business Rates:

- Occupied properties with a rateable value of £6000 or less that qualify for full small Business Rates relief

3.1.8 Therefore, it is often not in the owner's / leaseholder's interest to tell the Authority when a commercial property with a rateable value of £6000 becomes vacant, as they then would be liable to pay a charge. Of those commercial properties that are liable for Business Rates, 40% has a balance outstanding.

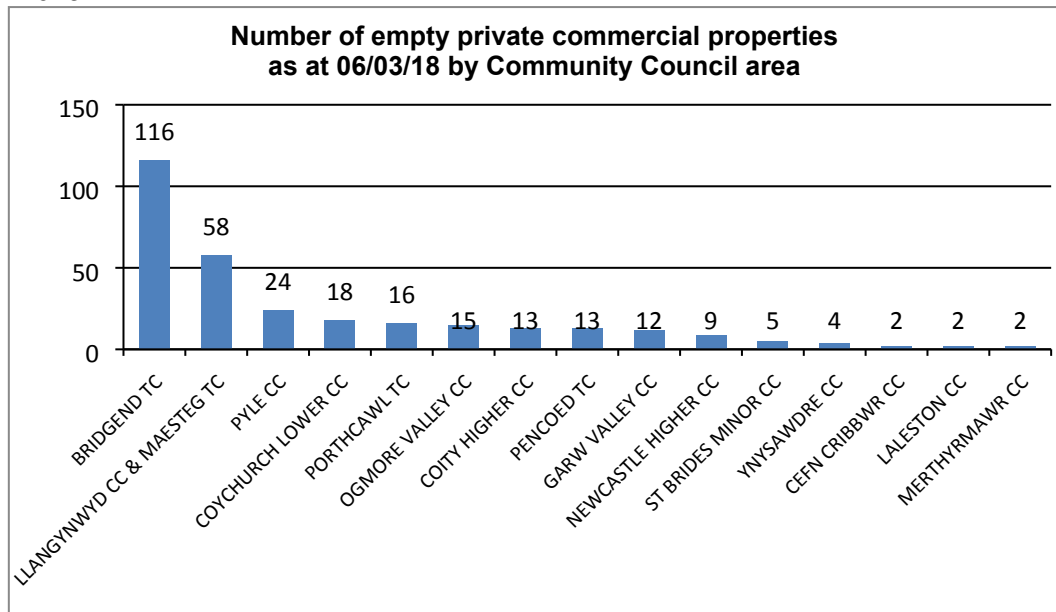
3.1.9 Chart 3 shows the length of time commercial properties have been empty. It can be seen that 44% of empty commercial properties have been empty for 2 years or longer.

Chart 3



3.1.10 Chart 4 shows the areas (by Community Council area) commercial properties are located in. It can be seen that the majority of properties are in and around Bridgend Town Centre and account for 38% of the empty commercial properties.

Chart 4



- Coity Higher (includes Brackla Industrial Estate)
- Coychurch Lower (includes Bridgend Industrial Estate and Waterton)
- Pyle (includes Pyle, Cornelly, Kenfig Hill including Village Farm Industrial Estate)
- Llangynwyd Lower and Middle & Maesteg (includes Coytrahen, Llangynwyd & Maesteg)
- Newcastle Higher (includes Aberkenfig)
- Ogmores Valley (includes Ogmores Vale & Nantymoel)
- St Brides Minor (includes Bryncethin, MacArthurGlen and Brynmenyn Industrial Estate)
- Ynysawdre (includes Tondu)

3.1.11 Empty chapels and churches are also a consideration as they could be converted into residential accommodation. There are currently 18 derelict chapels and churches across the county borough, the majority of which (72%) are in the valleys areas.

3.1.12 There are many reasons why properties become empty and these can be categorised into three factors:

- Individual factors; unresolved ownership following a death, bankruptcy, owner in hospital or prison, or a lack of owner knowledge.
- Property factors; investment not realised or repairs and renovations are too expensive.
- Housing market factors; area of low demand, area of over supply or negative equity in property.

3.1.13 Empty properties are a wasted resource and are often left in a poor state of repair. The consequences of empty properties can be categorised as follows:

- Social consequences; crime i.e. arson, graffiti, squatting, lack of public confidence in the area and the local authority.

- Environmental consequences; rodent infestation, fly tipping, dangerous structures, poor impression of area.
- Economic consequences; financial cost of repair, drain on resources of local authorities and emergency services, devalue properties in the street, deter investment.

3.1.14 There are therefore many benefits of bringing empty properties back into use and these are categorised as follows:

- Social benefits; reduction in crime, a sense of community, availability of housing for people in housing need.
- Environmental benefits; improved local environment, less building on Greenfield sites, embodied energy in house.
- Economic benefits; rental or sale income, increased property values, multiplier effect, training and job opportunities, increased Council Tax.

3.2 National Performance

3.2.1 Performance in bringing empty private sector residential properties back into use across Wales is monitored by the Welsh Local Government Agency (WLGA) Public Accountability Measures:

- PAM/013 - Percentage of empty private sector properties brought back into use during the year through direct action by the local authority
- PAM/014 - Number of additional dwellings created as a result of bringing empty properties back into use (this is a new indicator in 2017/18)

3.2.2 The measures define an empty property as “a property liable for Council Tax, which has been unoccupied for a period of 6 months or more”. This excludes:

- A second or holiday home
- A property owned by any of the following:
 - Registered Social Landlords (RSLs);
 - Police and Armed forces;
 - National Health Service;
 - Universities and colleges;
 - Local authorities and government;
 - Crown estate; or
 - Churches and other religious bodies
- A property that is in use but for non-residential purposes
- Properties that have been un-banded by the Valuation Office Agency (VOA)

3.2.3 The empty property data is obtained from the Revenues section of the Authority. Normally, a Council Tax payer is entitled to claim up to a 6 month exemption (zero payment) on a property which has been left empty and unfurnished after which a 50% charge is payable.

3.2.4 All properties which are liable to Council Tax, in the following exemption classes, regardless of whether a discount is applied or not and that have been empty for more than 6 months are included in the measures and form a baseline list of empty properties:

A	Unoccupied and unfurnished property undergoing repairs /renovation.
C	Unoccupied and unfurnished property (less than 6 months).
F	Unoccupied property which is awaiting probate.
G	Unoccupied property which is unoccupied because occupation is prohibited by law.
L	Unoccupied property where a mortgagee is in possession.
Q	Unoccupied property where the person who would normally pay the Council Tax is a bankrupt or insolvent trustee.
Zero	Properties which have been classed under exemption C (6 month exemption) and then re-banded as Zero (50% charge).

3.2.5 As can be seen in Table 1 and Table 2, Bridgend was ranked 16th in 2015/16 and dropped to 18th in 2016/17 out of 22 local authorities with 2.2% of empty properties being brought back into use as a result of direct action by the Authority. In comparison, 42.4% was achieved by Neath Port Talbot and 0.8% by Cardiff. Overall in Wales, 8.8% of empty properties were returned to occupation through direct action by local authorities in 2016-17. There has been some inconsistency between local authorities in the reporting of this measure, where correspondence with the owner that does not result in engagement with the authority, has still been counted as direct action.

Table 1

Local Authority 2015-16	Number of private sector dwellings that had been vacant for more than 6 months at 1 April which were returned to occupation through direct action by the LA	Number of private sector dwellings that had been vacant for more than 6 months at 1 April	%
Torfaen	177	417	42.45
Vale of Glamorgan	276	686	40.23
Neath Port Talbot	767	1908	40.20
Denbighshire	172	699	24.61
Swansea	440	2269	19.39
Monmouthshire	94	663	14.18
Wrexham	34	267	12.73
Isle of Anglesey	86	783	10.98
Conwy	154	1580	9.75
Flintshire	31	354	8.76
Merthyr Tydfil	46	711	6.47

Newport	84	1314	6.39
Carmarthenshire	153	2671	5.73
RCT	144	2785	5.17
Gwynedd	61	1190	5.13
Bridgend	47	1168	4.02
Caerphilly	37	958	3.86
Blaenau Gwent	20	549	3.64
Cardiff	39	1453	2.68
Ceredigion	21	815	2.58
Pembrokeshire	28	1584	1.77
Powys	27	1704	1.58
Wales	2938	26528	11.08

Table 2

Local Authority 2016-17	Number of private sector dwellings that had been vacant for more than 6 months at 1 April which were returned to occupation through direct action by the LA	Number of private sector dwellings that had been vacant for more than 6 months at 1 April	%
Neath Port Talbot	626	1478	42.35
Torfaen	108	325	33.23
Denbighshire	131	691	18.96
Swansea	358	2218	16.14
Vale of Glamorgan	95	689	13.79
Isle of Anglesey	91	773	11.77
Flintshire	38	420	9.05
Wrexham	35	419	8.35
Merthyr Tydfil	40	583	6.86
Carmarthenshire	174	2665	6.53
Caerphilly	65	1014	6.41
RCT	138	2818	4.9
Conwy	80	1683	4.75
Gwynedd	54	1358	3.98
Monmouthshire	27	696	3.88
Newport	50	1293	3.87
Blaenau Gwent	32	912	3.51
Bridgend	27	1229	2.2
Powys	25	1810	1.38
Ceredigion	11	810	1.36
Cardiff	10	1318	0.76
Pembrokeshire	-	-	-
Wales	2215	25202	8.79

3.2.6 The measure has been amended for 2017/18 to rectify this and the guidance is now clear what should be counted as direct action. A detailed record of the direct action, as outlined below, should be kept by local authorities for audit purposes:

- Grants, loans or other financial assistance either provided or facilitated by the local authority;
- Working with Registered Social Landlords (RSLs) 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 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.

3.2.7 Bridgend has always been consistent in the reporting of this measure and has only ever counted properties as brought back into use where there has been engagement with the owner. The main direct actions that the Authority uses to bring an empty property back into use is “grants, loans or other financial assistance either provided or facilitated by the local authority” and “dialogue with the owner where the owner has engaged with and responded to the local authority”.

3.2.8 Bridgend’s performance in bringing empty properties back into use over the past 5 years can be seen in Table 3. The number of long-term empty properties remains relatively consistent and it is acknowledged that flexibility and churn is a healthy and normal part of the housing market and there will be empty homes for sale or let. A fall in owner engagement with the Authority has resulted in a reduction in performance, as can be seen in section 4.4.2.

Table 3

Year	Number of long-term empty properties	Number of long-term empty properties brought back into use	% of empty properties brought back into use
2012/13	1029	74	7.19%
2013/14	1105	59	5.34%
2014/15	1172	76	6.48%
2015/16	1168	47	4.02%
2016/17	1229	27	2.20%

4. Current situation / proposal

- 4.1 In 2010, the Welsh Government developed a [good practice guide](#), with Shelter Cymru and other representative bodies, to assist local authorities in tackling empty properties. The guide highlights the powers and measures local authorities can use to deal with empty properties and it also provides examples of good practice and effective strategies to help them to develop and maintain their own strategies.
- 4.2 In February 2012 the Minister for Housing, Regeneration & Heritage launched an innovative new empty property loan scheme called “Houses into Homes”. Bridgend was allocated a total of £900,010 to provide interest free secured loans to owners of empty properties. Bridgend is not required to pay this funding back to WG.
- 4.3 Bringing empty properties back into use is a corporate responsibility and each service within the Local Authority involved with empty properties have different processes, powers and policies they can use to achieve this.

4.4 Housing & Community Regeneration

- 4.4.1 The Housing Strategy and Sustainable Renewal Teams take a proactive approach to bringing empty properties back into use. Owners of properties empty for 6 months or longer are written to at least once a year and advised of the advice and assistance available. When an owner responds to the letter and engages with the Authority, they are provided with a copy of the Empty Homes Information Pack.
- 4.4.2 A breakdown of the number of properties written to and the response rates over the past 5 years is included in Table 4. It can be seen that although a large number of properties were written to in 2016/17, the response rate was the lowest it had been in 5 years. This contributed to the lower Public Accountability Measure figure of 2.2% for Bridgend in 2016/17. It should be noted that a response does not always result in the property being brought back into use.

Table 4

Year	Total number of properties written to	Total number of responses	% responding
2012/13	891	169	19%
2013/14	740	99	13%
2014/15	1248	189	15%
2015/16	1267	226	18%
2016/17	1486	115	8%

- 4.4.3 VAT discounts are available to developers / owners carrying out works on empty properties. The Authority can provide the developer / owner with evidence confirming how long the property has been empty if required by HMRC. There are certain criteria that must be met for the VAT discount to be applied e.g. the property must not have been lived in for 2 years or more. Requests to the Authority for this evidence have been minimal.
- 4.4.4 An empty homes matchmaker service was set up to help buyers and sellers of empty properties contact each other. Owners can register and advertise free of charge on the housing options website. Personal details or the address of the empty property are never advertised and remain completely confidential. However, the general area, property type and property size will be advertised, including any photos added by the owner. These details will only be available to view by people who have registered on the website as looking to buy an empty property. The Local Authority does not get involved in any way with the sale of the property and does not offer any advice to sellers or buyers. Take up of the service has been relatively low and properties advertised on the website are often those that have not been empty for a long period and are being sold at full market value. However, it is beneficial to continue to provide this service as it is cost neutral.
- 4.4.5 Financial assistance is available to owners of empty residential and commercial properties who are looking to bring the property back into residential use. A summary of this assistance is below and further details are contained within the Empty Homes Information Pack:
- a) The Empty Homes Grant provides eligible owners with a non-repayable grant of up to £15,000 for each unit of accommodation created. The property has to be

considered, in the Authority’s opinion, to be suitable for social letting at the time of application, taking into account the size and location of the property. This is because a condition of the grant is that the property must be rented on completion of works, at the rate of the local housing allowance, and be available for nomination by the Authority or their appointed agent for a period of 3 years. The grant therefore not only contributes to bringing empty properties back into use, but also creates a source of affordable housing for households in housing need.

- b) The Homes in Town Grant provides eligible owners specifically in Bridgend Town Centre and its periphery with a non-repayable grant of up to £30,000 for each unit of accommodation for the conversion of vacant space into a residential unit. This grant can be combined with any other grants such as Townscape Heritage Initiative and an empty property loan available from the Authority. Similar conditions to the Empty Homes Grant apply.
- c) The Welsh Government “Houses into Homes” empty property loan scheme provides eligible owners with an interest free secured loan of up to £25,000 for each unit of accommodation created. Owners must either rent or sell the property following completion of the works and have up to 2 years to repay the loan if the property is to be sold or 5 years if the property is to be rented.
- d) The Authority may also make Strategic Housing Assistance available to RSLs and Housing Related Charities up to £25,000 for each unit of accommodation created, to support the long term renewal and regeneration of properties. This will include assistance with the purchase, renovation or redevelopment costs, for strategically important properties/sites where necessary, to help to meet strategic housing objectives. It may also include the purchase of key strategic properties/sites where necessary to assist physical regeneration objectives. Any scheme assisted under this grant funding will be subject to full nomination rights as outlined in the Social Housing Allocation Policy (SHAP) or any specific Council Lettings Policy in place at the time of nomination. Further details are contained within the [Private Sector Housing Renewal and Disabled Adaptations Policy](#).

4.4.6 A summary of the financial assistance provided between 2011 and 2018 is contained in Table 5. It can be seen that a significant number of grant and loan applications do not proceed or are withdrawn. The main reasons for this are outlined in 4.13.

Table 5

	Number of grants / loans provided	Number of units created / being created	Value of spend to date	Number & value of applications withdrawn
Empty Homes Grant	49 grants (48 properties)	49 (all occupied)	£540,000	115 (£1.15m)
Homes in Town Grant	28 grants (5 properties)	28 (not yet completed)	£770,000	
Houses into Homes empty property loan	19 loans (19 properties)	50 (all occupied)	£953,100	55 (£1.65m)

Strategic Housing Assistance	1 grant (1 property)	6 (rooms)	£25,000	
------------------------------	-------------------------	--------------	---------	--

4.4.7 The financial assistance provided has had some positive outcomes:

- A dilapidated property in Blaengarw was the subject of many complaints and the owner had been contacted by the Authority to carry out remedial works. A £75,000 loan was awarded and the property was converted into 3 flats which are all occupied.
- A historic derelict 3 storey detached property in Ogmores Vale, over 120 years old, brought vandalism and crime to the area and was an eyesore to the community. £70,000 of assistance was provided via a loan and grant funding and the property was converted into 4 flats which are all occupied.
- A derelict pub in Bryncethin had been empty for 3 years. £164,000 of assistance was provided via a loan and grant funding and the property was converted into 6 flats which are all occupied.
- A large pre-World War 2 property in Bridgend Town Centre had previously attracted anti-social behaviour to the area. It is currently being converted into 15 one bedroom flats with a total project spend of over £1m, £435,000 of which was awarded via the Homes in Town Grant.
- A hotel in Porthcawl was notorious for people with drug and alcohol problems and general anti-social behaviour. £130,000 of assistance was provided via a loan to create 8 executive apartments for sale.
- A mixed commercial and residential property in Pen-coed had been empty for over a decade and was in serious disrepair. £100,000 of assistance was provided via a loan to convert the property into 2 flats, a house and a maisonette which are all occupied.
- An empty pub in Aberkenfig which had been empty for 5 years and is one of the oldest buildings in the village is being converted into 4 flats with £120,000 of assistance provided via a loan and grant funding.
- A former pub over 140 years old and a historically significant property in the Blaengarw area is being converted into 7 flats, a bunkhouse and café for local cyclists via a £144,000 loan.
- A former pub and hotel in Porthcawl that has been derelict for over 5 years is being converted into 5 flats via £75,000 of grant funding.

4.5 Conservation & Design

4.5.1 The Townscape Heritage Initiative (THI) aims to assist the conservation of impressive architectural heritage as part of the overall regeneration strategy for Bridgend. The THI funds the renovation of business and retail buildings, alongside

the improvement of local facilities and gap sites, helping to re-instate Bridgend's importance as an economic, historic and cultural centre in South Wales. Funding is bid for in specific areas and buildings considered in greatest need are prioritised within the boundaries.

4.5.2 Over the past 5 years the following properties have been provided with a THI Grant:

- Maesteg
 - 25a Talbot Street (empty upper floors only)
- Porthcawl
 - Customs House
 - Pilots Lookout (now occupied by the National Coastwatch Institution (NCI). The Lookout is now one of the busiest stations run by the NCI on the Wales coast)
 - Jennings Warehouse (now 14 flats to the first floor and 3 independent café / restaurant premises. The building has been shortlisted for a UK RTPI award to be announced in May as well as shortlisted for a Wales RICS award to be announced in June)
- Bridgend
 - The Victoria Inn (now Corvo Lounge to the ground floor)
 - 2 Caroline Street

4.6 Development & Building Control

4.6.1 Empty properties, especially long-term empty properties, can often fall into a state of disrepair and become at worst a dangerous structure, or an eye sore to the local community. The Development & Building Control service can use their powers to serve notices under Section 215 Town and Country Planning Act 1990 against such properties:

4.6.2 The scope of s.215 notices is quite limited as they are intended only to address minor matters of amenity and issues of aesthetics. The terms of the notice must be reasonable and generally in terms of blight or empty properties, would normally require the removal of curtilage items from the public view or for broken windows to be boarded up and painted. Any s.215 notice can be challenged. Planning powers allow local planning authorities to enter the land to carry out works in default, however this work must be proportionate. There is no specific budget available to do this. Whilst there is provision for the costs of the work to be recovered in practice this is often difficult due to the lack of equity in the property.

The Authority has served 2 s.215 notices over the last 5 years:-

- Dec 2015, Ton Kenfig, Bridgend This Notice was in relation to untidy land where part of the property had been demolished and some of the resulting materials left in situ. The Notice required the owner to erect a 1.8m high fence to screen the materials from the public viewpoint which included the National Nature Reserve. Clearance was not required due to an application to erect a new dwelling on the plot. The Notice was appealed in the Magistrates' Court and upheld. A fence was erected and the new dwelling has since been built.
- Jan 2017, Bridgend Road, Maesteg. Planning permission had been granted to erect dwellings on the land but the builder appeared to be using the site to store

materials; these materials were left on site for a considerable amount of time and the permission lapsed. The materials have since been cleared.

4.6.3 The Development and Building Control section can also serve notice under Sections 77 and 78 Building Act 1984. These notices are only used where there is a clear danger or in the case of s.78 an emergency situation. By serving a s.77/78 notice the Authority is acknowledging that the building or structure is dangerous and as such there is an implied duty to address that danger and carry out works in default if necessary. The scope of these works is limited to rectifying the danger but is recoverable from the owner. In practice, however, it can sometimes be very difficult to ascertain ownership.

4.6.4 The Authority has served 6 notices in the last five years. Three of these properties also had works in default undertaken and the debt to the Local Authority remains outstanding.

4.7 Shared Regulatory Services (SRS)

4.7.1 Where properties are left empty and fall into disrepair or become derelict causing a nuisance to the community, SRS will consider using legal powers to remedy the issues. This is, however, considered to be a last resort, and the Authority prefers to work with owners to find the best solution to bring the empty properties back into use first.

4.7.2 Table 6 shows the number of notices served and works in default carried out over the past 5 years by SRS (formerly Public Protection):

Table 6

Legal power	Number of notices served	Number of works in default
<p>Prevention of Damage by Pest Act 1949 Section 4</p> <p>Gives the Local Authority powers to require land owners to carry out work for the removal or destruction of rats or mice on land</p>	20	10
<p>Local Government Miscellaneous Provisions Act 1984 Section 29</p> <p>To secure unauthorised entry to an empty building or prevent it becoming a danger to public health e.g. an open ground floor door or window, slates falling off the roof or a broken window with the danger of glass falling onto the pavement below</p>	43	33
<p>Revocation of Prohibition Order Housing Act 2004 Section 25</p> <p>Where a property contains serious hazards the Authority can serve a Prohibition Order prohibiting the use of the property for human habitation resulting in</p>	4	0

the property becoming empty. Once relevant works have been completed the Authority must revoke the Order before the property can be used for human habitation		
Environmental Protection Act 1990 Section 80 Where an empty property causes a statutory nuisance, the Authority can serve an Abatement Notice under s. 80 to remedy the issue e.g. a leaking chimney resulting in dampness to a neighbouring property	8	3
Building Act 1984 Section 59 This is typically used where defective guttering on an empty property is resulting in dampness to a neighbouring property	1	0
Total	76	46

4.7.3 Where works in default are carried out and a charge placed against the property, the Enforced Sale procedure can be used to enforce the sale of the property. Over the past 5 years, this has been used on 2 empty properties. The first was in Nantymoel and has been fully renovated and brought back into use. The second was in Pontycymmer and is currently being renovated. There was also a third property in Nantymoel which SRS began the Enforced Sale procedure on, however, the owner chose to sell the property at auction and pay off any money owed to the Authority. The property is currently being renovated. The Enforced sale procedure is resource intensive and SRS estimate that each property can require 50 hours of work at a cost of £50 an hour for an Environmental Health Officer with 10 hours of administration support. There are also additional resource implications for Legal and Property as well as other departments who may become involved.

4.8 Community Safety

4.8.1 Part 4 of the Anti-Social Behaviour, Crime & Policing Act 2014 relates to Community Protection Notices and are designed to deal with environmental anti-social behavior (ASB) and address issues impacting quality of life. These powers have been used on a few occasions by the Authority to ask landlords to secure buildings where ASB or youth annoyance etc. occurs. However, these powers are often used as a last resort and following other powers that the Authority has. Where ASB occurs in empty properties or derelict buildings, ASB letters are sent highlighting the behaviour and the potential danger. The Police will also attempt to contact the property owner to advise them and make recommendations.

4.9 Revenues (Council Tax)

4.9.1 The Revenues section is responsible for applying exemptions to empty properties. However, if an owner of an empty property has not notified the Authority that the property is empty and is paying the Council Tax for the property, the Authority may

not be aware that the property is empty unless a member of the community advises so.

- 4.9.2 Normally, a Council Tax payer is entitled to claim up to a 6 month exemption on a property (zero payment) which has been left empty and unfurnished after which a 50% charge is payable. It is not possible to quantify the potential loss of council tax receipts which could be due to empty properties.
- 4.9.3 If a property is uninhabitable and in a state of disrepair, the Valuation Office Agency, which is part of the Inland Revenue, may delete the property from the Valuation List resulting in no charge being payable. Properties such as churches are not rateable unless converted into a dwelling and therefore are not normally included in the baseline list of empty properties.
- 4.9.4 As with all properties, where there is outstanding Council Tax debt, the Revenues section will issue bills, reminders, final notices, summonses and liability orders before a charging order is obtained on the outstanding debt on a property. There are currently 9 empty properties with a charging order against them. Once a charging order is paid i.e. the debt is cleared, no further action is taken.
- 4.9.5 On 1st April 2017, Section 139 of the Housing (Wales) Act 2014 provided local authorities with the power to charge more than the standard rate of council tax on long-term empty properties and certain types of second homes. However, imposing a premium is unlikely to tackle the more problematic long-term empty properties which are a “blight” on the landscape, as they are likely to be uninhabitable and therefore exempt from Council Tax. There would also be an extra cost implication for the Revenues section in the administration and policing of the applications and maintenance of these properties in order to establish that the correct charge is being applied to each account. Also, this premium would increase the Revenue’s section overall debt and there would need to be great effort exerted to recover these increased debts.

4.10 Barriers in bringing empty properties back into use

- 4.11 There are many barriers to bringing empty properties back into use, the main one being the lack of engagement by owners as evidenced in Table 2.
- 4.12 Confirming ownership of the property is often an issue, especially when the previous owner has passed away and / or the property is not listed on the land registry.
- 4.13 There are also barriers with the empty properties grant and loan schemes resulting in a high number of applicants withdrawing as evidenced in Table 3. These barriers include:
- Mortgage lenders taking a long time to give consent to a second charge for a loan;
 - There not being enough equity in the property when they are in a particular poor condition and are therefore not financially viable to proceed;
 - The grant amount being too low;
 - A reluctance to rent the property to households who are registered on the Common Housing Register as per the grant conditions;

- A reluctance to rent the property at the rate of the Local Housing Allowance as per the grant conditions;
- Bills of Quantities, estimates, architect plans are often difficult for owners to obtain;
- Owners finding suitable contractors; and
- Lack of grant funding for certain grants.

4.14 Town centre properties can also have their own specific barriers including:

- Access to the sites during the day due to parking restrictions;
- Planning issues relating to ground floor accommodation;
- Noise assessments and acoustic requirements; and
- Increased costs due to the requirement for mechanical ventilation and non-opening windows.

4.15 One of the main barriers to using legal powers and enforcement is the availability of resources. Services tend to provide a reactive service following complaints received, serving notices where appropriate. To undertake more proactive enforcement would require additional resource for each service involved with empty properties as well as for both Legal and Property Services who support the services.

4.16 There is the risk that although time and resources is put into renovating an empty property, it may continue to remain empty or have no viable end use. For this reason, it is important to prioritise the properties that the Authority will focus its resources on.

4.17 Empty Property Working Group

4.18 An Empty Property Working Group has recently been formed with representatives from each service within the Authority involved with empty properties. The scope of the Working Group is to bring back into use empty private sector commercial and residential properties:

- That have been empty for 6 months or more;
- That are either commercial or private residential properties;
- That are churches and or owned by religious bodies;
- That will normally be brought back into use as residential accommodation
- That may have been un-banded by the Valuation Office Agency (VOA);
- Across the entire county borough.

4.19 The Working Group will focus on properties that have been empty for 2 years or longer as these are often the properties that are more problematic and less likely to be those properties waiting to be sold or rented. A desktop evaluation, using the information already held by services within the Authority, will be undertaken in order to determine the top 10 priority properties in the county borough. The Working Group will then determine the actions that can be taken to work towards bringing the top 10 priority properties back into use. The desktop evaluation will consider factors such as:

- The length of time empty;

- If the property is a nuisance;
- If complaints have been received;
- If the property is in an area of high housing need;
- If there is debt owed to the Authority;
- If the property is in disrepair;
- If the property is detrimental to the local community; and
- If the property is in the town centre or its periphery.

4.20 The Working Group is in its infancy and is currently at the desktop evaluation stage. Following this the Working Group will undertake a survey of empty property owners and use this and information about the top 10 priority properties to develop an Empty Homes Strategy.

4.21 In developing the Empty Homes Strategy the Working Group will consider the opportunities the Authority may be able to take advantage of to bring empty properties back into use including Compulsory Purchase Orders and Empty Dwelling Management Orders.

4.22 The Authority does not currently have an Empty Properties Officer in place that is solely responsible for bringing empty properties back into use. There is currently budget available to appoint an Empty Properties Officer and the Working Group will consider the benefits of creating this role and what remit the role will hold. However, whilst this appointment would resource the “front end” of the service, there would also be additional demands on other departments within the Authority to progress any works on empty properties, which may not be currently resourced.

5. Effect upon Policy Framework & Procedure Rules

5.1 There is no effect upon the Policy Framework and Procedure Rules.

6. Equality Impact Assessment

6.1 An Equalities Impact Assessment will be undertaken as part of the development of the Empty Homes Strategy.

7. Financial Implications

7.1 Services within the Authority utilise their existing budgets for any work undertaken on empty properties. Whilst there is currently budget available to appoint an Empty Properties Officer which would resource the “front end” of the service, there would also be additional demands on other departments within the Authority to progress any works on empty properties, which may not be currently resourced.

8. Recommendation

8.1 The Committee is recommended to note the contents of this report.

ANDREW JOLLEY

Corporate Director - Operational and Partnership Services

7th March 2018

Contact Officer: Martin Morgans (Head of Performance & Partnership Services)
Jonathan Flower (Senior Strategy Officer, Housing)
Sarah Frampton (Project Officer)

Telephone: (01656) 642154 / 643545 / 642152

E-mail: martin.morgans@bridgend.gov.uk
jonathan.flower@bridgend.gov.uk
sarah.frampton@bridgend.gov.uk

Postal Address Civic Offices
Angel Street
Bridgend
CF31 4WB

Background documents

Appendix A: Empty Homes Information Pack