

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO SUBJECT OVERVIEW AND SCRUTINY COMMITTEE 3

25TH FEBRUARY 2019

REPORT OF THE INTERIM CHIEF EXECUTIVE

EMPTY PROPERTIES

1. Purpose of report

- 1.1 The purpose of this report is to update Subject Overview and Scrutiny Committee 3 on the progress made following the report to the Committee in March 2018 in regards to empty properties and in particular, the recruitment of an Empty Properties Officer. The Empty Property Strategy is being presented to Members for their consideration as part of the public consultation process

2. Connection to corporate improvement objectives/other corporate priorities

- 2.1 This report assists in the achievement of the following corporate priority/priorities:

- Supporting a successful economy – taking steps to make the county a good place to do business, for people to live, work, study and visit, and to ensure that our schools are focused on raising the skills, qualifications and ambitions of all people in the county.

3. Background

- 3.1 On the 21st March 2018 a report was provided to Subject Overview and Scrutiny Committee 3 on how effective the Authority had 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.
- 3.2 The Committee made a number of recommendations and the responses to those recommendations are set out in Section 4 below

4. Current situation/proposal

- 4.1 The Committee made the following recommendations:

4.1.1 A more blended approach to targeting empty properties is taken to prevent properties falling into the longer term category of being empty for two years plus and a targeted approach is explored for empty properties in high density areas.

Response:

Properties will be scored on key criteria such as nuisance value, detriment, location and housing demand and not only a focus on how long a property has been empty. Once scored, the Empty Property Working Group, which consists of representatives from each service within the Authority that work with empty properties, will determine the most appropriate actions to attempt to bring the priority properties back into use.

4.1.2 Officers are more proactive in their approach and explore what tools and resources are readily available.

Response:

The Council and its partners seek to work cooperatively with owners of empty properties to bring their properties back into use. Therefore, regular and effective communication with the owner is paramount, to establish the most appropriate course of action to bring the empty property back into use. Enforcement action will be considered where appropriate..

4.1.3 Officers attempt to contact the owners of empty churches and chapels to establish what their long term plans for the properties are.

Response:

Owners of empty churches and chapels across the county borough will be contacted separately as part of this targeted approach. Where opportunities arise, partnership working with Registered Social Landlords and others will also be investigated. Commercial properties, churches or chapels that can be converted into residential accommodation will be considered on a case by case basis. The Empty Properties Strategy is focused on residential properties only. As commercial properties require a more specific approach to bring them back into use, they do not form part of this strategy.

4.2 The Committee also asked for further information on:

4.2.1 How successful other local authorities have been in bringing empty properties back into use where they have charged 100% or more council tax on properties empty for longer than 6 months.

4.2.2 What the average loss of council tax is for BCBC due to empty properties in the county borough and of the properties empty for six months or longer how successful BCBC are in collecting the council tax.

4.2.3 Of the 1,244 properties liable for 50% charge on Council tax for empty properties, how much of this are BCBC successful in receiving?

Response:

Currently 5% of the empty properties in Bridgend County Borough have received a summons this year in order to recover unpaid Council Tax. Some accounts are still being paid on instalments until March 2019. This means that although we may eventually receive the council tax payable it is more

costly as various avenues of recovery have to be pursued in order to receive this money and therefore takes up more staff time

Currently, after an initial 6 month exemption, an unoccupied and unfurnished property benefits from a 50% discount on the Council Tax. It is estimated the value of this discount is £933,000. This estimate is based on the fact that currently there are 1,244 empty properties benefiting from a 50% discount and an average Band D council tax charge of approximately £1,500. This estimate does not take into account any exemptions or single person discount.

A decision by Council to remove this 50% discount and charge 100% of the Council Tax has been deferred until 20th February 2019. The reason for this deferral was for further clarity to be provided for accounts where a deceased persons' property remains empty.

When a person passes away and probate is applied for, the Council Tax account remains exempt until the date probate is granted, and for a further 6 months from that date. Currently if the property continues to remain unoccupied and unfurnished a further 6 month exemption may be applied for, after which, currently, a 50% discount is awarded to the account which continues indefinitely. The report to Council is recommending that this 50% discount is removed.

Ceredigion Council saw an increase in the number of empty properties even though they introduced a council tax premium on long term empties. Wrexham and Flintshire Councils indicated they have seen a reduction in the number of empty properties after they introduced a Council Tax Premium on long term empty properties but cannot confirm if it is solely down to the implementation of this premium. This is a premium on top of the 100% charged after the initial 6 month exemption has expired. No evidence is known regarding bringing empty properties back into use solely due to the fact that the 50% discount has been removed after the 6 month exemption period has ended. If the deferred decision by Council is approved, whereby the 50% discount is removed, it will take a period of time to determine whether this has the desired effect on bringing more properties back into use

4.2.4 Empty properties that have been un-banded by the Valuation Office Agency and therefore unable to levy council tax on. These properties have been un-banded due to the condition and by their very nature are a blight within the community.

Response:

Unbanded properties have remained 'hidden' from previous empty properties lists and action will be undertaken to identify the number and location of empty properties that have been un-banded. However, the identification of unbanded properties is not straightforward, as current systems do not easily allow these properties to be identified. In addition, the Valuation Office also does not retain records over a year old. Efforts to secure a solution to this will continue and properties identified will be processed under the Empty

Properties Strategy which will allow assessment and scoring to take place to determine their priority for action.

Properties are not banded by the Valuation Office if they are not complete and fit for habitation. Properties are only removed from the Valuation List if they have been demolished or have had their roof/walls removed. If a property is under renovation the Valuation Office do not remove it from the List. As far as Council tax is concerned if a property undergoes renovation or has an extension built the banding will only change when the property is sold.

4.2.5 BCBC recruit their own dedicated Empty Properties Officer to address the issues of empty properties in the county borough and that this officer becomes coordinator of the Empty Properties Working Group.

Response:

A budget pressure was identified by Cabinet/CMB during budget discussions and it was agreed to include a recurrent budget of £37,000 per annum in the Medium Term Financial Strategy (MTFS) from 2018-19 onwards to fund the post and delivery of the Empty Properties Strategy.

An Empty Property Coordinator has been appointed and the post commenced on 1st October 2018. The Coordinator is a qualified Environmental Health Officer employed by the Shared Regulatory Service (SRS) and the full annual budget of £37,000 per annum is being used to fund the post for 3 days per week on a permanent basis. Officer assessment of the level of experience and knowledge required for this post determined that it would not be achievable for 5 days at the budget level that has been identified. A lower grade post for 5 days per week would not bring with it the relevant experience or abilities and would not necessarily be easy to recruit. The postholder will continue to be employed by SRS but will be dedicated to Bridgend for 3 days per week and will be embedded within BCBC's housing team. This post will coordinate the Empty Property Working Group as recommended by the Committee.

As a qualified Environmental Health Officer the post-holder may not only explore, but also be able to instigate, the potential use of enforcement action that is available to the Council. Whilst working side by side with Officers in the Housing team, the post will also be able to draw upon the considerable experience and local knowledge of the wider SRS team situated in Bridgend which can provide resilience and support in delivery of the service. In addition, the post-holder will be able to utilise the considerable knowledge and experience in relation to Empty Properties which exists in other teams within the SRS.

The knowledge of these processes has meant that the postholder has been able to take a number of immediate actions:

- Insitigate the processes identified in the draft Empty Properties Strategy. Initial letter inviting property owners to contact the council for

information on a variety of options have already been distributed to some properties on the scoring matrix

- Develop a process for activities to be recorded appropriately which allows for performance monitoring of the Empty Properties Strategy and the collection of the necessary evidence required should legal action need to be considered.
- Convened the Empty Properties Working Group and Terms of Reference for that Group will be developed
- Updated the Empty Homes Information Pack
- Gather detailed information on priority properties

Outputs from these actions will be recorded to evidence activity. This will include recording numbers of letters distributed, responses received, and enforcement action taken. A quarterly update on strategy activities will be reported to Cabinet/CMB. In addition, two Public Account Measures will be used to record performance, one, the number of empty properties brought back into use during the year through direct action taken by BCBC and two, any new units of accommodation created as a result of bringing empty properties back into use.

4.3 **Draft Empty Properties Strategy**

4.3.1 The Draft Empty Properties Strategy is attached at **Appendix 1** and as outlined in 4.1.1 above the focus for action is based on key facts and information and properties will be scored on set criteria. Once scored, the Empty Property Working Group, which consists of representatives from each service within the Authority that work with empty properties, will determine the most appropriate actions to take to attempt to bring the empty properties back into use. Membership of this group comprises –

- Head of Performance and Partnerships, Housing representatives
- Finance - Group Manager and Revenues Manager
- SRS
- Planning - Enforcement, Development and Building Control, Strategic Regeneration, Conservation and Design Team Leader
- Legal

4.3.2 The Empty Properties Strategy is currently in draft form. At the meeting of Cabinet on 22nd January 2019, Cabinet approved a formal public consultation on the Empty Properties Strategy. Consultation will take 12 weeks and will take place between the 1st February 2019 and 28th April 2019. It is possible that the strategy will require amendment to respond to comments received through this process. Scrutiny members views on the Empty Properties Strategy are sought. Once the consultation period has ended, Cabinet will receive a further report to consider formally adopting the Strategy. The Strategy will be supported by the Empty Property Working Group.

5. Effect upon policy framework and procedure rules

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

6. Equality Impact Assessment

6.1 An initial screening Equalities Impact Assessment (EIA) has been undertaken as part of the development of the Empty Homes Strategy. It identified that no further EIA is required at this time.

7. Well-being of Future Generations (Wales) Act 2015 implications

7.1 A full Well-being of Future Generations (Wales) Act 2015 Assessment will be undertaken once the consultation period has concluded and a further report is taken to Cabinet to consider formally adopting the Empty Properties Strategy.

8. Financial implications

8.1 Services within the Authority utilise their existing budgets for any work undertaken on empty properties. Whilst there is currently a revenue budget available for the Empty Property Coordinator which resources the “front end” of the service, there is also demand on other departments within the Authority to progress any works on empty properties, which may not be currently resourced.

8.2 The capital programme, approved as part of the Medium Term Financial Strategy for 2018-19 to 2021-22, agreed to widen the scope of funding previously used for the Caerau ward housing renewal area which finished at the end of 2016-17, to fund housing renewal/ deal with empty property issues across the County Borough.

9. Recommendation

9.1 The Committee is recommended to note the contents of this report and provide comments on the draft Empty Properties Strategy.

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Background documents:
None