

CYNGOR SIR POWYS COUNTY COUNCIL.

CABINET EXECUTIVE

8th February 2022

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REPORT TITLE: Adoption of the Powys Empty Property Enforcement
Action Plan

REPORT FOR: Decision

1. Purpose

- 1.1 This report recommends adoption by the Council of the Powys Empty Property Enforcement Action Plan (attached to this report as Appendix One).
- 1.2 The Empty Property Enforcement Action Plan has been developed in collaboration with Welsh Government, which has requested all local authorities in Wales to set out a clear plan of action to bring into productive use, long term empty properties in their area.

2. Background

- 2.1 Empty properties in town centres, villages and surrounding neighbourhoods represent an underused community asset and lost opportunities to accommodate housing or commercial solutions tailored to fit the needs and demands of the local area. In instances whereby the properties are in poor condition, they can blight a community, adversely affecting the quality of life of residents and acting as a drag on property values, becoming a constant source of concern for people and businesses. In extremis, empty properties contribute to the decline of a neighbourhood if left unaddressed.
- 2.2 The Well-being of Future Generations (Wales) Act 2015 places a duty on local authorities and the Welsh Government to deliver sustainable development contributing directly to several of its goals, which include delivering a Prosperous Wales, a Healthier Wales, a Wales of Cohesive Communities and a Resilient Wales. Bringing into productive use empty properties can make a substantial contribution towards meeting all of these goals.
- 2.3 The Welsh Government is now increasing its efforts to work with and support local authorities and other agencies to realise the potential of the empty buildings, particularly within town centres. Of particular

interest is realising the potential empty properties have for increasing the net supply of affordable, secure homes. There are an estimated 28,000 properties in Wales standing vacant, classed as 'empty homes'. In Powys, residential properties that have been empty in excess of six months (the parameter used for the national performance denominator for empty properties) total 1,616 of which 993 have been empty for longer than twelve months.

- 2.4 The Welsh Government is developing with all twenty-two local authorities across Wales, a National Action Plan for tackling empty dwellings, setting priorities and targets, informed by the thirteen recommendations of the Empty Properties¹ report published in 2019. The National Action Plan will be created by drawing upon the twenty-two local plans, representing a grass-roots approach to tackling empty properties.
- 2.5 Bringing empty properties back into use can be time consuming and expensive. The reasons for this include:
- Clarifying ownership of properties
 - Market research to provide a robust evidence base to inform investment for a sustainable future use
 - Assessing the condition of properties to identify the extent of works needed to bring them into use
 - Negotiations with property owners, who may have challenges or objections in bringing the properties into use
 - Identifying and where necessary bringing together investors with property owners
 - Enforcement action where negotiation is unsuccessful
 - The cost of works to properties
 - Managing works in default, compulsory purchase orders (CPO) or empty dwelling management orders (EDMO) where other options have failed to bring about a positive solution.
- 2.6 The Welsh Government's initiative is designed to raise the profile of the importance and benefits of bringing back into productive use empty properties. Expert advice and financial assistance will be offered to local authorities to make sure that they can start accruing the resources and knowledge needed to reduce now, and in the future, the number of empty properties in their areas.
- 2.7 Local authorities are expected to support the initiative by taking a proactive approach to empty properties. Examples of successful activity include:
- Deployment of dedicated, appropriately qualified or experienced Empty Property Officers, tasked with identifying empty properties, negotiating with owners and initiating investment, partnerships or enforcement action where appropriate.

¹ 'Empty Properties' – Equality, Local Government and Communities Committee Report (National Assembly for Wales; October 2019).

- Offering a range of financial inducements, such as grants or loans, to encourage investment by property owners in their assets. Housing Services and Economic Regeneration both offer financial products to property owners to bring empty properties into use.
- Developing partnerships with investors, such as housing associations, to bring properties into use. Housing Services is working closely with local associations to expand this work to not only address the blight caused by empty properties but to increase the net availability of secure, affordable homes in the county to address burgeoning demand for social housing.
- Homesteading schemes to help homebuyers take on empty properties to refurbish them for use as homes.

2.8 The benefits of bringing into use empty properties extends beyond providing more homes and, where appropriate, high quality business premises. These include:

- Increased revenue to the Council from Council Tax payments as properties move into occupancy.
- Enhanced streetscapes that encourage investment by other property owners.
- Safer environments for communities by reducing potentially dangerous structures in places where people live and work.
- Opportunities for local businesses to engage in refurbishment and construction work.
- Opportunities to support energy efficiency programmes.
- Opportunities to support first time buyers.

3. Advice

- 3.1 Each local authority is expected by the Welsh Government to have its own local Property Enforcement Action Plan, the Powys iteration of which is attached to this report in Appendix One. The plan sets out how the Council can both improve and develop its approach to bringing into use empty properties. It also highlights a number of challenging properties that need urgent attention, but which are also an opportunity to develop in 'real-time' the techniques, resources and capacity needed to enhance the Council's future ability to bring more empty properties into productive use.
- 3.2 The Empty Property Enforcement Action Plan is a living document, and will be regularly updated to capture expertise gained, recommend future actions and resource deployment and feed productively into the Welsh Government's National Action Plan.
- 3.3 To support local authorities in developing their capacity and capability to deal effectively with long-term empty properties, the Welsh Government has developed an Empty Property Enforcement Programme. In line with the Welsh Government's Transforming Towns agenda, this programme enables a focus on town centres through an

Empty Property Management Fund (EPMF). The total amount available across Wales is £15.2 million. Local authorities will be able to apply for funding for individual projects and properties identified in their local plan Empty Properties Enforcement Action Plan.

3.4 A Confidential Index provides details of specific properties to be the initial focus of the Empty Property Enforcement Action Plan. This document is restricted to members of the Cabinet to consider, as it contains information concerning details of potential commercial negotiations and information that, if disclosed, may have a detrimental effect on the interests of the Council or third parties involved.

3.5 Option Appraisal

3.5.1 Option One: Adopt the attached Powys Empty Property Enforcement Action Plan.

Advantages

- ✓ Allows the Council to access the EPMF.
- ✓ Demonstrates robust support for the National Empty Properties Action Plan.
- ✓ Raises the profile of empty property work and facilitates identification of empty residential and commercial units to inform quick and effective action to bring them into use.
- ✓ Facilitates engagement with owners of empty units to encourage them back into use.
- ✓ Supports the deployment of financial incentives for redevelopment and occupation including, for example, sustainable revolving loans
- ✓ Encourages use across the Council of the full range of regulatory powers and where necessary, enforcement to address problem empty units.

Disadvantages

- ✗ The ability of the Council to deliver effectively on its ambitious approach to bringing into productive use empty properties may require a commitment of additional resources (for example employing appropriately qualified Empty Property Officers) although any such costs may be offset by additional income generated from enhanced Council Tax revenue if it is possible to bring into use as residential homes, commercial properties currently not in use.

3.5.2 Option Two - Do not adopt the Powys Empty Property Action Plan, potentially missing an opportunity to address issues associated with empty residential/commercial units, together with associated funding/support from the Welsh Assembly Government.

Advantages

- None.

Disadvantages

- ✗ The Council will not be able to access the EPMF.

- ✘ The profile of empty property work will not be raised locally and the Council will miss out on opportunities to facilitate identification of empty residential and commercial units, thereby hampering effective action to take opportunities to bring empty commercial units into use as homes and so increase Council Tax revenues.
- ✘ Opportunities to facilitate engagement with owners of, and investors in, empty units to encourage them back into use, may be reduced.
- ✘ Opportunities to offer financial incentives for redevelopment and occupation via use of sustainable revolving loans may be reduced.
- ✘ The use and range of regulatory powers and enforcement activity to address problem empty units may be limited.
- ✘ Powys County Council will not be contributing towards the consistency of empty property enforcement across Wales and the National Empty Property Action Plan.

3.6 Option One is the recommended option. Powys County Council will be able to play an active role in the Welsh Government's National Empty Property Action Plan, develop a greater specialist knowledge to tackle empty dwellings and reduce the number of empty properties in the county.

3.7 Adoption of the Powys Empty Property Action Plan will demonstrate to the Welsh Government the Council's commitment to holistically addressing housing market failures and increasing the net supply of homes for the people of Powys.

4. Resource Implications

4.1 To make a success of the Powys Empty Property Enforcement Action Plan, there will need to be effective and efficient deployment of resources by the Council. These include investigative and field work by the Housing Services, Economic Regeneration, Building Control and Planning Services teams working with communities, investors, housing associations and owners of empty properties to bring such buildings into use.

4.2 The potential enhancement to driving forward the Powys Empty Properties Enforcement Action Plan by the Council employing dedicated Empty Property Officers is currently being assessed by Housing Services. A further report will be presented to Cabinet, setting out the conclusions of the assessment.

4.3 The Council already has in place a range of financial support packages to help bring empty homes into use – including for example Landlord Loans and Houses into Homes for empty residential property and Welsh Government Town Centre Loans for redundant domestic and commercial property. These funds, which use both Council and Welsh

Government resources, are made up of repayable loans, which means that as the loans are repaid further property owners can benefit. Housing Services receives in the region of £250,000 per annum in the form of fees to cover the cost of managing and administering interest free revolving loans.

- 4.4 Further schemes being considered include a homesteading scheme for home buyers to take on empty properties to improve and refurbish as homes. A further report will be presented to Cabinet, setting out the conclusions of the options for additional schemes to both bring empty homes into use and increase the range of options for people in Powys to find a place in which to live.
- 4.5 Additional financial implications may arise from an increase in enforcement activity in support of the Powys Empty Properties Enforcement Action Plan if it is not possible to secure negotiated and mutually beneficial outcomes that create new uses for empty properties. Examples include undertaking works in default, enforced sales and the exercise of CPO and EDMO powers to tackle empty and redundant dwellings. It is possible to reclaim such costs from the owners of the properties. However, in some extreme examples the assets of the owners can be less than the costs of the activity necessary to resolve the adverse impacts the properties are having on the wider community. In such cases, a Cost Benefit Analysis (CBA) approach is used to inform the way forward, taking into account financial, social, economic and environmental costs and benefits.
- 4.6 In 2016, the Council introduced a Council Tax premium of 50% for residential properties that are periodically occupied and properties that were long term empty². This generates additional income for the Council and acts as a disincentive to property owners to keep properties empty for long periods of time. Any such properties brought into use may result in the Council receiving a lower Council Tax. However, against this needs to be offset the wider socio-economic benefits of there being more homes available for people in Powys, which may contribute to a reduction in homelessness and associated costs, and a reduced risk of blight caused by empty properties adversely affected property values.
- 4.7 In support of the National Action Plan to reduce the number of empty properties, the Welsh Government is making available the £15.2 million EPMF.
- 4.8 The EPMF is a fifteen-year loan programme from Welsh Government, repayable in full at the end of the term. The fund provides support to the Council to undertake enforcement action on prominent town centre empty properties, including where appropriate those detailed in the Powys Empty Property Enforcement Action Plan. A funding offer has

² A long-term empty property is one that is unfurnished and unoccupied for a period exceeding one year.

been put made to the Council via an award letter, setting out terms and conditions under which the loan is provided, which are that applications in respect of specific properties must be preceded by the Council formally adopting the Empty Property Enforcement Action Plan. It should be noted that while the action plan can deal with commercial and residential properties EPMF is only available for empty town centre units.

- 4.9 Loans made under the aegis of the EPMF are expected to be repaid following successful intervention, including for example enforced sale or CPO where costs are recovered.
- 4.10 To access the offer of EPMF, it is a requirement that Powys representatives, both officers and members of the Cabinet, have attended an Empty Property Enforcement course which took place in Powys in November 2020, and that the Council has adopted an Empty Property Enforcement Action Plan as recommended in this report. Additional training is available from the Welsh Government, as required by the Council, for new members and officers who were unable to attend the original training event.
- 4.11 If additional resources are needed, arising from an increased pace and scale of activity, to meet the aspirations of tackling an increased range of empty properties, appropriate reports will be presented to Cabinet.
- 4.12 **The Head of Finance (Section 151 Officer) notes the content of the report and....**

5. Legal implications

- 5.1 To drive forward the Powys Empty Property Enforcement Action Plan will encourage an even closer working relationship between officers in the Housing, Regeneration, Building Control, Planning Services and the Council's legal team.
- 5.2 Appropriate enforcement action is likely to be necessary to address persistent empty properties, with success depending on the Council being able to make full use of legal powers to not only bring properties into productive use but also to recover costs associated with enforcement action.
- 5.3 The 'Principal Solicitor – Housing' has advised that the scheme is to be encouraged to bring properties back into use and to assist in providing additional housing within Powys. A further bonus of the scheme is that it will be possible to revitalise town centres by bringing commercial properties back into use.
- 5.4 The Head of Legal and Democratic Services (Monitoring Officer) has commented as follows: "I note the legal comment and have nothing to add to the report".

6. Data Protection

- 6.1 The proposal will involve interaction with empty property owners and processing of personal data.
- 6.2 The Data Protection Officer has commented as follows: “The resultant processing of personal data will need to be supported through the development of appropriate documentations and processes to ensure compliance with data protection legislation, such as the identification of the lawful basis to support processing and the publishing of privacy notices”.

7. Comment from local member(s)

- 7.1 The Empty Property Enforcement Action Plan will apply county wide and could therefore affect all members.

8. Impact Assessment

- 8.1 The Impact assessment associated with adoption of the Powys Empty Property Enforcement Action Plan has highlighted financial implications associated with empty property enforcement. In mitigation, Welsh Government is making available £15.2 million (throughout Wales in the form of an interest free loan) for such interventions.

9. Recommendation

- 9.1 It is recommended that:
 - 9.1.1 The Powys Empty Property Enforcement Action Plan is adopted by the Council.

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Appendix One: Powys Empty Property Enforcement Action Plan

Powys Empty Buildings - ACTION PLAN



1. Overall Aim of Plan

To help bring empty properties back into use and improve the physical condition of the existing built environment by targeting those properties that are having a detrimental effect on the area or local community.

2. Objectives of Plan and Associated Actions

Objective 1: Better working or strengthening of existing practices and adoption of a corporate approach and development of new partnerships (Integration and Collaboration)

	ACTION What are we going to do?	WHAT WE WILL DO How are we going to do it?	BY WHOM?	BY WHEN?	MONITORING / MEASURE / TARGET
1.	Make empty properties a strategic priority and provide a dedicated resource to deal with empty commercial and residential properties.	Consideration to ring-fencing funding from application of the Empty Homes premium, to support this area of work. Review and extend delegation of relevant legislation to appropriately qualified officers across the Local Authority to provide greater flexibility and resources to deal with the issue.	D. Morris (CT) A. Thompson (H) & Cabinet	April 2022	Review annually
2.	Corporate approach - co-ordinate activity of the Local Authority across all departments ensuring a unified and effective approach to deal with empty properties.	Formalise current joint working arrangements with Planning, Highways, Building Control, Public Health / Environmental Health, Street Scene, Legal Services, Revenue and Benefits. Re-establish our Problem Empty Property Group to make strategic decisions regarding empty properties.	G. Jones (R) & I. Maddox (BR)	April 2022	Review annually

3.	Prioritise effective debt recovery (Council Tax, business rates or statutory debt), where debt relates to empty properties.	Consideration to pursuing enforced sale in appropriate cases.	D. Morris (CT) & Legal	April 2022	Review annually
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Objective 2: Improve Intelligence - identify extent and location of long-term empty properties and/or properties having a negative or detrimental impact on the area or local community (commercial and residential).

	ACTION What are we going to do?	WHAT WE WILL DO How are we going to do it?	BY WHOM?	BY WHEN?	MONITORING / MEASURE / TARGET
1.	Review Council Tax 'exemptions' available to long-term empty properties and the application and level of the Empty Homes and Second Home Premium.	Ensure early notification of the application of the Empty Homes Premium to encourage engagement by the owner. Consider utilising Empty Homes Premium for creation of dedicated 'Empty Property Officers'	D. Morris (CT) A. Thompson (H) & Cabinet	April 2022	Review annually
2.	Review current information available from Council Tax, Business Rates and any other internal or external sources of information available to the Local Authority.	Undertake a visual street survey of key town centres areas, identifying properties that are having a negative impact on the street scene or where there may be an opportunity for regeneration or development, such as Living over the Shops (LOTS) or Homes above Retail Premises (HARP) Schemes.	New 'Empty Property Officers'	April 2022	Complete & review annually
3.	Take early action or	Provide a greater level of information /	New 'Empty Property	April 2022	Review annually

	intervention to prevent from becoming empty or having a negative impact on the area or local community (Prevention)	support for empty property owners to highlight issues and options available to return them to use or to improve them.	Officers'		
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Objective 3: Identify and implement effective intervention 'Toolkit' in dealing with empty properties from advice and guidance through to appropriate enforcement action (Solution Based Responses - Involvement / Long-Term / Collaboration).

	ACTION What are we going to do?	WHAT WE WILL DO How are we going to do it?	BY WHOM?	BY WHEN?	MONITORING / MEASURE / TARGET
1.	Website development, production of up-to-date Information for empty property owners	Develop web page dedicated to the issue of empty homes.	J Preece (H) & Web Team	April 2022	Review annually & ensure detail current & up to date.
2.	Financial advice for redevelopment of empty homes - Transforming Towns, Houses into Homes, Landlord Loans & Home Improvement Loans.	Develop up-to-date fact sheet detailing all financial products available.	J Preece (H)	April 2022	Review detail quarterly to ensure information remains current.
3.	Review Powys Empty Homes Strategy	Ensure strategy aligns with new Housing Service redesign	J Preece (H)	April 2022	Periodically review policy.

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