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## Briefing Report for Scrutiny

### CARDIFF COUNCIL CYNGOR CAERDYDD

**Director name**            Neil Hanratty  
**Director title**            Director of Economic Development

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### PRIVATE SECTOR EMPTY HOMES POLICY 2021-2024

#### AGENDA ITEM:

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#### Reason for this Report

1. To seek adoption of an Empty Homes Policy for properties within the Private Rented Sector.

#### Background

2. It is commonly accepted that long term empty homes are a wasted resource. This is a matter which has been thrown into sharper focus by the Coronavirus pandemic and the resulting housing crisis. If properties remain empty, the inevitable deterioration has an impact on neighbours and blights communities.
3. This year there are 1,355 long term empty private sector dwellings in Cardiff which shows a decrease from 1,568 during 2018/19.
4. This area of work remains a priority for Welsh Government with Public Accountability Measures in place to measure the performance of all Councils in Wales. Welsh Government has recently contacted Councils requesting that they submit empty property enforcement action plans and is making available town centre regeneration funding to indemnify Councils against losses reasonably incurred in doing so. Cardiff Council has submitted an action plan and will bid for funding on a case-by-case basis.
5. This Empty Homes Policy outlines the assistance that can be offered to owners to encourage them to bring properties back into use as well as the enforcement tools that are available where advice and assistance fails. If the Policy is to be truly effective, it will require effective corporate working across several service areas and the prioritisation of resources towards this area of work.

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## Issues

6. Public Accountability Measures PAM013 and PAM45 look at the number of private sector houses returned to use, and the number of new housing units created respectively. The Council reports performance annually against the total number of long-term empty homes, with the total number of empties being derived from Council Tax records. The total number of empty homes varies from year to year but is usually in the range 1300 to 1400 properties which have been empty for more than 6 months.
7. The work sits with the Housing Enforcement Team within the Shared Regulatory Service. Base funding provides for one Neighbourhood Services Technical Officer to lead exclusively on this work.
8. In Cardiff, owners of unfurnished properties which have been empty for more than 12 months are charged a premium rate of Council Tax at 150% of the assessed rate. The money generated is ring fenced to Housing and bringing empty properties back into beneficial use. That money is currently being used to fund two additional officers, one of which will focus on routine advice, assistance and enforcement while the other will drive forward the more challenging enforcement cases on the worst properties, possibly through compulsory purchase or enforced sale. Those officers have been employed on 1-year temporary contracts while it is assessed whether the Council Tax premium funding is sustainable, but the complex enforcement cases being identified will require a longer-term revenue commitment. Dealing with the most complex cases can be time consuming. For example, it may take 2 to 3 years to progress a Compulsory Purchase Order from initial inspection to conclusion. It would be important to ensure that any officer resource employed to drive forward these long and complex cases is not lost during the course of that project.
9. A commitment has therefore been made by Cardiff Council to continue to fund the additional SRS Officer resource into 2024 to ensure that the key objectives of the Empty Homes Policy can be delivered. The current projections for income from the Council tax premium are such that the funding is seen as sustainable and will sit as an authority specific resource for the SRS. The Officers employed will only be utilised by the SRS for empty homes work in Cardiff and the funding stream sits outside the core funding regime agreed as part of the Joint Agreement between Bridgend, Cardiff and the Vale of Glamorgan.
10. The Council has established an Empty Homes Working Group chaired by Assistant Cabinet Member Cllr Peter Wong. The Working Group will ensure effective inter-departmental working and the development of best practice.

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11. The policy examines the scale of the problem, the reasons why properties lie empty and the impacts that they have on neighbours and communities.
12. The routine empty homes work, described in the policy, includes:
  - a. An annual mailshot to all owners providing advice and opening a positive dialogue with tailored advice
  - b. Directing owners to developers, housing associations or the Council's own leasing scheme
  - c. Promoting the Council's own Houses into Homes Loans Scheme
  - d. Dealing with complaints about the condition of the property from neighbours, Councillors and Senedd Members
  - e. Carrying out enforcement action to deal with insecure properties or issues of dilapidation which are causing nuisances to neighbouring properties
13. In some extremely complex cases, properties may lie empty for decades without resolution. In these cases, the solutions may be more time consuming and resource intensive, requiring the input of several officers from various relevant disciplines
  - a. The Council may use powers of Compulsory Purchase in order to bring the property into the Council's own portfolio or for sale to a developer. It is important to note that dispossessed owners are entitled to compensation from the Council in the form of market value, home loss, disturbance and legal costs. Progressing this work may mean that the Council incurs a financial loss. The Town Centre empty homes fund aims to ensure that the Council can progress these cases on a cost neutral basis on certain qualifying properties.
  - b. The Council may serve notice on the owner, under a variety of pieces of legislation, requiring the carrying out of improvement works and where the owner does not comply, the Council may complete the works in the owner's default. The resulting financial charge may be used to enforce the sale of the property in order to recover the debt, but the process has the additional benefit that the property is sold to a person willing and able to renovate and ensure its reoccupation.
14. The policy itself does not create any new obligations or any additional resourcing demands, and the policy allows flexibility to operate within the resources available. However, if the Council wishes to operate an effective policy and to compare favourably with other Councils in Wales there will need to be a commitment across the Council to dedicate existing resources to this area of work and to secure the longer-term employment of temporary staff currently funded through Council Tax premium funding.

### **Local Member consultation (where appropriate)**

15. The adoption of the Empty Homes Policy does not involve a local issue. No local Member consultation has been undertaken.

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## Reason for Recommendations

16. Empty Homes work is important, complex and of value to neighbourhoods and local Members. The adoption of an Empty Homes Policy commits the Council to effective, joined up corporate working and will ensure good performance against Public Accountability Measures moving forward.

## Financial Implications

17. Implementation and development of the policy for Cardiff Council will be undertaken by dedicated officers within the Shared Regulatory Service. The costs of these will be funded from Council Tax premium income receivable, which is deemed sustainable based on current projections. The level of income receivable should be monitored closely to ensure these costs can continue to be met and where this is not the case, this will need to be met from within directorate revenue budgets. Where income in a year is in excess of expenditure, opportunities should be considered to create mitigating solutions, via an Earmarked Reserve where approved to do so and no other commitments exist for such income.
18. The policy sets out a number of interventions for addressing empty homes. The report highlights the compensation costs payable under CPO type arrangements, which may not be recoverable and for which no specific budgets currently exist within the Council. Any proposals brought for consideration in terms of addressing empty homes will need to consider the likely costs and to determine the approach to paying for such costs including the Council Tax premium. Where enforcement or other action is taken within Cardiff, with the intention that such costs will be recoverable from any owner, processes should be set in place to ensure regular monitoring of such sums due to ensure all such sums remain recoverable.

## Legal Implications (including Equality Impact Assessment where appropriate)

19. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council eg. standing orders and financial regulations; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.
20. The Well-Being of Future Generations (Wales) Act 2015 ('the Act') is about improving the social, economic, environmental and cultural well-

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being of Wales. The Act places a ‘well-being duty’ on public bodies aimed at achieving 7 national well-being goals for Wales - a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language and is globally responsible. This means that Cabinet must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, Cabinet must:

- look to the long term;
- focus on prevention by understanding the root causes of problems;
- deliver an integrated approach to achieving the 7 national well-being goals;
- work in collaboration with others to find shared sustainable solutions;
- involve people from all sections of the community in the decisions which affect them.

21. The Council has to satisfy its public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties Councils must in making decisions have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. As such a decision to implement the proposal has to be made in the context of the Council’s equality act public sector duties.’

### HR Implications

22. The report has no Human Resources implications.

### Property Implications

23. The report has no Property implications.

Report to Cabinet

A report will be taken to Cabinet seeking that Cabinet adopt the Private Sector Empty Homes Policy 2021-2024.

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*The following appendices are attached: **Private Sector Empty Homes Policy 2021-2024***

*The following background papers have been taken into account - **None***

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