

Empty Homes Strategy 2019

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 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

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

- 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 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 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
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