

## **Written Response by the Welsh Government to the Report into Empty Properties by the Equalities, Local Government, and Communities Committee.**

Empty properties are a significant concern for Welsh Government and I welcome the outcome of this inquiry and recognise the hard work by the Committee in collating all of this evidence.

This report gives us a real insight into the landscape of Empty Properties. It will allow Welsh Government to tap into the expertise in the market place, to build on our past successes, and also to bring together an even stronger collaborative work ethic to tackle this important issue. This will include working together and making best use of every opportunity presented to us, for example, working with the Valleys Task Force to support the delivery of the Empty Homes grant.

I would like to thank the members of the Equalities, Local Government, and Communities Committee for their report. I am particularly pleased to see the Committee's recommendations are in line with our future plans.

### **Detailed Responses to the report's recommendations are set out below:**

#### **Recommendation 1**

We recommend that the Welsh Government work with local authorities to develop a national action plan for tackling empty properties that sets priorities and targets to be taken forward, taking account of recommendations in this report. This should include specific objectives and targets for implementation. The action plan should be published by October 2020.

Response: **Agree**

I recognise the importance of having an action plan in place. I would suggest that we continue to provide individual action plans for each local authority and Welsh Government will collate this information into a National Action Plan. I would suggest that we include the overall Welsh Government objectives and indicators and include the local objectives and the resulting actions in each area. This will ensure that we are adaptive to the very different circumstances that each Council faces. Given the amount of work needed to create these actions I would suggest a first draft is produced by October 2020 with the finalised National Action Plan produced by the end of December 2020.

Financial Implications: Unknown (subject to further evidence gathering)

#### **Recommendation 2**

We recommend that the Welsh Government, in its work with local authorities and other partners, should emphasise the importance of community based approaches to ensure this aspect is prioritised and plans for dealing with empty properties properly reflect the views of communities.

Response: **Agree**

We will take this approach to dealing with empty properties. My officials in the Enforcement Team will be insistent on open work practices which incorporates the whole community to assist in tackling this issue. We have started this process by ensuring representatives from across the authority are invited to the training event to start these collaborative dialogs.

My team has also started discussions with social landlords and cooperative housing colleagues and will be encouraging them to come to Welsh Government with their solutions to tackling empty properties. This information will form part of our Empty Property Toolkit which will be available by January 2021.

Financial Implications: Unknown (subject to further evidence gathering)

### **Recommendation 3**

We recommend that the Welsh Government works with local authorities to understand the impact that having a specific officer with responsibility for empty properties can make. It should work with them to enable this specific role or function to be available to each authority across Wales. The Welsh Government should consider providing resources to support its implementation if necessary. Consideration should be given to whether a dedicated officer could be shared by more than one authority, if appropriate to the scale of the issue locally.

Response: **Agree**

We are committed to ensuring the local authorities have the support package that is necessary for their needs. We will be producing an action plan with each local authority, and not only will this feed into the National Plan, but it will also provide us with the evidence base for the tools needed to deliver the plan. Not all authorities will need the same level of support. We will provide an update on the resources needed by each local authority by September 2020.

Financial Implications: Unknown (subject to further evidence gathering)

### **Recommendation 4**

We recommend that the Welsh Government works with the WLGA to update Public Accountability Measure/013 to measure the success of bringing back into use properties that have been empty for 12 months rather than the current 6 months.

Response: **Agree**

We are content to take this forward and are also working with Powys County Council to provide a set of baseline indicators that we will be promoting to the WLGA for use in future reporting. We will have access to this information by January 2020 but will start discussions with the WLGA immediately.

Financial Implications:

Potential outlay of £50-60k for baselining data.

## **Recommendation 5**

We recommend that the Welsh Government works with the WLGA and the Valuation Office Agency to develop a method of gathering data on empty properties which is not solely reliant on the council tax valuation list in order to include derelict and non-residential properties in PAM/013.

Response: **Agree**

As above, we are planning to provide this baseline data which will include the empty properties not gathered in council tax data collection.

Financial Implications:

Potential outlay of £50-60k for baselining data.

## **Recommendation 6**

We recommend that the Welsh Government, Welsh Local Government Association and local authorities explore and identify the most effective way of establishing a regional or national source of legal expertise for empty property teams to access, and include a date for the implementation of this in the action plan on empty properties we have recommended

Response: **Agree**

We are content to start this process and will look for the solutions within our current Regeneration Regional Partnerships. We are happy to include this information in the action plan. We will also be researching the possibility of a procurement framework to allow for quicker and easier procurement in all aspects of empty property management, and will include legal expertise. It is anticipated this information will be included in the Empty Property Toolkit.

Financial Implications: Unknown (subject to further evidence gathering)

## **Recommendation 7**

We recommend that the Welsh Government works with the WLGA to undertake a review of the current statutory enforcement powers available to local authorities to tackle empty properties and assess how these could be used more effectively, consolidated, simplified or extended. The review should include an assessment of the proposal to introduce a Compulsory Sales Order process in Scotland, and whether such an approach would be suitable in Wales. The scope of the review should also include how the Welsh Government can indemnify the costs of enforcement action taken by local authorities.

Response: **Agree in Principle (subject to budget calculations as part of this review)**

We are committed to reviewing the legislative processes we are currently operating and streamlining them for better success. We are content to review the Compulsory Sales Order in consultation with our planning colleagues and ascertain if the implementation in Wales is feasible.

We will explore whether and, if so, how we can indemnify the costs.

Financial Implications: Unknown (subject to further evidence gathering)

### **Recommendation 8**

We recommend that the Welsh Government presses ahead with its proposed training for local authority officers and members on the enforcement options available to assist them in tackling empty properties, and updates the Assembly on progress in delivering the sessions by Easter 2020.

Response: **Agree**

We are in the process of procuring the expertise needed to deliver this training opportunity and plan to start roll out of the training in January 2020. The contract has stated that all training events, and resulting action planning events must be completed by the end of September 2020, however we are content to give you a progress report by Easter 2020.

Financial Implications: Unknown (subject to further evidence gathering)

### **Recommendation 9**

We recommend that the Welsh Government and WLGA regularly reviews the support it provides for schemes that offer financial assistance to owners of empty properties. This should assess the effectiveness of existing schemes, with a view to developing flexible funding solutions that are sensitive to local needs in the future.

Response: **Agree**

We recognise that we may have over simplified the financial requirements around empty properties, and know that we need to provide funding packages that are more adaptable and creative to address the issues in communities. We acknowledge this and will put a review structure in place with adequate opportunity for input from the WLGA before June 2020.

Financial Implications: None

### **Recommendation 10**

We recommend that the Welsh Government works with the housing association sector to better understand the projects it has in place to return empty properties to use as affordable housing. The findings should be shared as examples of good

practice with other social landlords. The Welsh Government should also consider the potential for similar schemes to be rolled out across Wales and, where necessary, allocate resources to enable this to happen.

Response: **Agree**

We are happy to collaborate with housing associations and this must also include the local authorities. We are always interested in best practice and innovative solutions for the renovation of empty properties. We recognise housing associations are a key part of this. We will work with them to understand what resources are needed. We are also keen to ensure the involvement of representatives from housing associations in the creation of the Toolkit and their input will be invaluable.

Financial Implications: Unknown (subject to further evidence gathering)

### **Recommendation 11**

We recommend that the Welsh Government clarifies the legal position around local authorities sharing information relating to empty properties and provide guidance. This should include viable alternatives if local authorities are restricted in what they can share due to the General Data Protection Regulations.

Response: **Agree**

We recognise that protecting people's personal data is very important and we are certain there is a way to share information and not compromise their privacy. We are very keen to work with legal and data protection colleagues to come up with a suitable solution and will provide an update as soon as it is available.

Financial Implications: Unknown (subject to further evidence gathering)

### **Recommendation 12**

We recommend that the Welsh Government explores the possibility of ring-fencing revenue collected by local authorities through the council tax premium on empty homes, to be used specifically for housing purposes. The Welsh Government should report back to the Assembly on its findings.

Response: **Reject**

I share responsibility for this recommendation with the Minister for Finance and Trefnydd. This question was explored in full before the powers to introduce premiums were introduced. It is a key feature of the legislative framework for local government finance that all council tax income, together with the funding provided through the annual local government settlement, forms part of the unhypothecated resources available to authorities. Local authorities are responsible for setting their own revenue budgets, and in turn council tax levels, and for deciding how these resources are used to meet local needs and priorities. They have consistently reinforced their wish to have the maximum flexibility in the use of these resources.

However, authorities have been encouraged to use the additional income they receive from council tax premiums to address local housing supply issues.

Financial Implications: None

### **Recommendation 13**

We recommend that the Welsh Government and WLGA undertake an exercise to assess whether people are taking action to avoid paying the council tax premium, including by changing a property to self-catering accommodation or by claiming that a family member has moved in to an empty property to receive a single person discount. Should the exercise demonstrate a significant increase in such practices, further steps should be taken to prevent the avoidance of council tax premiums.

Response: **Agree in Principle (subject to further evidence gathering)**

Council tax policy falls within the portfolio of the Minister for Finance and Trefnydd. The discretionary powers for local authorities to introduce council tax premiums on long-term empty and/or second homes have been in operation since 1 April 2017. The Welsh Government has been monitoring the implementation of these new powers as set out in our Tax Policy Work Plan. We have been working with the WLGA, local authorities and the Valuation Office Agency to assess the use of the powers, identify any patterns and ensure that good practice is shared between authorities. Given the relatively recent introduction of the powers and the small number of authorities which have introduced a premium, limited information is available as yet. Local authorities have been invited to bring forward any examples or evidence of suspected instances of avoidance for detailed review by the VOA as part of this ongoing work.

Financial Implications: None

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