

Julie James AS/MS

Y Gweinidog Newid Hinsawdd
Minister for Climate Change



Llywodraeth Cymru
Welsh Government

John Griffiths, MS
Committee Chair
Local Government and Housing Committee

13 December 2022

Dear John

I am writing to provide you and the members of the Local Government and Housing Committee with an update on actions being taken forward by Welsh Government, following publication of the Equality, Local Government and Communities Committee's inquiry report on Empty Properties in October 2019.

The Covid-19 pandemic had an inevitable impact on our plans and those of others in this and other areas of work. As a result of restrictions and the redeployment of staff it necessitated us adapting and refocusing our programme and priorities.

I am pleased to say that we were able to adapt in order to maintain focus and deliver key initiatives to support our empty homes/properties agenda. The summary below and the attached annexe with a more detailed breakdown against each recommendation demonstrates that we have made good progress on a number of fronts.

I'm particularly pleased that the support – financial and practical – we are providing to bring empty properties back into use has been continued and developed in line with the Committee's recommendations. Similarly, I would highlight the work we have been doing around the empty property enforcement agenda.

Financial support to bring empty properties into use

Our existing schemes such as Houses into Homes Loans and Transforming Towns Loans continue to deliver. Between them, they have brought around 2,000 residential units into use from empty or derelict properties and sites. At least 330 of these are in town centres.

In order to further build momentum and building on the excellent work of the Valleys Task Force on empty properties, I have committed a budget of £50m over two years to bring up to 2,000 empty homes back into use in the market housing sector. I will have more to say on this exciting development in the new year.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

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We continue to support the development of empty properties to provide housing in the social and affordable housing sector.

Local Authorities can use up to 20% of their Social Housing Grant allocation to fund the purchase of existing dwellings by their delivery partners, including empty properties. We have allocated £955m to the Social Housing Grant over three years.

We provided additional bespoke support, worth £11m in 2021-22, to local authorities whose communities are impacted by second home ownership and holiday lets to buy and renovate empty homes for social housing. Further funding of £13.5m was allocated to assist Carmarthenshire and Pembrokeshire local authorities with empty homes purchases and renovations.

We have also introduced the Transitional Accommodation Capital Programme and allocated £65m to social landlords. This includes £12.5m specifically to bring back 420 void properties into use by the end of this financial year (2022-23).

In January 2022, I launched Leasing Scheme Wales. Worth £30million over five years, the scheme will improve access to longer term affordable housing in the private rental sector. Currently empty properties account for over 60% of all properties within the scheme.

Practical support to bring empty properties into use

I recognise the pressures on local authorities in this and other areas of their remit and capacity within local authorities remains an issue. As part of our work with Plaid Cymu, establishing Unnos provides an opportunity to think creatively about how we can provide practical help. As part of this, I am considering funding Empty Homes Officers regionally across Wales to support local authority teams in bringing back empty homes to meaningful use.

I also want to empower communities to take action on their own behalf. In line with our Programme for Government commitment to “support cooperative housing, community-led initiatives, and community land trusts”, we are funding [Cwmpas](#) to provide support to those interested in co-operative or community-led housing. The recommendations of the Local Government and Housing Senedd committee review into Community Assets offer a further opportunity for potential actions to support this agenda.

Enforcement

We have trained around 850 officials and cabinet members/councillors across Wales on how to use enforcement legislation to tackle empty properties. We have also provided specific training on Compulsory Purchase Orders including provision of [guidance](#).

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All local authorities have produced Empty Property Enforcement Action Plans which each identify at least 10 empty properties for priority action. Our industry expert is providing bespoke advice and hands-on support to local authorities on these properties and others. We are seeing the benefits of these interventions across a range of properties.

To further support local authorities, we have established a £15.2m fund to remove the financial risk of taking enforcement action. This means that, where enforcement action is appropriate, financial concerns should no longer be a reason for not taking that action.

As the Committee is aware from its inquiry, Empty Properties are a multi-faceted problem for which there is no one, single solution. The wide range of actions we have taken and are taking is testament to that. Those actions are making positive contributions, but I recognise that there is further work to do. The announcement I will make in January about a new empty homes grant fund demonstrates that this work continues to be a high priority. The establishment of Unnos offers a further opportunity to consider additional measures to provide enhanced focus and support for this work.

As noted above, my update response to the individual recommendations in the Report is attached in Annex A.

Yours sincerely

A handwritten signature in blue ink that reads "Julie James". The signature is written in a cursive, flowing style.

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Annex A

Equality, Local Government and Communities Committee Inquiry recommendations – Empty Properties

Minister for Climate Change update letter to the Chair of the Local Government and Housing Committee – December 2022

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.

The Covid-19 pandemic necessitated a change of approach, with resource focussed on delivering initiatives and measures which positively impacted the numbers of empty properties. Targeting our finite resources on supporting the delivery of local plans and activity.

Not having a national plan does not equate to not taking action at a national level. As indicated in the letter above and the rest of this response/annexe, we have been and continue to introduce coordinated national initiatives and actions that support local plans to deliver.

We are investing large sums of money into schemes which contribute to reducing numbers of empty properties and providing practical support to local authorities and others to bring empty properties back into use. We're providing further focus on this key issue through relevant Programme for Government commitments and our plans for the development of Unnos as part of the Cooperation Agreement.

We have worked with local authorities to develop action plans for tackling empty properties in their areas. We have provided advice and guidance on the production of these plans. All local authorities have drawn up Empty Property Enforcement Action Plans which have identified over 250 properties in Wales for priority action. We are supporting local authorities to drive those plans forward by providing:

- Bespoke advice and hands-on support on individual properties through our industry expert; and
- Access to a £15.2m fighting fund to de-risk the potential financial impact on local authorities of taking enforcement action.

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We will continue to provide this support and look to enhance it within the arrangements for Unnos as they are developed.

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.

Housing

This work is being taken forward as part of our Programme for Government commitment to “Support cooperative housing, community-led initiatives, and community land trusts”.

Community-led housing has the potential to play a larger role in the provision of housing in Wales. One of the best ways to increase provision is to provide support to those interested in co-operative or community-led housing. Our funding through [Cwmpas](#) is designed to deliver this support. We have increased funding to £180,000 per year for the next three years (2022-25) to support community-led housing groups in Wales.

Encouraging local authorities and other partners to support community-led housing in their areas is one of the key deliverables of the Cwmpas support programme; Communities Creating Homes. Work is ongoing to develop a menu of opportunities to encourage RSL engagement with the community-led housing sector. Cwmpas also intends to arrange a series of briefing sessions with RSLs to dispel myths and encourage further engagement. This work was impacted by COVID-19 however Cwmpas have reported that they are making progress towards this and are engaging with Community Housing Cymru. Cwmpas is working closely with Gwynedd and other partners involved in the Second Homes pilot in Dwyfor, in order to promote community involvement.

Work is also ongoing to allow community-led housing groups access to the Empty Homes Grant – see Recommendation 9.

Communities

We recognise the importance of community assets – green spaces as well as buildings – to the communities they serve. They are the focus for community activity and a vital, local access point for much needed services.

We are providing financial support to help communities take ownership of assets, including empty properties, where this is appropriate. The Community Asset Loan Fund, operated on our behalf by WCVA, provides long term loans to incorporated community groups seeking to purchase community assets.

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Our Community Facilities Programme provides capital grants to help community groups to purchase or improve well used and much needed community assets.

A formal response has been submitted regarding the recommendations of the Local Government and Housing Senedd committee review into Community Assets. Any actions arising from the review will seek to ensure that the community perspective is fully reflected in future policy and guidance on community assets.

Town Centre Regeneration

Audit Wales and Foundational Economy Research Ltd Reports ([Regenerating Town Centres in Wales](#) and [Small Towns, Big Issues](#)) and the subsequent work of the Ministerial Town Centre Delivery Group to consider the issues highlighted have emphasised the importance of community engagement. Transforming Towns guidance and applications for strategic projects and placemaking funding require clear evidence of community engagement.

Further, Transforming Towns funding will only be provided for towns where there is an appropriate Placemaking Plan in place. Placemaking Plans must follow the six principles of the [Placemaking Charter](#) one of which is:

“People and Community: The local community is involved in the development of proposals. The needs, aspirations, health and well-being of all people are considered at the outset. Proposals are shaped to help to meet these needs as well as creating, integrating, protecting and/or enhancing a sense of community and to promote equality.”

Placemaking plans should therefore be led locally to facilitate the involvement of all local actors. It starts with communities and people building on their needs, wants and aspiration, using assets and building local confidence and action, but should also seek opportunities from the private and third sectors to attract inward investment and secure a sustainable future for the town.

Local authorities are vital to this, using their scale and services to deliver, bringing together communities, social enterprises, businesses, charities, and other key local organisations to work together. I recognise the resources pressures faced by local authorities and have allocated a £3m revenue budget over three-years to bolster the capacity of local authorities in the production of placemaking plans and provide them with access to specialists and experts to support delivery.

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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.

Since February 2020 Welsh Government has provided a bespoke industry expert resource to support LAs and guide their staff through enforcement procedures so that they will learn these skills for future use. This support has included providing training to over 850 LA officers and providing specific bespoke advice on over 150 properties.

An evaluation of this work is due to take place in 2022-23, involving local authorities (which will also look at progress with implementing local authorities' Empty Property Enforcement Action Plans) and the outcome of that evaluation will inform future approaches.

As part of the Welsh Government response to the reports on town centres by Audit Wales and Foundational Economy Research Ltd Reports ([Regenerating Town Centres in Wales](#) and [Small Towns, Big Issues](#)), we are actively exploring how we can provide national support and expertise at a national level.

As part of our discussions with Plaid Cymru to explore the role of Unnos, we are actively considering proposals to employ Empty Homes Officers regionally across Wales. These officers would have the specific remit of supporting bringing empty homes back into meaningful use and be able to provide practical assistance to local authority teams.

Welsh Government has increased the ability of local authorities to charge a premium on empty homes. Local authorities can use/ring-fence premiums to strengthen their enforcement teams/work.

There are examples of good practice in terms of prioritising work on empty homes/properties. Caerphilly local authority identified that dedicated staff were required in order to move forward with their enforcement agenda. Funding of £275,000 was set aside to create an empty homes team on a fixed term basis for 2 years to deliver the work programme associated with Welsh Government's empty property enforcement agenda.

Since establishing the team, the Council has been able to be proactive in relation to empty homes, submitting its action plan to Welsh Government and making good progress in delivering the stated actions. The team has already made a significant impact on the situation in Caerphilly Borough. Visits have been made to the properties

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to risk assess them leading to a better understanding of issues with empty homes. The team are actively progressing three enforced sales cases and have been successful in

assisting with the processing of a high number of Valleys Task Force Empty Homes grants. The team has produced an Empty Property Pack and developed an Empty Homes Strategy which has been published for consultation.

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.

Following representations from Welsh Government, Data Cymru included this proposal in their 2020-21 consultation on national performance measures for local government in Wales.

However, since then Public Accountability Measures (PAMs), as a set of national performance measures, no longer exist (which means LAs are no longer collecting PAM/013). The decision was taken on the back of the introduction of the new Local Government and Elections Bill, which requires local authorities to monitor their performance via a corporate, organisational self-assessment, rather than an assessment of individual services (although understanding how services are performing is an important part of the picture).

While the approach they take to self-assessment is for the local authorities to determine, there is recognition that having access to comparable data to inform the self-assessment is useful. For this reason, Data Cymru are working with local authority colleagues to establish a corporate performance dataset. The dataset will be a resource for Welsh councils. The aim is to identify, source and share data to help councils understand, at a strategic level, how they are performing and how this performance compares to other councils. There will be a broader range of data (framed around a series of themes) than in previous performance frameworks to allow users to interrogate and better understand their performance. For instance, as well as more traditional outcome related data (measures), Data Cymru will be looking to include context data, resource data and other quality measures.

Housing is one of the themes. To date Data Cymru have focused on identifying and bringing together the data that already exists, but the next steps are to look at the gaps and how they might be 'filled' (again with the local authorities). One of the gaps is around empty homes, but Data Cymru have no specific plans yet about what/how that might be taken forward.

In the meantime, therefore, my officials are in discussion with Data Cymru and the WLGA with a view to undertaking a bespoke data collection exercise. The intention

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would be to collect from local authorities the information that used to be collected for PAM/013 and to do so using a 12 month threshold (as recommended by the Committee) as well as a 6 month one as was previously the case. This will require the

identification of properties which have been empty based on thresholds of 6 months and 12 months.

The ability to charge a premium on empty homes is already set at the 12 month mark rather than 6 months.

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.

As noted in Recommendation 4 above, PAMs, as a set of national performance measures, no longer exist.

We are therefore taking forward this recommendation through the Welsh Government's Programme for Government commitment: "Support the development of a register of empty buildings and help small businesses move into vacant shops".

There is much existing good practice on which we can build. For example, Business Wales has established a Property Database for commercial land and property, available for sale and rent throughout Wales: [Property Database | Business Wales \(gov.wales\)](#). The database enables searches to be made of property by local authority area and by category e.g. retail and hospitality. There are also examples of good practice in this regard in local authorities such as Bridgend: [Bridgend Town Centre Property database](#). Bridgend C.B. Council has also commissioned an Empty Commercial Properties Survey which will include the collation of data and establishing baseline data sets, street surveys and photographs, and the development of an action plan.

We will continue to explore options within our wider Transforming Towns programme to encourage/facilitate other local authorities to adopt best practice. We will liaise with local authorities, Business Improvement Districts and others to establish and roll out the most effective means of collecting/collating information on town centre empty commercial properties.

We are working with the Valuation Office to understand their data set and attain values.

Recommendation 6.

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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.

Since February 2020, Welsh Government has provided a bespoke industry expert resource to support LAs and guide their staff through enforcement procedures so that they will learn these skills for future use. The industry expert has already provided advice/support on over 150 properties.

Informal/anecdotal feedback from local authorities has been universally positive, but we will be evaluating the effectiveness of this arrangement in order to inform the approach for the future. This evaluation will feed into wider considerations of how best to continue to provide support at a national level in the future.

We are exploring options within our wider Transforming Towns programme on how we can provide support and expertise at a national level. This will include consideration of whether the functions associated with the industry expert's work fit best within this national support framework or within the plans we are developing for Unnos.

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.

In terms of indemnifying the cost of enforcement action, we have established a Transforming Towns Empty Property Enforcement Fund to de-risk enforcement action for local authorities. This **£15.2m** fund means that local authorities can take enforcement action without fear of losing out financially. Originally this funding was only available for town centre properties but, following representations by local authorities, I have decided to extend the scope to include empty residential properties wherever they may be.

The Welsh Government remains committed to removing barriers to the use of enforcement powers and improving confidence and understanding of the relevant processes. One such example is the compulsory purchase process.

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In response to calls for more support to be provided to public authorities, in March 2021 we published a [Compulsory Purchase Order \(CPO\) Manual](#). The CPO Manual was developed in partnership with expert specialist services from Clarke Willmott LLP.

The CPO Manual supplements national planning policy on use of compulsory purchase powers contained in [Planning Policy Wales \(Edition 11, 2021\)](#), [Future Wales: The National Plan 2040](#) and the high-level guidance contained in [Circular 003/2019: Compulsory Purchase in Wales and 'The Criche Down Rules \(Wales Version 2020\)'](#)

In March 2022 we held a dissemination event for stakeholders to learn more about the contents of the CPO Manual together with how it can be used in practice to take forward a CPO.

We also intend to introduce streamlined CPO inquiry rules and written representations procedures.

More widely we continue to look for opportunities to make existing legislation more effective. One means of doing this is by increasing the level of fines applicable for non-compliance.

Increasing the level of fine associated with the non-compliance of a section 215 notice under the Town and Country Planning Act 1990 is currently being considered as part of the Law Commission for England and Wales' final report into [Planning Law in Wales](#) and wider work to inform and deliver a Planning Consolidation Bill, which has been announced by the Government for delivery as part of its [programme to improve the accessibility of Welsh law](#) during this Senedd term.

Similarly, we are considering the most appropriate mechanism to make amendments to the fine associated with the relevant sections of the Building Act 1984.

A formal response has been submitted regarding the recommendations of the Local Government & Housing Senedd committee review and report on [Community Assets](#). This response includes specific responses to the recommendations (10 & 15) which focus on potential legislative changes.

Wider consideration of legislative change that would facilitate enforcement will be informed by:

- the evaluation of the work of the industry expert;
- feedback from local authorities and the WLGA;
- a review of local authorities' success in implementing their Empty Property Enforcement Action Plans.

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Despite being first recommended in 2014, the introduction of a Compulsory Sales Order (CSO) process has still not yet gone ahead in Scotland. Amongst the issues and challenges is the need to make sure that any proposal is compatible with the European Convention on Human Rights.

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.

The pandemic had a major effect on the schedule for delivering the enforcement training. Nevertheless, training has now been offered to and undertaken by cabinet members and relevant officers in all local authorities. In total over 850 individuals have received the training. The final training session was held on 15 February 2022 but the vast majority of local authorities had completed their training by spring/summer 2021. The feedback from the sessions was overwhelmingly positive and we will look to assess its impact as part of the evaluation of the package of support provided through our industry expert.

Our industry expert continues to provide support and guidance to progress individual properties thereby developing the expertise of local authority colleagues.

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.

In its report, the Committee noted (para 137, page 50) that there could be merit in rolling the Valleys Task Force Empty Homes Grant pilot out across Wales. In reviewing the success of the pilot, and similar schemes in Gwynedd and Ynys Môn, I have decided to apply that approach nationally. As such I will shortly be launching an All Wales Empty Homes Grant Scheme for which we have committed up to £50m over the next two years to bring up to 2,000 empty homes back into use. The scheme will be delivered through local authorities and we have liaised closely with them in developing it. We have engaged individually with local authorities and also via a working group with representatives from 12 of the 22 authorities.

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Work is also ongoing to explore how allow community-led housing groups could access the Grant.

Beyond the Empty Homes Grant there is a range of other relevant funding options for tackling empty properties which we keep under regular review:

Leasing Scheme Wales was launched in January 2022, it is a key Programme for Government commitment, worth £30million over five years. The scheme will improve

access to longer term affordable housing in the private rental sector, delivering security for tenants and confidence for landlords. Empty properties can be brought onto the

LSW according to the same terms and conditions as any other property. Empty properties will be eligible for up to £25K grant to bring the property up to the agreed standard and/or to increase the EPC rating to a C.

Currently, fifteen local authorities have signed up to offering the scheme. Indicative targets for year one reflect 74 properties and local authorities are on track to delivery this. Currently empty properties account for over 60% of all properties within the scheme.

The project board has representation from the WLGA and local authorities work closely with Welsh Government to improve the scheme through an advisory group.

Our Property Loans ('Houses into Homes' and 'Home Improvement Loans') continue to support landlords and owners to bring empty properties into use. In total, more than 1,600 residential units have been created and a further 1,300 occupied properties have been improved. The scheme is regularly reviewed in conjunction with local authorities via six-monthly monitoring and consideration at Loans Networks meetings.

Transforming Towns Loans (formerly known as Town Centre Loans) are aimed at bringing empty properties in town centres back into use. The scheme has delivered/is delivering 100 projects worth £100m across Wales, bringing over 500 residential (330) and commercial (174) units into use in town centres from previously empty or underused properties and sites. We will make a further £25m of loan funding available over the next three years. The scheme is regularly reviewed in conjunction with local authorities via six-monthly monitoring and consideration at Loans Networks meetings.

The Transforming Towns Placemaking Grant, introduced in 2021-22 is a flexible grant scheme which provides a broad and flexible package of support aimed at revitalising town centres throughout Wales. Amongst the eligible interventions are the creation of Residential Units in Town Centres and Commercial Property Improvements to enhance building frontages and upgrade **vacant** commercial floor space to bring it back into beneficial business use. The grant is available to commercial building occupiers and owners within town centres. As an example, the Lion Yard project in Brecon received

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support of £115,000 to redevelop a property to provide ground floor retail units and 2 residential flats.

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.

Housing

The Transitional Accommodation Capital Programme (TACP) has been introduced to increase accommodation capacity in response to the significant numbers of people experiencing homelessness, living in temporary accommodation in Wales and the need to increase the supply of suitable and good quality transitional accommodation as part of the Welsh response to the Ukraine crisis.

£65m has been allocated to social landlords under this programme, which includes

- £12.5m to bring back 420 void properties into use by the end of this financial year;
- £12.5m for 200 modular homes; and
- £40m for 396 properties which includes a mixture of demolition and newbuild, remodelling and conversion schemes which we expect to be completed over the next 12-18 months.

Social landlords are also able to submit applications up to the end of this financial year for property purchases from the open market.

Although the prime purpose of the Social Housing Grant (SHG), worth £955m over three years, is to fund the development of new social housing, local authorities can use up to 20% of their allocation to fund the purchase of existing dwellings by their delivery partners, including empty properties. My officials have ensured that this is a standing item for discussion at SHG Programme Delivery Plan review meetings at regional and individual LA level. This will enable them to continue to keep abreast of existing or emerging good practice and share this as appropriate.

Land/property – provision of direct support to local authorities

In 2021-2, we awarded £11m from the Land and Buildings Development Fund to local authorities whose communities are impacted by second home ownership and holiday lets to buy and renovate empty homes for social housing. Additionally, £8.5m was awarded to Pembrokeshire for the purchase and refurbishment of 46 empty ex Ministry

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of Defence homes, and Carmarthenshire was awarded £5m for the purchase of homes for social rent to accelerate its social home provision for families in need.

Town Centre Regeneration

We will continue to support town centre housing as part of our Transforming Towns programme. Our Transforming Towns Loans (formerly known as Town Centre Loans) can be and have been used by RSLs to provide housing from empty properties. As an example, in the Vale of Glamorgan, a £1m loan was provided to Newydd Housing Association to redevelop a vacant site to create nine affordable flats (six two-bedroom

and three one-bedroom). In Powys a loan of £270k was provided for the RSL to convert the former Newtown Magistrates Court into 7 affordable domestic units.

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.

HM Land Registry is responsible for maintaining records of registered properties and information on ownership is publicly available from them. Some 85% of properties in England and Wales are registered.

Existing powers under section 85 of the Local Government Act 2003 allow property details (address, owners name, and contact information) obtained from council tax to be shared within the local authority to:

- identify vacant dwellings;
- take steps to bring vacant dwellings back into use.

There is no similar explicit provision in relation to commercial properties. Neither is there any explicit provision disallowing local authorities from sharing information on empty commercial properties internally.

Data Protection is a non-devolved area and, as such, Welsh Government has no jurisdiction over local authorities in this field. In the absence of definitive advice on this matter from the Information Commissioner, it remains a matter for each individual local authority to judge what is permissible under the relevant legislation. We are aware that some local authorities are actively looking into this issue. In order to try to progress matters more widely and to explore if a consensus can be reached, my officials have tabled this for discussion at a forthcoming meeting of the Local Authority Data

Protection Officers group. Meetings are attended by all local authorities and the Information Commissioner's Office.

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In terms of local authorities sharing information on empty properties externally, in the context of Freedom of Information requests specifically, the First Tier Tribunal has ruled that information could not be released if the owner was an individual but could be released if the owner was a Limited Company, an RSL an LA or a Charity. One of the key factors appears to be concern about empty properties being targeted by squatters or criminals. Relevant cases include:

- London Borough of Bexley Vs Information Commissioner (IC) - [London Borough of Bexley v Information Commissioner](#) (EA/2006/0060 & 0066). Copy of decision [APPEAL NO: EA/2006/0060 & 0066 \(tribunals.gov.uk\)](#)
- London Borough of Camden Vs Mr Yiannis Voyias(IC) Case No. EA/2011/0007 - [Voyias v IC & London Borough of Camden \(Freedom of Information Act 2000\) | \[2011\] UKFTT EA 2011 0007 \(GRC\) 2011 | First-tier Tribunal \(General Regulatory Chamber\) | Judgment | Law | CaseMine](#)

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.

Rejected - 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.

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 into 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.

Julie James AS/MS

**Y Gweinidog Newid Hinsawdd
Minister for Climate Change**



**Llywodraeth Cymru
Welsh Government**

No evidence has been provided to support the assumptions that people are taking action to avoid paying the council tax premium. The Valuation Office Agency conduct a rolling programme to check that self-catering properties on the non-domestic rating list meet the criteria in place at the time of assessment. Local authorities are responsible for maintaining records of empty properties and have inspectors to carry out the appropriate checks.

Nine authorities currently apply a premium to both long-term empty properties and second homes. A further three charge a premium for long-term empty properties in

their area. It is estimated that premiums have enabled relevant councils to collect over £90 million in additional council tax to help fund essential services in the local area.

As part of the three-pronged approach to address issues of affordability and the impact of second homes and holiday lets on some communities we consulted on local authorities' powers to apply council tax premiums and the criteria for defining self-catering accommodation as non-domestic property. As a result the maximum level at which local authorities can set council tax premiums on second homes and long-term empty properties has been increased to 300%, effective from 1 April 2023.

The Welsh Government have also increased the minimum number of days a self-catering property is required to be made available to let, from 140 to 252, and actually let, from 70 to 182, within any 12-month period from financial years 1 April 2023 onwards. This will ensure that a property will only be classed as non-domestic if they are used for business purposes for the majority of the year. If they are let on a less frequent basis, they will be liable for council tax.

Our Service Level Agreement with the Valuation Office Agency includes a requirement to monitor and report to the Welsh Government on movements between the NDR and council tax lists.