



RHONDDA CYNON TAF

RECORD OF DELEGATED OFFICER DECISION

SUBJECT:

All Wales 'Houses into Homes' Loans Scheme for Owners of Empty Properties

PURPOSE OF ATTACHED REPORT:

To inform members about the All Wales "Houses into Homes" Loan Scheme for owners of long term empty properties and its operation in Rhondda Cynon Taf.

DELEGATED DECISION:

- i) To note the launch of the new All Wales Houses into Homes loan scheme and the allocation of £965,792 to the Cwm Taf region.
- ii) Agreed to approve for Rhondda Cynon Taf County Borough Council to act as Lead Authority for the Cwm Taf Region and to administer the loan fund on behalf of Merthyr Tydfil County Borough Council.

Chief Officer Signature

SKOLYK JONES

Print Name

19/9/12

Date

The decision is taken in accordance with Section 15 of the Local Government Act, 2000 (Executive Functions) and in the terms set out in Section 5 of Part 3 of the Council's Constitution



CONSULTEE CABINET MEMBER SIGNATURE

17.9.12

DATE



OFFICER CONSULTEE SIGNATURE

18th September 2012

DATE

Directorate:	Public Health and Protection
Contact Name:	Louise Davies
Designation:	Environmental Protection Manager
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RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2012/2013: REPORT TO ACCOMPANY DECISION OF THE GROUP DIRECTOR, ENVIRONMENTAL SERVICES

All Wales 'Houses into Homes' Loans Scheme for Owners of Empty Properties
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1. PURPOSE OF REPORT

To inform members about the All Wales "Houses into Homes" Loan Scheme for owners of long term empty properties and its operation in Rhondda Cynon Taf and to seek member approval to undertake the administration of the loan fund on behalf of the Cwm Taf Regional Collaboration.

2.0 RECOMMENDATIONS

- i) That members note the launch of the new All Wales Houses into Homes loan scheme and the allocation of £965,792 of Welsh Government funding to the Cwm Taf region.
- ii) That members give approval for Rhondda Cynon Taf County Borough Council to act as Lead Authority for the Cwm Taf Region and also to administer the loan fund on behalf of Merthyr Tydfil County Borough Council.

3.0 BACKGROUND

- 3.1 It is estimated that there are 20,000 long term empty properties in Wales. A long term vacant property is one that has been vacant for over 6 months and does not include properties that are in the process of being offered for sale or let. Empty properties are a wasted housing resource at a time when many people are in housing need. They also blight our communities and are a target for anti social behaviour and vandalism.
- 3.2 In Rhondda Cynon Taf, it is estimated there are currently over 3,200 long term empty properties. Tackling empty properties is a key priority of the Cwm Taf Regional Collaboration Board and is identified as a key action in the authority's Wales Programme for Improvement Plan for Enforcement and Regulation.
- 3.3 **The All Wales Houses into Homes Initiative**
- 3.4 On the 1st April 2012, the Welsh Government launched a £10 million fund to support initiatives to bring long term empty houses back into use. The

"Houses into Homes" initiative has been developed by the WLGA, the Wales Heads of Environmental Health Housing Technical Panel and a housing consultant engaged on a similar scheme operating in Kent.

To qualify for funding, local authorities have to work collaboratively utilising the six regions model and the fund has been allocated on the basis of the private sector housing in each region. The allocation of Welsh Government funding for the Cwm Taf Region is £965,792 and is based on a private sector housing stock of 118,477. This equates to a pro rata allocation of £788,014 for Rhondda Cynon Taf.

- 3.5 The fund may be used to resource a range of tools and measures that are aimed at bringing empty properties into use, namely:
- the provision of interest free loans of up to £25,000 per property (or £120,000 per applicant) for owners to renovate properties and then offer them for sale or rent, with the loan secured as a legal charge on the house;
 - the funding of works in default of owners who fail to comply with legal enforcement action;
 - support for local authority costs associated with undertaking enforced powers of sale.

The main aim of the fund is to provide a recyclable pot of capital investment that can be recovered within 3 years. The fund cannot be used for initiatives such as grants, property appreciation loans or compulsory purchase orders as these measures typically require a longer period of recovery. Loans cannot be offered to owners who wish to live in properties themselves after renovation.

- 3.6 Each local authority's response to the national initiative will be monitored by the Welsh Government and local authorities are expected to use all the measures and tools available to bring empty properties back into use and not rely only on the loan fund provided. The target of the Welsh Government is that 5000 empty properties are brought back into use during the term of its administration.

3.7 Operation of the Loans Scheme in Rhondda Cynon Taf

- 3.8 The Empty Property Strategy (2010) for Rhondda Cynon Taf outlines a range of interventions already used in the County to tackle long term empty properties and these include:
- Active enforcement against owners of dilapidated and unsightly empty properties with a clear policy of undertaking works in default or initiating prosecution proceedings for non compliance;
 - The use of enforced powers of sale to recover debt from owners who have failed to maintain their properties. In the last 2 years, 7 such properties in Rhondda Cynon Taf have been sold using this power.
 - Availability of the "Homestep Plus" low cost home ownership scheme which enables a housing association to buy and renovate a long term vacant property in the Heads of the Valleys area and offer it for sale to a first time buyer;
 - Flats over Shops and Landlord empty Property Grants that secure nomination rights for people in housing need on the housing register;
 - Grants for first time buyers who purchase a long term vacant property.

- 3.9 The fund available from Welsh Government will therefore complement existing activity and having reviewed the measures already in place, it has been determined that the fund will be best utilised to provide interest free renovation loans in Rhondda Cynon Taf. Since the launch of the scheme nationally in April, information has been provided to local landlords and empty property owners and over 50 expressions of interest have been received to date.

3.10 Regional Collaboration

- 3.11 A pre-condition of receiving the funding for the Houses into Homes initiative is that local authorities work collaboratively, on a regional basis, to deliver the loans scheme. A lead authority must be designated for each region and Rhondda Cynon Taf is the lead authority for the Cwm Taf Region. The lead authority is responsible for making applications to Welsh Government for the allocation of funding and for ensuring that the loan funds are distributed pro rata to each local authority in the region. Merthyr Tydfil County Borough Council has requested that Rhondda Cynon Taf County Borough Council act as the fund administrator for each of its loan applications and to this end will retain the whole loan fund and issue approved loans directly to applicants in both local authority areas. Both local authorities will be responsible individually for approving loan applications and undertaking the legal services associated with the administration of loans in their areas. A collaborative agreement to reflect the administrative arrangements for the money associated with the scheme will be agreed upon by both local authorities.
- 3.12 In order to co-ordinate the collaborative arrangements, a Regional Steering Group has been established to develop regional initiatives and to share current good practice. The Steering Group will also oversee the distribution of the fund allocated to Cwm Taf. The group comprises Senior Managers of Housing Strategy, Renewal and Renovations and Environmental Health services from the two local authorities.
- 3.13 To ensure the collaborative approach is effective, a team of operational staff has been established that will work in a targeted and co-ordinated manner to harness resources. The team comprises housing strategy officers, grants officers and environmental health officers from both authorities. The group will have a regional focus but operational activity will be locally targeted in those areas of greatest housing need in both authority areas.

4.0 CONCLUSIONS

- 4.1 Tackling empty properties is a key priority of the Cwm Taf Regional Collaboration Board and is identified as a key action in the authority's Wales Programme for Improvement Plan for Enforcement and Regulation. This scheme will complement the other interventions already used in the County to tackle long term empty properties and will assist the Council to meet its targets for the number of empty properties brought back into use. Should members give approval for the Rhondda Cynon Taf County Borough Council to act as Lead Authority for the Cwm Taf Region and also to administer the loan fund on behalf of Merthyr Tydfil County Borough Council this will

demonstrate the collaborative working that is a requirement of Welsh Government in the provision of this funding to the region.