



HOUSING COMMITTEE

Wednesday, 27 January 2021

REPORT TITLE:	EMPTY PROPERTY REPORT
REPORT OF:	DIRECTOR OF REGENERATION AND PLACE

REPORT SUMMARY

High levels of empty properties within neighbourhoods can have serious implications on the viability of communities, negative effects on housing markets as well as acting as magnets for a range of anti-social behaviour. Research has evidenced that strategies to deal with empty properties can have positive social, regenerative, financial, and strategic benefits which improve areas (See background paper W. Wilson/H. Cromarty/C. Barton, 2020, p.3). Empty residential properties also represent a wasted housing resource with a potential to be brought back into productive use. Wirral Council both proactively and reactively targets long term empty properties.

The Wirral Plan 2020 included a commitment to bring 1,250 empty homes back into use by 2020. To achieve this, the Housing Standards Team developed a number of initiatives that allow the Council to engage with long term empty property owners and work towards returning their properties back into use. These initiatives have been developed in conjunction with national housing policy and best practice guidance. Wirral's Housing Strategy 2016–2020, set out the long-term strategic housing direction for the borough, and includes a commitment to work with partners to target empty property interventions to bring long term empty properties back into use, whilst improving neighbourhoods and the housing offer in Wirral. The Wirral Council Plan 2025 builds on this and includes bringing empty properties back into use to improve communities. Work has also been undertaken on the potential inclusion of targets within the emerging Local Plan for the return to use of vacant properties as part of the overall housing supply across the plan period. The work involving bringing empty properties back into use supports the Council's Cool 2 Climate Change Strategy and, in particular, the target to raise residential EPC ratings to Band C in the next 10 years.

The benefit of a clear strategic focus to deal with empty properties in Wirral has resulted in a significant reduction in the number of long-term empty properties in the borough, year on year, from 2,982 in 2010 to 1,920, in 2019, an overall reduction of over 35%. (See background paper GOV.UK, 2020).

The issue of empty properties affects most, if not all, wards in the borough, although analysis of data has shown that significant clusters of empty properties remain in specific areas, including most of the neighbourhoods identified for Selective Licensing of the private

rented sector and further neighbourhoods which have been the focus of targeted intervention.

RECOMMENDATION/S

The Housing Committee are recommended to:

- a) note the content of this report and
- b) approve the approach of interventions in this report to continue to tackle private sector empty homes in the Borough

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 This report sets out the current approach towards tackling private sector empty properties in the Borough and seeks approval to continue this approach going forward and establish a programme of enforced sales to deal with those empty properties requiring targeted enforcement action to progress a positive outcome for problematic empty properties.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 The Council is not obliged to have a strategy to deal with empty properties, but if the Council failed to address this issue, it is likely that the numbers would not have decreased in recent years, some neighbourhoods may have fallen into housing market decline and experienced environmental blight, and households that have been supported into accessing accommodation which was previously empty would not have been assisted.

3.0 BACKGROUND INFORMATION

3.1 Background

Bringing empty residential properties back into use has been a priority for Wirral Council via inclusion of targets within delivery plans and strategic policies which look to improve the availability of good quality of housing stock within the borough. The Housing Standards Team within the Housing Services Section is responsible for coordinating the approach to dealing with vacant residential premises in the private sector and providing reports on progress in respect of corporate targets. Officers undertake work on empty properties as part of their generic Housing Standards Officer role which involves a variety of tasks and responsibilities within the Private Sector Housing remit.

The work of the Housing Standards Team in dealing with vacant properties is both proactive and reactive. Proactive work includes a strategic approach to identifying the location of clusters of vacant properties via the use of available datasets and mapping software which enables targeting of resources and interventions in those neighbourhoods with high incidences of empty properties and informs how schemes and programmes are delivered. These areas include the Selective Licensing areas and other areas with higher levels of vacancy. Reactive work predominantly involves responding to referrals and complaints received from varying stakeholders in respect of properties which exhibit a wide range of issues from overgrown vegetation to decay / damage to the structure of a premises. Such referrals come from the public directly, other sections of the Council, including Environmental Health, external agencies, and local politicians. Dealing with the problems associated with empty properties often involves working across different disciplines to pool resources to achieve the desired outcome.

3.2 Data

Detail on the number of vacant dwellings at a local authority level is published by the Ministry of Housing, Communities and Local Government from information recorded on the council tax base statistical release (GOV.UK, 2020), data is updated and published on a yearly basis with the 2020 information scheduled for publication in March 2021.

Data as of October 2019 indicated there were 4,722 vacant properties in Wirral, of which 1,920 were classed as long-term empties, meaning just over 40% of all vacant properties in the borough were empty for 6 months or more. The number for empty vacant stock available for general needs and affordable rent housing owned by Private Registered Providers was 254 properties. The total number of all vacant properties in the borough has decreased by just over 25% since 2010 and the number of long-term empty properties by over 35% during this period. This has taken place on a yearly basis over time, the only exception to this being 2018 when there was an increase of just over 6% in the total number of empty properties and followed a council tax data cleansing exercise which delivered a higher than usual reduction in the number of empty properties recorded for 2017, of just over 5%.

Through the targeted work of the Housing Standards Team, the corporate commitment to return 1,250 properties to use by the end of 2019/20, which was included in the Wirral Plan 20/20, was achieved early in 2019. The actions of the Housing Standards Team, in conjunction with implementation of available legislation, has consistently seen more than 250 empty properties returned to use achieved in every financial year since 2015.

The current level of all private sector vacant dwellings within the borough is 3.74% of the available private sector housing stock in Wirral, whilst the figure for the number of all long-term vacant dwellings is 1.52%. The figure for long term vacant dwellings owned by Private Registered Providers in Wirral is 1.12% of the general needs stock. The total of empty general needs stock in the borough has decreased significantly and by over 43% since 2010 with most Registered Providers being very pro-active in their void turnaround times.

Analysis of council tax data shows that currently 10% of the total of all empty properties in the borough have been vacant for a period longer than two years, those properties subject to the long-term empty premium, these properties are likely to include individual premises which exhibit the type of issues regularly associated with vacant properties and can have a negative effect upon neighbours, local businesses and areas. The return to use of properties vacant longer than two years and those causing a significant blight within neighbourhoods is a clear focus of the Housing Standards Team with an average of 131 properties being returned to use each financial year since 2017/18.

3.3 Schemes and Initiatives

The Housing Standards Team has within their toolkit various initiatives which have been developed by officers to assist owners to return their long-term empty property into use along with legal powers to intervene, these are set out below within this

report. Most suitable approach is determined by the circumstances of the property owner and their willingness to engage with the support and assistance available to return their property to use. An example of a specific successful case and the action undertaken has been included for Members within Appendix 1.

3.3.1 Empty Property Grants

Financial Assistance is available to owners of long-term empty properties to assist with the cost of capital works which will remove hazards from their property and enable reoccupation. The provision of Empty Property Grants provides support through financial assistance that can unlock the potential of vacant properties by contributing toward cost of improvement work that facilitates return to use of properties that otherwise would remain empty without grant funding. The grants often 'kick-start' the refurbishment process. Following the approval of a recent Capital Programme bid, funding for the period 2020 to 2025 has been secured to facilitate grants in Selective Licensing areas and strategically targeted 'hot spot' areas to be used toward capital works that improve the empty premises for occupation either by owner occupiers and via private landlords. In the case of properties brought back into use for private renting, grant conditions are imposed to secure both a better standard of accommodation and improved management standards. For applicants accessing the upper tier grant, upon completion there is a requirement to provide nomination rights to Wirral Council Housing Options Team to assist the council's obligations in respect of homelessness. During 2019/20 we secured 6 nominations and to date, during 20/21, we have secured a total of 2 nominations and should secure a further 9 nominations through upper tier Empty Property Grants before the year end. Since 2016 189 properties have been returned to use via the financial assistance provided through the Empty Property Grant Scheme.

3.3.2 Developers List

For empty property owners who are looking to dispose of their premises the 'Developers List' is a popular option enabling owners to publicise the opportunity to purchase an empty property directly to local developers who have confirmed they have the resources and capabilities to purchase, refurbish and achieve re-occupation of empty properties within a suitable timescale. The Developers List is administered by the Council and involves a sealed bidding process. A total of 3 properties have been sold and returned back into use through the Developer List in 2020.

3.3.3 Property Accreditation

The Council operates a voluntary Property Accreditation Scheme in order to drive up both property condition and management standards in the private rented sector. Membership of this scheme ensures minimum standards are met and rewards owners who provide good quality accommodation. In conjunction with the Housing Options Team, owners of empty properties that meet accreditation standards can get assistance to find tenants for their premises and receive further support to assist tenants in maintaining the tenancy. Accredited properties can also be advertised to thousands of potential tenants through the Council's Property Pool Plus website.

3.3.4 VAT Exemption Letter

The Value Added Tax Act 1994 allowed for certain goods and services to be provided at a reduced rate. This means that empty property owners whose premises have been vacant for longer than two years who are looking to renovate their property to return it to use it is possible to request a letter either from council tax records or empty property officers in local authorities to confirm that the refurbishment qualifies for a reduced rate of VAT for eligible dwellings.

3.3.5 Marketing

Various methods are used to inform empty property owners of the support and assistance available to return their property to use including; bespoke leaflet distributed with advice on the costs incurred in keeping a property empty and support available / holding drop in events during national Empty Homes Week and promoting and attending Sub Regional Empty Homes Group events to engage with empty property owners / publicising schemes and initiatives via Wirral View / inclusion of articles in Landlord Link-Up newsletter.

3.4 Enforcement

The Housing Standards Team receives regular referrals of problematic empty properties throughout the borough via a number of sources including complaints from members of the public, referrals from internal teams, referrals from external agencies, councillor and MP enquiries. Statutory enforcement powers are available to local authorities to respond to referrals and the approach to dealing with issues identified is formalised within the Corporate Enforcement Policy, unless there is a problem identified needing urgent action. Where required the Housing Standards Team works closely with colleagues in Environmental Health and Building Control to facilitate actions that remove blight and nuisance caused by vacant premises including issues such as properties being open to access, danger to public health from debris or conditions, anti-social behaviour, and vandalism. This is achieved through use of statutory powers.

Should it not be possible to arrange for the condition of an empty property to be improved, which may be having a negative impact on neighbouring premises or an area, through engagement with the owner the Housing Standards Team has recourse to legislation to enable action to be taken. Several legislative powers are available but the most used are those under The Building Act 1984 which allow for action to be taken to deal with dangerous or dilapidated buildings, insecure properties and the unsightly appearance of a vacant premises. Following a statutory notice period, the Council may undertake work in default and invoice the owner for the improvement works, should this action fail the Council will place a legal charge on the property to protect the Council's interest and consider the possibility of an enforced sale to recover the costs incurred. The Enforced Sale Policy has been established to enable recovery of outstanding debts owed to the Council, which can include council tax arrears. Should the circumstances involving an empty property meet the terms of the policy then the intention is to make use of this option to both recover debt and force the sale of a problematic empty property to a new owner. To date, there have been no enforced sales completed since the policy was agreed due to potential cases not meeting the terms of the policy, however, a number of potential

enforced sale cases are currently being considered with colleagues in the Legal Services Team and is our intention to make use of this power with a programme of enforced sales.

The Housing Act 1985 also allows for the Compulsory Purchase (CPO) of land (including buildings) for housing purposes, as opposed to demolition. Several factors are required to be considered in looking to progress the compulsory purchase of a vacant property as it can be a long and complicated process, particularly if an owner opposes the action and can only be done where the authority can demonstrate that the acquisition would be in the public interest. Another important factor with potential CPO action is having financial resources in place in order to fund the acquisition. Without the funding, this option cannot be considered. This option has not been used in recent years and other local authorities within the Liverpool City Region have encountered difficulties in obtaining approval from government when pursuing CPO action.

Since 2013 local authorities have had the power to charge additional council tax through a long-term empty property premium for those premises vacant for a period longer than two years. Further legislation was introduced in 2018 for more extensive powers including additional measures for properties that were empty for very long periods. Currently properties vacant over 2 years are subject to a 100% premium, this increases to a 200% premium for those vacant over 5 years and a possible 300% premium can be implemented for properties vacant for over 10 years from April 2021. As of 1st December 2020, there were 696 properties subject to the long-term empty property premium, an increase of 48 properties since the 1st January 2020. Of these properties 452 were subject to the 100% long term empty premium and 244 were subject to a 200% long term empty premium. Should a decision be taken to implement a 300% long term empty premium from 1st April 2021 currently there are 95 properties which would be subject to this additional charge.

3.5 Empty Homes and the Local Plan

Provision to meet the Local Plan housing requirement for the next 15 years is likely to include annual targets for the number of empty properties brought back into use through Council intervention, to promote regeneration and offset the number of new dwellings that will need to be provided as part of the development of the emerging Local Plan, work has been undertaken by independent consultants to review national policy and guidance, best practise, case law and current precedence for including empty homes within housing supplies and has been determined there is justification for including the work of the Housing Standards Team as part of the Local Plan's housing supply. This follows strong evidence on the consistent delivery of empty homes brought back into use over the past 10 years. Potential options have been proposed for the inclusion of target figures over the plan period and methodology which would add to the overall housing supply in Wirral. Any such, Local Plan target will need to be published for public consultation and examined by a Planning Inspector appointed by the Secretary of State before it can be formally adopted.

4.0 FINANCIAL IMPLICATIONS

- 4.1 The capital programme has historically made provision for the financial assistance provided through the Empty Property Grants. Provision has been made to achieve a target of 50 completed grants each year. Earlier this year, it was approved that the Capital Programme will continue to provide support for Empty Property Grants going forward over the next 5 years, until at least 2024/25. A budget of £310,000 per annum is available, with a total of £1,550,000 over the 5 year funding cycle. This assumes the revised grant limits which is the subject of another report being discussed on this agenda. This budget will continue to target at least 50 completed Empty Property Grants per year.

5.0 LEGAL IMPLICATIONS

- 5.1 The work undertaken in relation to bringing empty properties back into residential use cuts across numerous statutes. There are no direct legal implications arising from this report.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 The existing service provision both has and can continue to be managed using current ICT, staffing and asset resources.

7.0 RELEVANT RISKS

- 7.1 Whilst work relating to empty properties has largely continued throughout the pandemic it is not yet known what impacts the pandemic will have on the housing market and any implications for the number of empty properties on Wirral. Numbers of empty properties have historically fallen through Council intervention but may well increase due to changes in the private sector and, in particular, the private rented sector. If this proves to be the case, there is a risk that the scale of the current approach may be insufficient to tackle the problem. This is being kept under review. We have recently distributed a questionnaire to Private Sector Landlords to request feedback on the effects of the pandemic on their business and to gauge their future intentions in respect of the Private Sector Housing Market and how it may be possible to provide support.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 Engagement with empty property owners and relevant agencies is routinely undertaken by Housing Standards Officers undertaking Empty property work.

9.0 EQUALITY IMPLICATIONS

- 9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment was completed for Wirral's Housing Strategy 2016 – 2020, <https://www.wirral.gov.uk/sites/default/files/all/communities%20and%20neighbourhoods/Equality%20Impact%20Assessments/EIA%20since%202014/Regeneration%20an>

[d%20environment/Housing%20Strategy%202016%20-%202026%20EIA.pdf](#) which considered work the Council does to bring empty properties back into use.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 Work associated with bringing empty properties back into use is expected to reduce emissions of Greenhouse Gases and / or CO₂. Bringing empty properties back into use for residential purposes makes use of an existing under-utilised physical resource with carbon already embedded in the built structures. Supporting the renovation and return to use of these buildings ensures improvements are undertaken which retains the embedded carbon and, more often than not, includes the insulation of the building envelope and the installation or upgrading of modern space heating systems, reducing the CO₂ emissions generated had the property been occupied without improvements. Bringing empty properties back into use offsets the need for new build houses to meet local demand and supports brownfield first.

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APPENDICES

Appendix 1 – worked example of a success storey

BACKGROUND PAPERS

- W. Wilson/H. Cromarty/C. Barton (2020). Empty Housing (England), House of Commons Library
- GOV.UK. (2020). Live tables on dwelling stock (including vacants), available at <https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants>
- GOV.UK. (2020), Council Taxbase local authority level data 2020 available at <https://www.gov.uk/government/statistics/council-taxbase-2020-in-england>

SUBJECT HISTORY (last 3 years)

Council Meeting	Date

APPENDICES

Appendix 1 – A Successful Turnaround

The Housing Standards Team were alerted to a possible vacant property and following an initial inspection by an officer, Figure 1, it was noted that the front of the premises was overgrown with vegetation and that the front door has not been used for some time. A review of council tax records indicated the property status to be occupied and following correspondence with the owner, they suggested they were occupying the premises.

Figure 1 - Initial Inspection of Property



Following receipt of further complaints, an enquiry from a local councillor and no improvement in the appearance of the property, a decision was taken to notify the owner of possible enforcement action to negate the effect the premises was having on the neighbourhood. Upon receipt of this notification the owner of the premises contacted officers and admitted to the premises being vacant and requested support in improving the appearance. Officers arranged for local contractors to provide quotations for the removal of debris from inside the property and for the premises to be secured against access as it had been occupied by squatters. Further to the clearance of the property, the owner decided to

dispose of the premises and the opportunity to purchase the property was advertised to local developers via the Council's Developers List scheme. Following an open morning held at the property, several bids were received by the owner of which one was deemed to be suitable.

After completing the purchase of the property, the developer applied for support through the Empty Property Grant scheme to assist with the cost of the required improvement works to return the property to use. A grant of £3,000 was approved toward a scheme of works, which cost approximately £30,000 in total and a full refurbishment of the property was undertaken by a local contractor. Following the completion of the Empty Property Grant process and confirmation that the premises met the standards of the council Property Accreditation Scheme, Figure 2, the premises were tenanted and returned to use.

Figure 2 - Final Inspection of Property

