



HOUSING COMMITTEE

Thursday, 18 November 2021

REPORT TITLE:	WIRRAL PRIVATE SECTOR HOUSING STOCK CONDITIONS
REPORT OF:	DIRECTOR OF REGENERATION AND PLACE

REPORT SUMMARY

This report sets out the condition of Wirral's private sector housing stock and the range of interventions taken by the Council to remedy any problems.

This report provides information relevant to the Wirral Plan 2021-2026 ensuring equity for people and place, providing an overview of how the Council is working to improve sub-standard housing stock conditions ensuring the Council's available resources are prioritised to the areas of highest need to support vulnerable residents and bring empty properties back into use.

This matter affects all Wards in the Borough.

This is not a Key Decision.

RECOMMENDATION

Housing Committee is recommended to note the content of and comment on the report.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 This report has been prepared in line with the Housing Committee Work Programme 2020/21 and provides members with the opportunity to consider and comment on both the condition of the private sector housing stock and the range of interventions of the Council.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 Increasing the current intervention to improve housing conditions would require further resources over and above those currently available. Conversely, reducing the existing level of intervention will slow the rate of property improvements, particularly in the private rented sector.

3.0 BACKGROUND INFORMATION

- 3.1 Poor housing conditions are a risk to health. A warm and safe home is essential for good mental and physical health. Good quality housing is not only a basic need but a major contributor to an individual's wellbeing and quality of life. Living in an energy efficient property can also reduce levels of fuel poverty.

- 3.2 As part of the Council's obligation to keep housing conditions under review (usually undertaken every 5 years), the Building Research Establishment (BRE) was commissioned to undertake an assessment on Wirral's private sector housing stock in 2018. The assessment is based on modelling various relevant data sets as opposed to undertaking any housing inspections. This assessment established that Wirral's total stock was 148,017 houses, of which 66.4% were owner-occupied and 18.2% were in the private rented sector, with the remaining being in the social housing sector, with regulation for the social sector held by Homes England. It is significant to note that between 2001 and 2011 Wirral's private rented sector nearly doubled from 9%. This is a trend that has been reflected nationally, however, this growth has slowed in more recent years. The assessment also included research into the energy performance of the housing stock. Energy efficiency retrofit activity is discussed in a separate report on this agenda.

3.3 Property Conditions

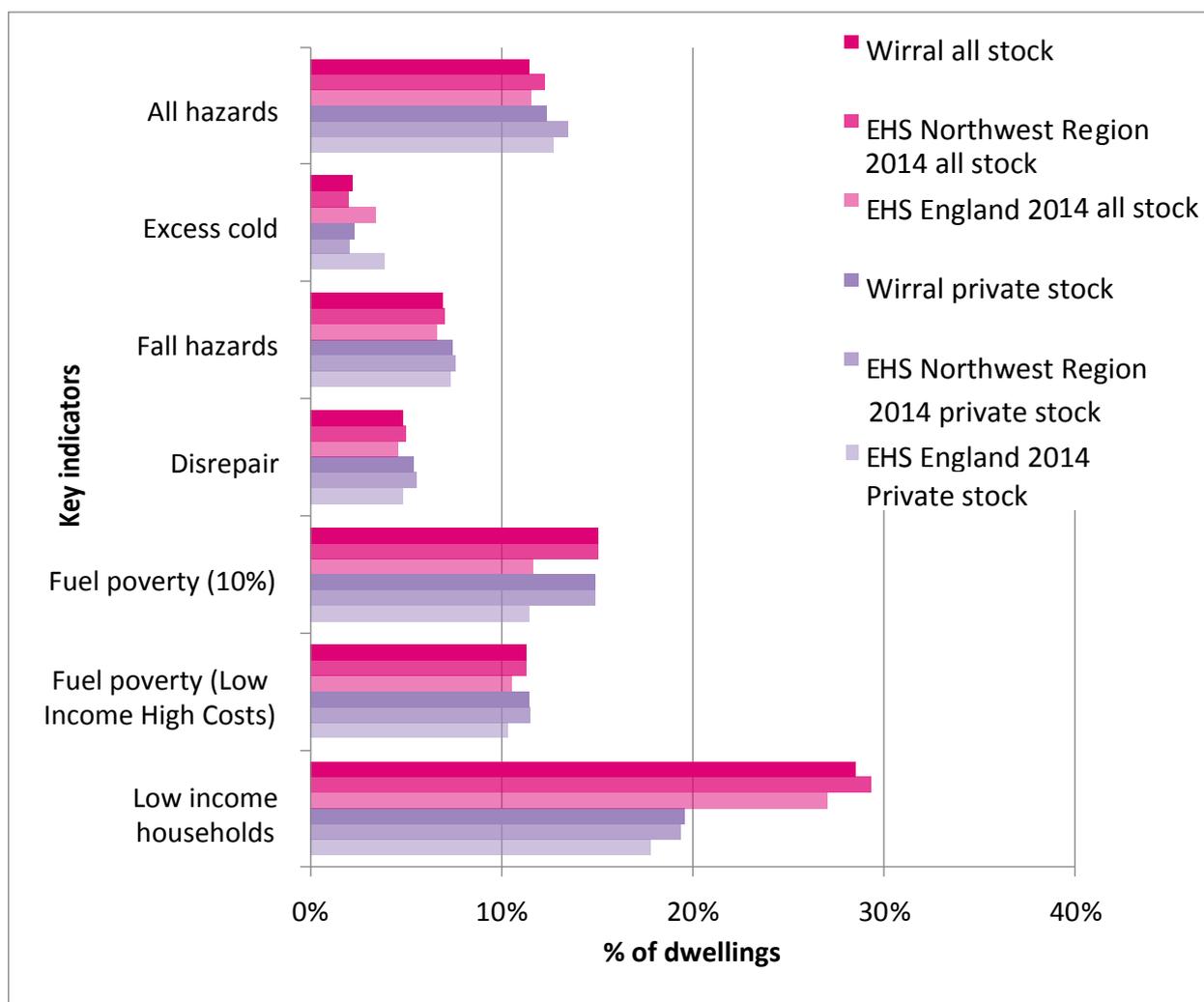
- 3.3.1 Property conditions are currently assessed using the Housing, Health and Safety Rating System (HHSRS) which involves the consideration of 29 potential hazards, such as dampness, risk of falls, provision of sanitation, food safety and heating/excess cold. The inspecting officer considers the likelihood of any hazards causing harm and the severity of the outcome. A scoring system is then used to assess whether the hazard is a Category 1 hazard (the most serious) or a category 2 hazard (less serious hazards). Once a Category 1 hazard is identified the Council is under an obligation to take action to deal with the hazard. This is not the case with Category 2 hazards although the Council may act if it is deemed necessary. The cost of mitigating Category 1 hazards remains the responsibility of the property owner and not the Council. Action to respond to poor housing conditions can vary between the owner occupied and private rented sector, ranging from informal through to formal

enforcement within the private rented sector (where the works are paid for directly by the landlord, or undertaken in default by the Council and the costs recovered) and for those vulnerable residents in need of being supported via the Council's financial assistance policy. From a regulatory point of view, the social housing providers have their own national regulator, known as Homes England, and their regulation includes the 'Decent Homes Standard' which is a higher standard of housing provision that cannot currently be enforced in other tenures. Instead, property conditions in the owner-occupied and privately rented sector rely on the Council both identifying and taking action to deal with category 1 and 2 hazards, as appropriate. This report focusses on conditions and council policy responses in both owner-occupied and privately rented houses.

- 3.3.2 The BRE assessment established that 12% of all owner-occupied properties are likely to have Category 1 hazards present with this figure being 15% in all privately rented properties. Thus, proportionately, the private rented sector has a higher number of serious hazards present. Predominantly poor conditions in this sector are to be found in the older housing stock to the east of the borough. The highest concentration of category 1 hazards based on the BRE modelling is in the Liscard, Seacombe, Birkenhead and Tranmere Wards.
- 3.3.3 In relation to all hazards taken together and excess cold, Wirral compares better than the average across England, but slightly worse than average for the hazards relating to falls and disrepair (see figure 1). On a regional level, Wirral is similar to the average. The costs of mitigating all Category 1 hazards is estimated to be £29m with £21.7m needed for owner-occupiers and £7.3m needed in the private rented sector.

Figure 1 – The main hazards in Wirral, regionally and nationally (BRE 2018)

(Figure 1 below shows the percentage of certain hazards, fuel poverty levels and low-income households in both Wirral's total and private stock and compares this to the English Housing Survey (EHS) Northwest Regional stock 2014 (both total and private sector) and the EHS English stock 2014 (both total and private sector))



A breakdown of the main hazards by tenure can be seen in table 1 below which demonstrates that for all the main hazards the conditions are worst in the private rented sector

Table 1 Main Hazards in Wirral by Tenure, BRE 2018

Indicator		Private sector stock			
		Owner occupied		Private rented	
		No.	%	No.	%
No. of dwellings		98,330	-	26,878	-
HHSRS category 1 hazards	All hazards	11,593	12%	3,919	15%
	Excess cold	2,262	2%	690	3%
	Fall hazards	7,275	7%	2,077	8%
Disrepair		4,871	5%	1,926	7%
Fuel poverty (10%)		14,379	15%	4,254	16%

- 3.3.5 Houses in Multiple Occupation (HMOs) consist of a house or a flat in which 3 or more households live as their only or main residence and where these households share basic facilities, such as a kitchen, toilet or bathroom. HMOs often require more intensive management in order to maintain suitable standards. The risk of fire occurring also increases in this type of property and bedsit accommodation is often occupied by more vulnerable tenants. Experience has shown that HMOs can be problematic in terms of management and conditions.
- 3.3.6 The Housing Act 2004 introduced mandatory licensing of larger HMOs as these properties were much more likely to have a serious hazard than other privately rented properties. Mandatory licensing was extended to cover a wider range of property types in 2018. Currently, any HMO that is occupied by five or more persons who form two or more separate households, and who share basic amenities such as a kitchen, bathroom or toilet, require a licence.
- 3.3.7 The BRE assessment estimated that there were 4691 HMOs in Wirral in 2018, of which 719 would fall under mandatory licensing. The BRE figure for licensable HMOs is based on 4 bedroom properties where there are 3 or more people with different surnames. Wirral Council queried this definition with the BRE research team and the stock modelling data was also run using 5 bedroom properties which produced an estimated number of HMOs of 251, much closer to the number of 250 licensable HMOs based on local records.
- 3.3.8 The most recent data from GOV.UK (2020), as of October 2020, indicated there were 4,858 vacant properties in Wirral, of which 2,231 were classed as long-term empties, meaning just over 45% of all vacant properties in the borough were empty for 6 months or more. Table 2 below shows that Wirral has the second lowest rate of long-term empty properties in the Liverpool City Region. The total number of all vacant properties in the borough has decreased by just under 20% since 2011 and the number of long-term empty properties by over 15% during this period. In 2020, during the pandemic, the number of long-term empty properties increased by over 12% in the Northwest and this increase was replicated nationally by an increase of over 15%.

Table 2 rate of Long-Term Empty Properties by Local Authority as of October 2020.

Local Authority	No of Long-Term Vacant Properties October 2020	% of the private Sector Housing Stock
Wirral	2231	1.8%
Liverpool	4,631	2.96%
Sefton	2,155	2.03%
Knowsley	1,056	2.32%
St Helens	1,223	1.96%
Halton	506	1.13%

LCR Average		2.28%
--------------------	--	--------------

Table 2 Long term Empty Property figures and rates for LCR 2020.

3.4 **Interventions to Improve Housing Conditions, Licensing Standards and Reduce Vacant Stock**

- 3.4.1 The BRE work sets out the scale and overall condition within the borough and this section sets out a number of interventions which are either mandatory or have been developed to help respond to those issues, ensuring that standards are met and that financial support is targeted to those most vulnerable in our borough. There are currently no corporate targets relating to improving private sector property conditions, however the Wirral 2020 plan included a 5-year target to improve 2250 private sector properties by 2020, a target that was exceeded by 441 property interventions. Proactive inspections ceased temporarily due to government guidance issued relating to the Covid-19 Pandemic, but the teams have been fully mobilised for the last 2 months so that inspections can resume and the full range of interventions to address poor housing are operational.
- 3.4.2 The Council operates a mandatory licensing Scheme for HMOs and a decision was made under delegated powers in 2018 to agree the licence fees to be charged for the scheme. The Council can cover its cost to issue the licence, but it cannot make a profit, nor can the licence fee be used for enforcement of sub-standard HMOs which has to be paid for through mainstream Council resources. Officers give all licensable HMOs a risk rating to determine the frequency of inspections to ensure compliance with licensing conditions as well as adherence to the HMO management Regulations. The Housing Standards Team also offer advice to prospective landlords of HMOs through a chargeable advice service. Wirral currently has 201 HMOs with a licence.
- 3.4.3 Selective Licensing allows the local authority to require all privately rented properties in a specific geographical area have a licence. The licence imposes conditions to ensure suitable management standards are in place and properties are maintained to a good standard. A robust business case has to be made in order to declare a Selective Licensing area and this requires evidence of the need for licensing in an area, such as poor housing conditions, anti-social behaviour, higher than average concentration of privately rented properties, higher than average property vacancy rates. Once declared, failure to obtain a licence is an offence which can lead to prosecution. Wirral declared its first licencing scheme in 2015, focusing on 4 areas in Birkenhead South, Egerton North, Egremont Promenade South and Seacombe Library. Compliance surveys established that the housing conditions were far worse than anticipated, with only 29% of properties visited fully compliant on the first visit. This resulted in extensive property improvements taking place over the maximum 5 year designation period with 558 houses having hazards removed through Council intervention.
- 3.4.4 In October 2018, Cabinet agreed a second selective licensing area scheme involving 4 further areas in Hamilton Square, Seacombe St Pauls, Birkenhead West and Birkenhead Central, which commenced in April 2019.
- 3.4.5 In February 2020, Cabinet agreed to extend Selective Licensing further by declaring 6 areas consisting of the 4 areas originally declared in 2015 and an additional 2

areas in Tranmere Lairds and Egremont South. The commencement of this scheme was delayed until October 2020 due to the Covid 19 Pandemic.

- 3.4.6 The Selective Licensing areas declared by the Council align with the areas with the highest levels of poor housing conditions highlighted in the BRE assessment, which contributes to the business case for each scheme.
- 3.4.7 The Healthy Homes Service is provided primarily in the Selective Licensing areas and consists of a locally developed service that provides 'one on one' support to all residents to improve both health outcomes and property conditions. Following an initial survey, appropriate advice is given, which often includes signposting to numerous agencies that provide appropriate support. The Healthy Homes Service is embedded in the Housing Standards Team enabling joint working to get the best outcomes.
- 3.4.8 The Council has developed a local Financial Assistance policy that provides assistance to both low-income owner occupiers and tenants, residents requiring adaptations in connection with certain health conditions and empty property owners. This assistance can be a grant or loan or a combination of both in certain circumstances. The assistance available to specifically to address disrepair in both occupied and vacant houses, focusses on remedying Category 1 hazards. In the case of empty properties, the assistance available is structured in such a way to achieve standards above the statutory minimum through property accreditation and assist with the council's homelessness obligations. The assistance policy is reviewed on an annual basis to ensure that it is fit for purpose and the most recent review was made by Housing Committee in January 2021. An average of 128 property owners were supported financially to remove serious hazards each year over the last 6 years

3.5 Collaboration with Private Landlords

- 3.5.1 It is recognised that the majority of private rented sector landlords provide good quality accommodation and wish to work with the Council in a constructive manner. Over time the Council has developed mechanisms to engage with landlords including the landlord Steering group, an annual newsletter (latest edition [Landlords Link-Up - Summer 2021 | www.wirral.gov.uk](#)) and forum with guest speakers discussing topical issues and a local landlord mailing list to keep landlords up to date with any relevant developments. This mailing list has proved to be very useful during the Covid 19 pandemic as a means of updating landlords on their responsibilities during the pandemic and lockdown periods.
- 3.5.2 The Council has developed a Property Accreditation scheme for private landlords to join on a voluntary basis. Accreditation secures minimum property condition and management standards and encourages landlords to go beyond the statutory minimum provision using a star rating system. This scheme is boroughwide and landlords are encouraged to use the property accreditation as part of their marketing when seeking new tenants. Accreditation also provides tenants with a degree of certainty that the property meets certain standards and has been checked by the Council. Since the scheme began, almost 7500 properties have been accredited in Wirral and there are currently 801 properties accredited at this time within the borough.

3.6 Empty Properties

- 3.6.1 Reducing the number of empty properties has been a priority for the Council for a number of years now with a previous target included in the Wirral Plan 2020 to bring back into use 1250 empty properties. This target was exceeded and delivered 1437. The Council's response to tackling empty homes was the subject of a Housing Committee report on 27th January 2021 and members supported the policy responses being undertaken to reduce empty homes and the proposal to include empty properties brought back into use as part of the Local Plan's housing supply. The potential to bring back empty homes into use across the Plan period will support the overall housing supply in the emerging Local Plan, this includes 100 properties per year for years 1 to 5, 90 properties per year for years 6 to 10 and 80 properties per year for years 10 to 15. Since 2016 the average number of properties returned to use each year via council involvement is 275.
- 3.6.2 In addition to the Empty Property Grants, other action is taken in relation to empty properties, with an emphasis on dealing with longer term (vacant longer than 6 months) vacant properties. A Long-Term Empty Property Toolkit including an Options Appraisal Process has been developed to provide guidance to officers on the process to follow when tackling difficult long term empty properties and support their eventual return to use. The established process ensures a robust approach is taken to dealing with vacant premises and that actions are prioritised based on the circumstances of each individual case. Wherever possible the Housing Standards Team has looked to focus on properties vacant for longer than two years. The action taken in relation to empty properties is detailed in the Housing Committee report 27th January 2021 and includes interventions such as the locally developed 'Developer List' to facilitate property disposal to developers, the issuing of VAT exemption letters to property owners to help reduce the cost of certain capital works necessary to bring the property back into use and various marketing to raise the profile of empty properties and to highlight what assistance is available. The Council also charges a Council Tax Premium for longer term empty property (over 2 years). Finally, a range of enforcement action is also widely used to tackle problems where either un-cooperative or no owners are encountered. This can result in works being undertaken by the Council and the costs of such action being recovered.

4.0 FINANCIAL IMPLICATIONS

- 4.1 There are no direct financial implications arising from this report, however, many of the interventions discussed do have financial implications for the Council.
- 4.2 Where the Council pays to undertake works in default of a legal notice the cost incurred in taking this action is either recovered directly from the property owner or placed as a legal charge on the property to be recovered at a later point, usually at the point of sale of the property. A legal charge attracts compound interest.
- 4.3 The Local Government Finance Act 2012 provided Councils with the option to charge an additional Council Tax Premium on long term empty properties of up to 50%. Government subsequently introduced an amendment to legislation in 2018 which allowed Council's to further increase the Council Tax Premium on long term empty properties from 1 April 2019 and then incrementally in ensuing years, based on length of time a property has been empty. Following the Council exercising its discretion provided in the amendment, from April 2021 the amount payable for Long Term Empty

Premiums are; empty between 2 to 5 years – 100% premium / empty between 5 to 10 years – 200% premium / empty 10 years or more – 300% premium.

- 4.4 In addition to works in default, interventions by the Council to secure property improvements, can include funding provided by both the Council and Government (Better Care Fund). Capital Programme funding is used to provide Empty Property Grants. The resources available each year for Empty Property Grants is £310,000 and this is available until 2024/25. Better Care Fund resources are used to fund the range of assistance available to support aids and adaptations, including Disabled Facilities Grants and Heating and Renovation grants and loans. Financial monitoring is undertaken on a monthly basis throughout year to ensure spending target are met and reported through Governance structures.
- 4.5 Proactive work, in terms of Selective Licensing, is funded exclusively from licence income.

5.0 LEGAL IMPLICATIONS

- 5.1 A range of legislative powers are available to address both Category 1 and 2 hazards. These powers are used in line with the corporate Enforcement Policy which was updated and agreed by Cabinet in July 2020 along with the Housing Standards Enforcement Policy Statement (the policy statement) which provides more detail about the specific powers available and when they might be used. The policy statement was updated and agreed by Cabinet in July 2019 and was amended following government advice issued during the pandemic. In July 2019, Cabinet also agreed a range of local policies in relation to the use of new powers to deal with issues largely in the private rented sector, including Rent Repayment Orders, Civil Penalties as an alternative to prosecution, Banning Orders, the national Rogue Landlord Database and tests for fit and proper person and satisfactory management arrangements for a HMO Licence and Selective Licence.
- 5.2 In a number of cases, it may be appropriate to prosecute a property owner where it is deemed to be in the public interest. The Council has prosecuted and will continue to prosecute landlords who fail to comply with statutory standards. The Council has prosecuted landlords for over 60 offences since 2015. Successful prosecutions are publicised locally as a deterrent to other non-compliant landlords. Successful prosecutions can lead to a landlord being placed on the national rogue landlord's database and in some cases, a Banning Order can be issued preventing an individual from operating as a private sector landlord.
- 5.3 The Council responds to complaints made about poor housing conditions in the private sector. Both the Housing Standards Team and the Environmental Health Team work together to assist primarily tenants experiencing problems with their properties. Complaints can result in advice being given to relevant parties through to enforcement action/prosecution and in some cases re-housing. The Housing Standards Team has successfully driven the improvement of 1613 Flats and houses between 2015 and 2020 through intervention outside Selective Licensing areas.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1 All interventions highlighted within this report are currently managed using existing staffing, ICT and other assets.

7.0 RELEVANT RISKS

7.1 There are no direct risk implications arising, however, it should be noted that both the proactive and reactive interventions discussed above provide a targeted response to the worst conditions found in the private sector, ensuring that available resources are prioritised to those vulnerable and in the greatest need. Should any of the interventions cease for any reason, there is a risk that the effectiveness of the Council's response to tackle poor housing conditions will reduce leaving more residents living in poor and potentially dangerous houses. It should be noted that there is a duty to intervene once a Category 1 Hazard is identified so the Council cannot withdraw intervening in poor housing conditions completely.

7.2 Ceasing interventions could also lead to reputational damage for the Council due to the likely increase in properties with hazards and resultant ill health. Rogue landlords may well also take advantage of any roll back in Council intervention which would put tenants at risk

8.0 ENGAGEMENT/CONSULTATION

8.1 There is no engagement or consultation that has been required for undertaking this report.

9.0 EQUALITY IMPLICATIONS

9.1 There is no direct Equality Impact Assessment for this report, however, a number of EIAs have previously been completed in order to consider the equality implications associated with some of the interventions mentioned. This report makes no material changes to the EIAs referenced below:

Empty Property EIA: [Microsoft Word - Housing Strategy 2016 - 2026 EIA \(wirral.gov.uk\)](#)

Financial Assistance Policy Review EIA: [Private Sector Housing and Regeneration Assistance Policy – Equality Impact Assessment \(wirral.gov.uk\)](#)

Selective Licensing EIA: [Selective Licensing \(wirral.gov.uk\)](#)

Enforcement Policy Review EIA: [Review of Enforcement Policy 2020 – February 2020 \(wirral.gov.uk\)](#)

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 Some of the remedial work undertaken to respond to poor stock conditions such as improvements to heating have a direct impact on climate change and contribute to improved Energy Performance of households in line with the Council's Cool 2 Strategy.

11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 A considerable amount of work undertaken to tackle stock conditions support the principles of Community Wealth Building through the sustainable agenda of

improving thermal efficiency of homes, reducing energy consumption and use of local labour and supply for carrying out works.

REPORT AUTHOR: Alan Lipscombe
email: alanlipscombe@wirral.gov.uk

BACKGROUND PAPERS

BRE Integrated Dwelling Level Housing Stock Modelling and Database for Wirral Council – March 2018

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>

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Housing Committee: Work Programme Update	19th October 2021
Housing Committee: Proposed amendments to the Private Sector Housing Regeneration and Assistance Policy	27th January 2021
Housing Committee: Empty Property Update Report	27th January 2021
Cabinet: Consideration of a Proposal to Implement Selective Licensing following Consultation	24th February 2020
Cabinet: Enforcement Policy 2020	27th July 2020
Cabinet: Amendments to existing and creation of new policies relating to private sector housing	22nd July 2019