



## **CABINET – 9TH SEPTEMBER 2020**

**SUBJECT: PRIVATE SECTOR HOUSING - PROPOSED EMPTY HOMES TEAM TO DELIVER EMPTY HOMES PROGRAMME, INCLUDING VALLEY TASKFORCE INITIATIVE**

**REPORT BY: CORPORATE DIRECTOR - SOCIAL SERVICES AND HOUSING**

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### **1. PURPOSE OF REPORT**

- 1.1 To seek Cabinet approval to participate in the proposed empty homes work programme and to establish an empty homes team to deliver the required work given Welsh Government's interest in this area.
- 1.2 To recommend to Cabinet the creation of an empty homes team within Private Sector Housing, with the associated cost being met through Capital Earmarked Reserves.
- 1.3 To approve the capital funding required to support the delivery of Phase 2 'Empty Property Grants' via the Valley Taskforce (VTF) initiative and the establishment of an Empty Homes Team.

### **2. SUMMARY**

- 2.1 With no dedicated staff resource to proactively progress empty home issues CCBC has, to date, only been able to deal with reactive complaints linked to long term vacant properties. Welsh Government are very keen for Local Authorities to actively address the problems associated with empty properties and are currently progressing an enforcement agenda throughout Wales, aimed at returning empty properties, including empty homes, back into beneficial use. This report outlines the private sector empty homes work programme linked to the Welsh Government agenda and the development of an Empty Homes Team to successfully undertake the work as well as contributing to the wider issues associated with empty properties within our communities.

### **3. RECOMMENDATIONS**

- 3.1 Cabinet is asked to: -
  - 3.1.1 Note the content of the report.
  - 3.1.2 Approve the creation of an empty homes team and the funding of fixed-term staffing costs of £275k to deliver the work programme associated with Welsh Government's empty property enforcement agenda.

- 3.1.3 Approve the capital allocation of up to £700k to support the delivery of Phase 2 'Empty Property Grants' via the VTF Initiative.
- 3.1.4 Agree that the total funding requirement of up to £975k should be met from Capital Earmarked Reserves.

#### **4. REASONS FOR THE RECOMMENDATIONS**

- 4.1 The purpose of the report is to provide information on the empty homes / property work programme and obtain approval for the creation and funding of an empty homes team to take the work forward.
- 4.2 To obtain approval for participation in Phase 2 of the VTF initiative along with the required capital allocation to support the delivery of the 'Empty Property Grants' during 2020/21.

#### **5. THE REPORT**

##### **Empty Homes**

- 5.1 The reasons behind a home being empty for an extended period are usually complex and are therefore not easily remedied. Examples include: properties that are dilapidated, requiring repair and renovation prior to occupation; abandoned properties, those with unresolved ownership issues such as the owner dying intestate; properties retained as an investment or inheritance holdings; mobility holding (where the owner is away from the area) or as a cohabitation holding, (where one of the joint owners doesn't wish to sell or let the property).

##### **Performance Measures**

- 5.2 There are currently 2 PAMs used to monitor the performance of an Authority in bringing the empty property back into residential use within the private sector.

##### **PAM/013**

*'Percentage of empty private sector properties brought back into use during the year through direct action by the LA.'*

- 5.3 This only concerns residential properties that have been vacant for 6 months on the 1<sup>st</sup> of April of the relevant year. The latest information is attached in Appendix 1.
- 5.4 Unfortunately, percentages can be misleading. More properties in actual numbers, can be returned to use by an Authority but the overall percentage reported can be low due to the large size of the denominator. 10 Local Authorities in Wales returned more properties to use last year than Caerphilly CBC, however from a percentage point of view Caerphilly CBC is positioned 14<sup>th</sup>. It should be noted that those Local Authorities with high performance results have dedicated empty home teams.
- 5.5 At present proactive progress linked to the return to use of empty homes is minimal. Current staff resources necessitate provision of a largely reactive service, mainly linked to complex complaints received from neighbours or Councillors. Only twenty percent of one full time equivalent Environmental Health Officer (scale 10) is currently dedicated to this role. The opportunities to increase capacity within the existing Private Sector

Housing (PSH) service are extremely limited due to competing priorities and statutory obligations.

- 5.6 Reactive intervention in response to complaints tend to focus on problematic empties that are labour intensive to resolve. It should be noted that very often the successful resolution can take extensive work over long periods of time and unfortunately the outcome is not eligible for inclusion in the Public Accountability Measure (PAM) returns if the properties are not returned to beneficial use within the private sector. This would include instances where the best outcome for the property is demolition or purchase by the Council for social housing tenants.
- 5.7 A Report from the Equality, Local Government and Communities Committee on Empty Properties, 2019, (The Report) recommended that Welsh Government (WG) support an amendment to PAM/013 to measure the success of bringing back into use properties that have been empty for 12 months rather than the current 6 months. WG have agreed to take this recommendation forward as it would allow Council's to focus on the more problematic empty homes that will not be returned to use naturally via market churn.
- 5.8 In 2018/19 approximately 830 (53%) of the properties categorised as vacant for more than 6 months in CCBC were returned to use without local authority intervention, illustrating that that these should be considered as 'transitional empty homes' rather than long term vacant homes. In addition to this the Report also recommended that the current method used for the gathering of data for the denominator figure from council tax valuation lists needs to be reconsidered to include both derelict and non-residential properties, which would significantly increase the denominator and take into consideration the work of other teams within the Council who are involved in the regeneration and re-designation of non-residential properties. WG are currently undertaking a pilot study with Powys County Borough Council to progress this issue.

#### **PAM/045**

- 5.9 PAM/045 is a new performance indicator introduced in 2019/20. The measure is defined as:

*'Number of new homes created as a result of bringing empty properties back into use. That is the number of additional dwellings created when a property is sub divided into additional dwellings in bringing it back into use. This includes both previously residential properties and 'other' empty properties.'*

- 5.10 Due to the impact of Covid 19 at the time of writing this report no performance information is available.

#### **Potential Work Programme of Empty Homes Team**

- **Development of Empty Homes Strategy**

- 5.11 CCBC's current empty homes strategy was produced in 2006 and is now outdated and a new strategy is urgently required. Initial progress has been made in creating an empty homes database to record all empty properties (1575 properties linked to the current PAM definition) and efforts were made to establish a new base position in 2018/19 to support development of a revised strategy. However, without sufficient staff resources to produce the new strategy this data is rapidly becoming out of date. This data needs to be strategically mapped and reviewed to determine priorities for targeting those properties with the highest risks and consideration needs to be given to determining how

the Council will be best placed to return them back into use. In 2019/20 the new list of empty homes increased to 1624 properties.

- **Data Analysis & Mapping**

5.12 The Council's new strategy would detail actions required moving forward, focusing on prioritising interventions to return problematic empties to beneficial use and those that have been empty for the longest periods of time. In order to ensure resources continue to be focused on the highest priority matters over time, an annual update and review would be undertaken of the empty homes database. Although this work would be labour intensive it is essential to inform strategic actions and assist with the wider issues of empty properties within the Borough and the Regeneration agenda.

- **Website**

5.13 A mini website relating to empty homes and empty properties would be created to sit alongside the strategy to act as a central resource for anyone contacting the Council with related issues. This mini website would bring together all relevant corporate information and opportunities available to return empty residential and non-residential properties to use, but also linking in with external information provided by WG and other organisations where appropriate. Initial conversations have already taken place with Regeneration colleagues but without additional staff resources only very limited progress can be made.

- **Proactive and Reactive Interventions**

5.14 At present there is little capacity to focus on proactive work and generally only problematic empties that require an element of enforcement are addressed. This type of action is resource intensive for the service taking the enforcement action whether it be Private Sector Housing or Planning as well as Legal services. Current statutory enforcement powers include: provisions relating to enforced sale; compulsory purchase order; statutory nuisance; Demolition Orders; prevention of unauthorised access; remediation of overgrown gardens; and Empty Dwelling management Orders, as well as enforcement powers under the Town and Country Planning Act, currently delegated to colleagues in Planning, when properties are considered 'detrimental to the local amenity'. Legal Services are key contributors to the preparation and implementation of any enforcement action and any increase in enforcement action on empty properties by either Private Sector Housing or Planning is likely to necessitate increased resources for Legal Services. It should be noted that at present the Council do not have an Enforced Sales Policy and as such one is currently being developed and will be the subject of a future report. WG have suggested that consideration needs to be given to a request for national / regional bespoke legal service for LA's to tap into to get specialist advice to include the issue of Compulsory Purchase Orders, however it is not known at this stage if these proposals will be taken forward.

- **Contribute to National Agenda**

5.15 The recent report detailed above recommends that WG works with the WLGA to undertake a review of existing statutory enforcement powers available to Local Authorities to tackle empty properties and assess how these could be used more effectively, consolidated, simplified or extended. WG have responded by committing to a

review of the legislative processes. An empty homes team would be a key contributor to this review and to take forward its recommendations, for the long-term benefit of the Council and its residents.

- **Provision of Advice, Assistance, Grants and Loans**

5.16 Fortunately, most empty homes are not in such a condition that intervention by way of enforcement action is necessary. With the development of an empty homes team the Council would be better able to proactively target empty properties and their owners, deal with service requests such as the investigation of complaints, Freedom of Information requests, provision of general advice to property owners and prospective purchasers, administration of grants and loans linked to empty homes, as well as undertaking proactive initiatives such as letter drops to empty home owners to try and engage with them and move forward with returning the properties back into beneficial use, linking in with other in-house schemes such as the Caerphilly Keys initiative, which assists in contributing to meeting housing demand in the borough and addressing homelessness.

5.17 Whilst the Council offers a range of grant and loan products, to date only limited advertising of financial products has been undertaken, due to the inability to resource any large increase in demand. Ideally the empty homes team would be working with third parties, including estate agents and auction houses to try to deal with empty homes through the offer of a range of incentives.

- **Co-ordination of Corporate Activity**

5.18 An Internal Joint Working Group was previously set up to try and bring together all the actions of the Local Authority in returning properties back to use as currently there is a very piecemeal approach. Unfortunately, its success has been limited due to a lack of staff resources to drive this agenda forward. If there was capacity for this group to meet quarterly with dedicated staff, it would proactively progress many of the ongoing corporate issues associated with empty properties to achieve satisfactory solutions. Joint working of all relevant staff across different departments, such as planning, council tax, building control, environmental health and social services would work much more effectively, maximising and co-ordinating the required outcomes.

### **WG Enforcement Agenda - Empty Property Support Programme**

5.19 WG have recognised that empty properties are a significant concern and have committed to progressing a national enforcement agenda with the offer of an empty property support programme. They have written to each Local Authority to obtain buy in at the highest level to prioritise dealing with empty home issues. Consequently, WG have produced their plan of action which comprises 3 main points:

**i) Provision of Industry Expert** - to provide specific training for each Local Authority

5.20 This training will cover current enforcement powers for all types of empty properties and how to use them effectively. Unfortunately, the expert meeting with CCBC which was due to take place on the 22<sup>nd</sup> of June has been cancelled due to the current Covid 19 situation.

**ii) One to One Workshops** - on needs and skills assessment of each Local Authority and the creation of an Action Plan.

- 5.21 It was originally planned for the first draft (pre Covid 19) to be in place by October 2020. Objectives and targets will be set and expected to be implemented / delivered as part of this plan. This work must be done with an emphasis on community-based approaches, ensuring that the action plan reflects the views of communities.

### **iii) National Action Plan**

- 5.22 The 22 individual Local Authority action plans will be collated by WG into a National Action Plan which was due to be finalised by the end of December 2020 (Pre Covid 19)
- 5.23 WG recognises the impact that having specific officers with responsibility for empty properties can make, stating that the specific role or function should be available across each Local Authority within Wales. This will be key in the subsequent delivery of the Action Plan.

### **WG - Financial Products - Valley Taskforce**

- 5.24 To incentivise empty home-owners Valley Taskforce (VTF) introduced an 'Empty Home Grant' in the last quarter of 2019/20 (Phase 1) administered on their behalf by RCTBC. Phase 1 enabled prospective owner occupiers of empty homes to access non means tested grant aid from WG to a maximum of £20,000, paying a 15% contribution. The grant did not specifically target longer term or problematic empties or consider the personal or financial circumstances of the applicant. It was not available to private landlords so did not contribute significantly to homeless prevention. Phase 1 was fully funded by WG and ended on the 31.03.2020. CCBC received approximately 113 applications but were only able to process 13 through to a valid application by the 31.03.2020, amounting to £176,773 of VTF grant aid.
- 5.25 WG has recently prepared a Phase 2 'Empty Home Grant' which will be available during 2020/21 on a first come first served basis to organisations that sign the required agreement. Phase 2 criteria widens eligibility to include funding for Registered Social Landlords and stock retaining Local Authorities, with a grant maximum for all of £25,000. The additional £5,000 of funding is only available for energy related improvements. In relation to applications from prospective owner occupiers, WG (VTF) offer 50% funding, the Council is required to fund 35% and the homeowner 15%. For applications from RSLs or stock retaining local authorities, WG (VTF) offer 65% and the social landlord must contribute 35%.
- 5.26 If the Council commits to Phase 2, there are approximately 100 pending applications carried over from Phase 1 to consider. These Phase 1 applications transferring to Phase 2 require a potential financial commitment of an estimated £700,000 from CCBC based on the average grant cost of £20,000, based on grants delivered by VTF to date, which excludes any energy related works.
- 5.27 WG have committed funding of £4,500,000 for participating authorities (with £450,000 assigned to staff costs) for Phase 2, based on the return to use of 2% of empty homes in 2018/19, which equates to approximately 32 properties within CCBC. Clearly this funding would not be sufficient to deal with the current backlog from Phase 1, but not all Councils are likely to take part and all applications will be dealt with on a 'first come first served' basis, so an early commitment to the initiative is essential to enable us to maximise the opportunity presented. The budget request therefore of £700,000 is based on all pending applications being approved, which is unlikely to be the case, but WG have also agreed to review the available budget allocation.

5.28 The product requires significant technical, administrative and legal support from CCBC, the costs of which cannot be fully recovered and at present there are insufficient officer resources to meet the demand for the surveys required to establish eligibility of works and costs.

### **Staffing Requirements**

5.29 To successfully deliver this work programme and deliver on the proposed Action Plan, it is anticipated that an empty homes team comprising a minimum of 3.5 full-time equivalent permanent staff be appointed. It is anticipated the structure would comprise:

- Grade 3 permanent administration clerk - for all data entry requirements to the empty property database and updates to the mini website content.
- Grade 8 permanent technical surveyor - for all property condition inspections.
- Grade 9 permanent Empty Property Officer - to progress the on-going risk assessment process and to co-ordinate the development and delivery of the empty homes' strategy, with relevant partners.
- 50% of a Grade 11 permanent Principal Officer - to oversee and manage the empty homes work programme and staff and the administration of associated financial products.

Alternatively, the appointment of the above staff members could be made on a fixed-term basis for an initial period of two years. This would give a commitment to supporting the empty homes project and developing an Empty Homes Strategy, with actions and outcomes being assessed before making a longer-term commitment.

### **Benefits of Undertaking the Empty Property Work Programme:**

- Maximisation of the return of empty properties back into beneficial use, thereby increasing the supply and quality of accommodation within the County Borough.
- Increasing opportunities to address unmet housing need, including homelessness, and demand.
- Effectively dealing with those properties unable to be re-occupied, for example due to size, design and property condition.
- Addressing the strategic objectives identified in the Council's Local Housing Strategy and Private Sector Housing Renewal Policy in so far as they relate to the return to use of empty properties.
- Delivery against WG enforcement agenda
- Co-production, co-ordination and joint implementation of strategies and initiatives, with internal and external partners, for the return to beneficial use of empty homes and non-residential properties.
- Development of relevant partnerships and initiatives to enable sustainable solutions for empty property owners, including working proactively with internal departments such as Council tax, Legal and Planning as well as external organisation such as the Police and Registered Social landlords

- Working closely with regeneration officers to enable empty residential and non-residential properties to be brought back into use, as part of strategic town centre improvements and for other key regeneration initiatives.
- Full utilisation of grant and loan funding streams. Maximising financial investment opportunities in the County Borough.
- Provision of centralised support, advice and assistance to anyone involved with empty properties.

## **Conclusion**

5.30 The delivery of the empty homes work programme by a dedicated team is essential if the Council are going to maximise the return of empty properties to beneficial use and thereby increase the supply and quality of accommodation in the Borough. WG have requested that Local Authorities prioritise actions associated with empty homes that blight our communities. Approval of funding for creation of such a team is required to enable the Council to deliver the proposed Action Plan and assist WG in the delivery of the National Action Plan.

5.31 The VTF initiative is a strictly time limited opportunity to access significant WG funding to support the return to use of empty homes for the benefit of householders and the communities in which these homes are located. A significant interest has been shown by property owners, but the scheme cannot be taken forward without a commitment by the Council to provide an element of funding for 2020/21. Phase 2 of this initiative requires a potential capital financial commitment of an estimated £700,000 from CCBC based on the average grant cost of £20,000, following the increase in the grant maximum with the inclusion of energy related works.

## **6. ASSUMPTIONS**

- 6.1 Staffing costs have been calculated on assumed pay wards for the 2021/22 and 2022/23 financial years.
- 6.2 The VTF Phase 2 service level agreement is promptly signed by the Local Authority.

## **7. LINKS TO RELEVANT COUNCIL POLICIES**

### **7.1 Corporate Plan 2018-2023.**

The report contributes towards or impacts the following Corporate Well-being Objectives:

**Corporate Plan (CCBC, 2018-2023): Objective 3** - Address the availability, condition and sustainability of homes throughout the county borough and provide advice, assistance or support to help improve people's well-being

**Caerphilly Homes Service Plan (2018-2023). A Foundation for Success 2018 – 2023**  
SQL6: Improve the quality of the existing housing stock through targeted intervention; particularly in terms of Council owned housing stock



## Welsh Government Policies

**Improving Lives and Communities: Homes in Wales (Welsh Government, 2010)**, which sets out the national context for improving homes and communities

### 8. WELL-BEING OF FUTURE GENERATIONS

8.1 The report contributes to the Well-being Goals which are:

- A prosperous Wales
- A resilient Wales
- A healthier Wales
- A more equal Wales
- A Wales of cohesive communities
- A globally responsible Wales

8.2 The report is consistent with the five ways of working as defined within the sustainable development principle in the Act. The five ways of working of the sustainable development principle, listed in the Act are:

- **Long Term** – Housing is a long-term asset. The return to beneficial use of empty homes will have significant long-term benefits to individuals and communities, safeguarding the ability of future generations to meet their long-term needs.
- **Prevention** - The homes returned to use will help to address issues of housing needs and demand across all tenures and will positively impact on the objectives of our internal and external partners. Works undertaken make significant visual improvements to housing and their surrounding environments (improved the look and feel) helping to prevent anti-social behaviour and enviro-crime.
- **Integration** – The proposal looks to integrate property and community improvements that will benefit and transform lives and communities, bringing together a variety of stakeholders to deliver long term sustainable benefits for lives and communities
- **Collaboration** – This report outlines the range of service areas and organisations that the new empty homes team will collaborate with to achieve the return to use of empty homes. It is proposed that an empty property working group be reconvened and developed containing officers from areas including Planning, Regeneration and Housing to work collaboratively for the benefit of all stakeholders.
- **Involvement** - There will be opportunities for owners and people who could potentially live in these homes to have an input into their regeneration. Local communities will also have the opportunity to comment on any proposed developments as part of the planning process.

### 9. EQUALITIES IMPLICATIONS

There are no equalities implications arising from the report.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 The fixed-term appointments to the Empty Homes Team would cost circa £275k for the proposed initial period of 2 years.
- 10.2 Additional capacity for enforcement by Private Sector Housing could impact on the workloads of Legal Services, necessitating a review of staffing, however this is difficult to predict at this time and therefore would need to be kept under review.
- 10.3 The commitment to Phase 2 of the VTF initiative necessitates a capital investment of approximately £700,000 in 2020/21. In addition, whilst there is provision in the initiative for recovery of staff costs involved in administration of the initiative they are insufficient to meet actual costs.
- 10.4 It is proposed that the total funding requirement of up to £975k should be met from Capital Earmarked Reserves.

## **11. PERSONNEL IMPLICATIONS**

- 11.1 It is proposed that the new empty homes team comprise the following additional staff within Private Sector Housing:-
- Grade 3 Administration Clerk - full time
  - Grade 8 Technical Surveyor - full time
  - Grade 9 Empty Property Officer - full time
  - 50% of a Grade 11 full time Principal Officer
- 11.2 Following consultation with Legal Services, it is unclear at this time as to how much enforcement work will result from the actions of the empty property team. Therefore, the matter will need to be frequently monitored and reviewed and may result in the necessity for additional staff resources within Legal Services in the future.

## **12. CONSULTATIONS -**

- 12.1 There are no consultation responses that have not been reflected in this report.

## **13. STATUTORY POWER**

- 13.1 N/A

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Consultees: Cllr. Phipps - Cabinet Member for Homes, Places & Tourism  
Dave Street - Director of Housing and Social Services

Shaun Couzens	- Chief Housing Officer
Fiona Wilkins	- Housing Services Manager
Jane Roberts-Waite	- Co-ordination Strategy Manager
Rhian Kyte	- Head of Regeneration & Planning
Alan Dallimore	- Regeneration Services Manager
Robert Tranter	- Head of Legal Services & Monitoring Officer
Steve Harris	- Acting Section 151 Officer

Appendix 1 PAM/013 Position Table for 2018/19

## Appendix 1

Housing	Number of empty private sector properties brought back into use during the year through direct action by the local authority	Number of private sector properties that had been vacant for more than 6 months at 1 April	Percentage of empty private sector properties brought back into use during the year through direct action by the local authority
Isle of Anglesey	78	661	11.8
Gwynedd	54	1,303	4.1
Conwy	25	1,605	1.6
Denbighshire	67	781	8.6
Flintshire	-	-	-
Wrexham	35	628	5.6
Powys	30	1,865	1.6
Ceredigion	14	1,128	1.2
Pembrokeshire	20	1,518	1.3
Carmarthenshire	189	2,554	7.4
Swansea	100	1,859	5.4
Neath Port Talbot	9	1,586	0.6
Bridgend	104	1,237	8.4
The Vale of Glamorgan	111	789	14.1
Cardiff	58	1,568	3.7
Rhondda Cynon Taf	213	2,885	7.4
Merthyr Tydfil	43	629	6.8
Caerphilly	36	1,575	2.3
Blaenau Gwent	29	869	3.3
Torfaen	33	251	13.1
Monmouthshire	10	723	1.4
Newport	7	1,199	0.6
Wales	1,265	27,213	4.6