



HOUSING AND REGENERATION SCRUTINY COMMITTEE – 31ST JANUARY 2023

SUBJECT: PRIVATE SECTOR EMPTY HOMES STRATEGY 2023-2028

REPORT BY: CORPORATE DIRECTOR OF SOCIAL SERVICES AND HOUSING

1. PURPOSE OF REPORT

- 1.1 To seek the views and agreement of members regarding the Empty Homes Strategy 2023 - 2028 prior to the presentation to Cabinet on 8th of March 2023.

2. SUMMARY

- 2.1 The Private Sector Homes Strategy 2023-2028 hereafter referred to as the strategy, sets out the Council's commitment to prevent and tackle the high number of privately owned empty homes. It has been developed in conjunction with a number of other housing strategies and policies which together, set out the Council's vision to ensure everyone has access to a safe, secure home in sustainable communities where people choose to live. It sets out the Council's plans to tackle the high number of empty homes as well as the range of initiatives available to the Council to help owners bring their empty homes back into beneficial use. Doing nothing is no longer an option. The strategy only relates to private sector empty homes and does not extend to empty homes within Caerphilly County Borough Council's own housing stock or those owned by Registered Social Landlords (RSL's)
- 2.2 The requirement for an Empty Home Strategy, is identified within the wider Empty Property Action Plan which has already been approved by both the Council and Welsh Government.
- 2.3 The Action Plan which is detailed in Annex 1 of the Strategy (appendix 1 of this report) sets out the overarching aims and objectives in tackling empty properties throughout the Borough. The Action Plan provides the detail of all the actions including associated timescales, that need to be undertaken over the period of the Plan, in order to bring empty buildings back into use. The Action Plan therefore details the work required to be progressed by the Empty Property Team. Some of the actions will be delivered directly by the team, other actions involve working in partnership with other departments such as Regeneration to deliver a corporate approach in bringing empty buildings back into use.
- 2.4 The work detailed within the Action Plan is ongoing. Some of the actions have already been achieved by the Team, for example, producing the empty property advice pack as well as undertaking a joint street survey of key town centres to look at mixed use empty properties. Other actions are progressing such as the dedicated website which has currently just completed the design phase. The Action Plan also identifies 8 priority properties that Private

Sector Housing and the Regeneration department are actively working on to bring them back into use using enforcement options if necessary.

- 2.5 The Empty Home Strategy is a specific action identified within the Empty Property Action Plan as a tool to focus on how empty homes will be targeted and bought back into use by the Private Sector Housing, Empty Property Team.
- 2.6 According to the CCBC council tax data on the 1st of April 2022, the number of properties that had been empty for 6 months or more was 1,314. These empty homes represent a wasted resource, an ongoing financial expense, and in many cases a missed opportunity to provide much-needed affordable housing. They can also cause blight to communities, cause anti-social behaviour issues and distress to residents affected by their unsightly appearance if the property has been left in a poor state of repair.
- 2.7 Extensive academic research has shown that poor quality housing is a key determinant of poor health. Tackling empty homes and bringing them up to standard will play an important role in promoting and contributing to positive health and well-being for the residents of Caerphilly County Borough, a key priority of the Council.
- 2.8 The strategy identifies how the authority will prioritise and target empty homes to bring them back into use. Council tax data will be used to identify properties that have been vacant for 6 months or more from the 1st of April each year. The data is cleansed to remove the properties not classed as empty properties by Data Cymru. Using the list ensures a strategic approach to the targeting of empty homes for intervention.
- 2.9 It is vitally important that the Empty Property Team works with owners and stakeholders providing as much help, assistance, and education as possible to encourage owners to bring their properties back into use informally. The team has already developed a strong branding to promote their works in bringing empty homes back into use. 'Caerphilly: No Use Empty' will be used to promote the service and encourage owners to engage.
- 2.10 The Council has various products available to assist empty homeowners and provides financial assistance by offering interest-free loans to the value of £35,000 for up to a maximum of 10 years for owner occupation and 5 years for rent. The Council will also actively seek to maximise any available financial opportunities, such as the provision of grant assistance when available, by working in partnership with external organisations to help owners with repairing and bringing empty properties back into use.
- 2.11 The offer of support and assistance will continue to be promoted and be available for all empty property owners. However, with such high numbers of empty properties the strategy identifies the need for prioritisation for proactive engagement. A two-pronged approach will be used to ensure the most effective use of resources:
 - 1) Support and encourage recently empty homes back into use, preventing them from becoming problematic empty properties:
 - Properties that are recently empty, defined as less than 24 months.
 - 2) Tackle problematic empty properties:
 - Properties that have been empty the longest: 10 years +, 5-10 years, and 2-5 years.
 - Properties that are problematic and subject to complaints.
 - Properties with the largest debt owing to the authority including works in default debt and council tax debt.
 - Properties without ownership details under council tax.

- 2.12 There are still a significant number of empty properties that are identified as problematic empty homes, and it is important to recognise that taking enforcement action is very time-consuming and will require significant resourcing. In 2022, over 457 empty properties would fall into the category 2 above. Therefore, it is important to have a robust system to prioritise and decide on the most problematic properties to take forward for formal action such as enforcement. This will be done by carrying out a risk assessment of all the homes that are identified as problematic empty properties.
- 2.13 The risk assessment form (seen in Appendix 1) provides a scoring of high, medium, and low. The highest priority empty homes will be proactively addressed initially. All properties that have scored high will be escalated to the Housing Environmental Health Officer to see if any enforcement action is appropriate. It is important to recognise that due to the complexity of taking enforcement action the numbers being considered and progressed through enforcement at any one time will be low.
- 2.14 In the first instance, the empty homeowners of high priority properties will be approached and offered advice, encouragement, support, and education on ways to bring their properties back into use. However, this strategy is clear that 'doing nothing is not an option'.
- 2.15 Formal enforcement action is always a last resort, but the Council believes that leaving properties standing empty for long periods when there is a shortage of housing in the County Borough to meet the needs of our communities is not acceptable.
- 2.16 Where owners refuse to cooperate or cannot be traced the Council will not hesitate to use the range of enforcement powers available. This, where appropriate, should include the use of powers to carry out works in default and recover the debt by enforced sale if necessary.
- 2.17 The approach set out in the strategy ensures a fair but firm way of ensuring that problematic empty homes are targeted through enforcement which will always be as a last resort.
- 2.18 The consultation response confirmed that 91.82% of those that responded agreed that returning to use of empty homes should be considered a corporate priority. The majority of the responses also agreed with the proposed approach of the strategy.
- 2.19 Since drafting the strategy there has been significant conversation across peer authorities and within Caerphilly Homes about other incentives that could be used to encourage action by empty property owners in any of the categories referenced.
- 2.20 The introduction of an empty home council tax premium would act to incentivise the owner into action either independently or in partnership with the council. It is proposed and recommend that s separate report is drafted to introduce an empty home premium to work in tandem with this strategy.

3. RECOMMENDATIONS

- 3.1 To recommend to the Cabinet the 2-pronged strategic approach and associated risk assessment for dealing with private sector empty homes.
- 3.2 That members of the Committee offer any comments or consider alternative(s) to the strategic approach and approve the Empty Homes Strategy.
- 3.3 To recommend to the Cabinet the introduction of an empty homes council tax premium to incentivise private sector empty property owners into action and that a further report is drafted and presented to the necessary committees to agree the detail and bring into force.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To realise the Council's ambitions of tackling empty homes and increase the housing stock available to occupy and improve property condition.
- 4.2 The Council has supported the Welsh Government's focus on returning empty homes back into beneficial use by creating a dedicated specialist Empty Property Team in 2021, who subsequently drafted the CCBC, 5-year, Empty Property Action Plan.
- 4.3 The Empty Property Action Plan sets out the aims and objectives of how the Council will implement some of Welsh Government's recommendations and tackle empty properties within the Borough on the whole, including non-residential properties. The Action Plan was submitted and formally approved by Welsh Government in autumn 2021. The Action Plan requires the development and implementation of this strategy to progress the return to use of residential properties.
- 4.4 The actions set out within this strategy will assist in helping the Council achieve the goals set out in the Wellbeing of Future Generations Act 2015.
- 4.5 To realise the Council's ambitions of creating cohesive and sustainable communities, as set out in the 2022-2027 Local Housing Strategy, highlighting the need for an Empty Home Strategy and the benefit of bringing empty homes back into use to increase the supply of housing available to occupy and extend choice, improve housing conditions, and assist with meeting housing need.
- 4.6 The introduction of a council tax premium, up to a maximum 300%, in relation to private sector empty homes, will provide an incentive for more empty property owners to bring their homes back into use.

5. THE REPORT

- 5.1 The Council acknowledges the difficulties within the housing market and the struggles residents face when trying to find a good quality, affordable home. There is extreme pressure on the housing market throughout the County Borough from increased demand on the homelessness team, a long waiting list on the Common Housing Register, unaffordable private sector housing, and a shortage of affordable housing, especially for those most in need such as first-time buyers. Increasing the supply of accommodation in the Borough by returning empty homes back into use will help the Council mitigate some of these housing pressures.
- 5.2 The Council supports Welsh Government's focus on returning empty homes back into beneficial use as well as the need to create additional units of accommodation. In response the council resourced a dedicated Empty Property Team. The team has been operational since October 2021 and are currently employed until October 2023 on a fixed term basis.
- 5.3 The team has been integral in developing and delivering on the 5-year action plan required by Welsh Government to tackle empty properties. The Action Plan is detailed in annex 1 of the strategy (appendix 1 of this report). The Action Plan sets out the aims and objectives of how the Council will implement some of Welsh Government's recommendations and tackle empty properties within the Borough, which includes the development of an Empty Homes Strategy.
- 5.4 The Action Plan details the ongoing workstreams to bring empty buildings back into use. The Action plan includes tackling empty commercial, residential and mixed-use properties. The

Empty Property team are working in partnership with other departments such as the Regeneration team to deliver a corporate approach in bring empty buildings back into use.

- 5.5 The work detailed within the Action Plan is ongoing. Some of the actions have already been achieved by the Team, for example, producing the empty property advice pack as well as undertaking a joint street survey of key town centres to look at mixed use empty properties. Other actions are progressing such as the dedicated website which has currently just completed the design phase. The Action Plan also identifies 8 priority properties that Private Sector Housing and the Regeneration department are actively working on, to bring them back into use using enforcement options if necessary. Currently, 3 of the 8 properties identified have already been subject to enforcement action and are progressing and 4 of the empty property owners have engaged informally with the Empty property Team with one empty property seized by the police. There has also been enforcement action on a further 10 empty homes.
- 5.6 The Empty Homes Strategy is one of the actions identified within the Empty Property Action Plan as a tool to focus on how empty homes will be targeted and bought back into use by the Private Sector Housing, Empty Property Team. The strategy addresses the overall aim of the Empty Property Action Plan to maximise the return to beneficial use of empty homes within Caerphilly County Borough, making them available to both rent and own.
- 5.7 The focus of the strategy is to effectively plan the use of resources available to the Council to help the owners of long-term empty residential properties bring their homes back into use. What constitutes an empty home is currently defined by Data Cymru as a private sector residential property that is liable for Council Tax and has been unoccupied for 6 months or more on the 1st of April. The data is cleansed to remove the properties that are exempt under the associated Public Accountability Measure definition. Using the list ensures a strategic approach to the targeting of empty homes for intervention.
- 5.8 Going forward the empty homes data will also be 'mapped' making it easier to identify patterns/trends or concentrated areas where more empty properties may be situated. Mapping will allow the team to analyse this data to inform future strategy and further develop the prioritisation system.
- 5.9 The strategy recognises the challenges in tackling empty properties and that it takes a significant amount of time and dedicated resource to return the property back into beneficial use. Although there may be some quick wins, through building rapport, reputation, and momentum in offering incentives, many cases will take a much longer timeframe, especially when requiring enforcement action. Some difficult cases can take several years to resolve.
- 5.10 It is vitally important that the empty property team works with owners and stakeholders providing as much help, assistance, and education as possible to encourage owners to bring their properties back into use informally. The team has already developed a strong branding to promote their works in bringing empty homes back into use. 'Caerphilly: No Use Empty' will be used to promote the service and encourage owners to engage.
- 5.11 The strategy also looks at maximising every opportunity for support, providing initiatives that offer empty homeowners various options to bring their properties back into use. The Council has various products available to assist empty homeowners and provides financial assistance by offering interest-free loans to the value of £35,000 for up to a maximum of 10 years for owner occupation and 5 years for rent. The Council will also actively seek to maximise any available financial opportunities, such as the provision of grant assistance when available, by working in partnership with external organisations to help owners with repairing and bringing empty properties back into use.

5.12 The offer of support and assistance will continue to be promoted and available for all empty property owners. There have been a wide range of incentives and support available to help increase the number of empty homes returned to use, including:

- Empty Property Information Pack to inform and support empty property owners has been developed.
- Created a Caerphilly- No Use Empty dedicated website.
- The Empty Property Team regularly present at Landlord forum meeting to keep landlords updated.
- Social media campaigns to promote the work within the empty property team and raise awareness around empty properties.
- Engagement with stakeholders including local estate agents and auction houses, property investors and landlords.
- Collaborative working with other council departments.
- Technical support and advice to landlords.
- Partnership working with Caerphilly Keys.
- Working with Registered Social Landlords (RSLs).

5.13 In addition to the wider support the strategy recognises the need for prioritisation of proactive engagement due to the high numbers of empty properties within the borough. A two-pronged approach is proposed and will help to ensure the most effective use of resources with maximum output:

- 1) Support and encourage recently empty homes back into use, preventing them from becoming problematic empty properties.
 - Properties that are recently empty, defined as less than 24 months.
- 2) Tackle problematic empty properties:
 - Properties that have been empty the longest: 10 years +, 5-10 years, and 2-5 years.
 - Properties that are problematic and subject to complaints.
 - Properties with the largest debt owing to the Authority including works in default debt and council tax debt.
 - Properties without ownership details under council tax.

5.14 Over half of the empty homes within CCB have been empty for less than 24 months; therefore, the Strategy recognises the benefit of early intervention to support and encourage owners of properties that have only recently become empty to help get the properties back into use. This will ensure the properties are not left to deteriorate, becoming a problematic empty. Informing these owners of the financial incentives such as loans and offering support and advice in addressing their empty property is often the nudge they need to bring their property back into use.

5.15 The two-prong approach will help prevent recently empty property becoming problematic empty homes through support and assistance. However, there are still a significant number of empty homes that are identified as problematic empty, and it is important to recognise that taking enforcement action is the last resort, it is very time-consuming and will require significant resourcing. In 2022, over 457 empty homes were classified as problematic empty properties, category 2. Therefore, it is important to have a robust system of prioritising these empty homes and deciding on the most problematic properties to take forward for formal action such as enforcement. This will be done by carrying out a risk assessment of all the properties that are identified as problematic empty homes.

- 5.16 The risk assessment (seen in Appendix 1) provides a scoring of high, medium, and low. The highest priority empty homes will be proactively addressed initially. All properties that have scored high will be escalated to the Housing Environmental Health Officer to establish whether enforcement would be appropriate. It is important to recognise that due to the complexity of taking enforcement action the numbers being considered and progressed through enforcement action will be low.
- 5.17 In the first instance, all empty homeowners will be approached and offered advice, encouragement, support, and education on ways to bring their properties back into use. However, this strategy is clear that 'doing nothing is not an option'.
- 5.18 Where owners refuse to cooperate or cannot be traced the Council will not hesitate to use the range of enforcement powers available. This, where appropriate, should include the use of powers to carry out works in default and recover the debt by enforced sale if necessary.
- 5.19 The approach set out in the strategy ensures a fair but firm way of ensuring that only problematic empty homes are targeted through enforcement which will always be a last resort.
- 5.20 Since drafting the strategy there has been significant conversation across peer authorities and within Caerphilly Homes about other incentives that could be used to encourage action by empty property owners in any of the prioritised and risk assessed categories referenced.
- 5.21 The introduction of an empty home council tax premium, could see up to a maximum of 300% applied after a certain length of time empty without any action or valid reason to being empty. It would act to incentivise the owner into action either independently or in partnership with the council.
- 5.22 If agreed this would act as part of the overall tool kit within the strategy and work in tandem with this strategy ultimately impacting on the second categorisation aiming to reduce the time properties lie empty.
- 5.23 A separate report will need to be drafted and agreed at the necessary committee(s) to bring into force this sort of council tax premium and if agreed would enhance the work of the empty homes team and the delivery of the Empty Homes Strategy bringing more private sector homes back into use.

5.24 CONCLUSION

- 5.25 The adoption of the Private Sector Empty Homes Strategy will improve the standard and availability of Housing Stock within Caerphilly CBC. The strategy aims to improve the local environment in which the empty home is situated and reduce associated incidences of anti-social behaviour. In addition, the strategy will improve housing conditions in the private sector; and assist in the promotion of good health and wellbeing. The Strategy will help deliver the Action Plan and Welsh Government ambition to bring empty homes back into use.
- 5.26 Consideration should be given to the option of introducing an empty homes premium relating to council tax and if supported a further report to be prepared.

6. ASSUMPTIONS

- 6.1 The key assumption is that delivery and implementation of this Strategy will be undertaken by the Caerphilly Homes Empty Property Team.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 The Integrated Impact Assessment (IIA) suggests that the introduction of the Private Sector Empty Homes Strategy will have a positive impact upon the residents of the County Borough by increasing the housing available to buy or rent and helping meet the housing demand of the county borough by addressing problematic long-term empties, and improving availability of good quality housing.
- 7.2 By providing opportunities for people to have more access to a wider range of housing options and providing financial support initiatives, the IIA shows that the Strategy will have a positive impact on equality, diversity and inclusion, on tackling social disadvantage and on promoting the wellbeing of existing and future generations. Helping people achieve affordable home ownership also contributes to several of the Council's wellbeing objectives. No adverse impact on the promotion of the Welsh language was identified.
- 7.3 [Link to Integrated Impact Assessment](#)

8. FINANCIAL IMPLICATIONS

- 8.1 There is no financial implication associated with the strategy.

9. PERSONNEL IMPLICATIONS

- 9.1 There are no personnel implications as it is assumed that the implementation of the strategy will be delivered by the existing Caerphilly Homes Empty Property Team.

10. CONSULTATIONS

- 10.1 Consultation has been carried out for 6 weeks from the 7th December 2022 until the 18th of January 2023.
- 10.2 The consultation received 108 online responses and 2 email responses. Below is a summary of the responses received:
- 100% of the response were received in English.
 - The respondents were asked if they agreed that the return to use of empty homes should be considered a priority - 101 said yes, 5 said no and 4 stated they didn't know.
 - The respondents were asked if they agreed with the two-pronged approach – 85 said yes, 7 Said no and 18 said they didn't know.
 - The respondents were asked if they agreed with the risk assessment approach - 85 said yes, 6 said no and 19 said they didn't know.

- The respondents were asked if they agreed with the carrot and stick approach – 86 said yes, 14 said no and 10 stated they didn't know.
- The respondents were asked would the strategy impact negatively on them because of the protection characteristic - 12 said yes, 76 said no and 22 stated they didn't know.
- The respondents were asked if the strategy would help reduce levels of social-economic disadvantage in the County Borough - 60 said yes, 23 said no and 27 stated they didn't know.
- The respondents were asked if the strategy would have a positive impact on future generations living in the County Borough - 82 said Yes, 6 Said no, 22 stated they didn't know.
- The respondents were asked if the introduction of the strategy will ensure that the Welsh Language is treated no less favourably than the English language -48 said yes, 19 said no and 42 said they didn't know.

10.3 After each question, respondents were asked to explain the reasons for their response. This was not a mandatory requirement and consequently not everyone provided a response. All responses provided were duly considered. Several of the responses were deemed irrelevant to the consultation process and have, therefore, been discounted. Many of the comments have proved helpful in reaffirming inclusion of the two-prong approach and risk assessment to prioritise properties.

10.4 The respondents that answered 'no' to the questions did not provide any alternative suggestions for the Council to consider. One respondent expressed an opinion that the Authority had no business in taking enforcement action against owners of empty properties. However, the majority agreed with the overall aim of the strategy but disagreed with certain elements such as the suggested timeframes and informal approach. Comments included:

- there are bigger issues to be dealt with, if council tax is being paid on the properties, if bills are paid and if the properties are in good order the council should go away and stay out of people's business.
- Properties shouldn't be empty for more than 12 months (unless due to ongoing works)
- It's the owners that have paid for it it's up to them what they do with it
- Council should take action immediately it becomes apparent owner has no concrete plans for property.
- The homes would have been highlighted, & recommended for enforcement, why delay any action.
- The time this would take is unacceptable. The Council have the power to use compulsory purchase and should use these powers.

10.5 The respondents were asked to provide any other comments on the Private Sector Empty Homes Strategy 2023-2028 not included in the response. Not everyone responded. Comments included:

- Empty property is a problem, not just because of housing shortages, but it impacts neighbours and communities as a whole. Taking a proactive role in getting property back into use benefits our whole county.
- Increased council tax for empty homes could also be implemented in Caerphilly. The prospect of extra outgoing cost seems to motivate landlords to sell or rent out property, so they avoid this extra payment.
- Genuinely hope that this strategy is effectively implemented in a timely manner and puts empty homes to good use rapidly and that it reduces the ridiculously large amount of building of new unaffordable homes.
- Private rents are unaffordable this should also be considered. There is also a lot of CCBC properties empty for too long.
- It is annoying to see a house empty for more than 2 years when accommodation is badly needed. It also raises questions as to why homeowners or landlords leave them empty.

10.6 All comments received from the consultees listed below have been noted and, where appropriate, incorporated within the report.

11. STATUTORY POWER

11.1 Environmental Protection Act 1990
Prevention Of Damage By Pests Act 1949
Building Act 1984
Local Government (Miscellaneous Provisions) Act 1982
Town And Country Planning Act 1990
Housing Act 2004, Part 1 – The Housing, Health And Safety Rating System (HHSRS)
The Law Of Property Act 1925 – Enforced Sale
Housing Act 1985 – Compulsory Purchase Orders
Housing Act 1985 – Demolition Orders
Housing Act 2004 – Empty Dwelling Management Orders (Edmo)

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Consultees: Cllr Shayne Cook, Cabinet Member for Housing
Cllr Andrew Whitcombe, Chair – Housing and Regeneration Scrutiny
Cllr Patricia Cook, Vice Chair – Housing and Regeneration Scrutiny
Christina HARRY, Chief Executive
Dave Street, Corporate Director for Social Services and Housing
Rob Tranter, Head of Legal Services and Monitoring Officer
Stephen Harris, Head of Financial Services and Section 151 Officer
Lesley Allen, Principal Group Accountant (Housing)

Claire Davies, Private Sector Housing Manager
Fiona Wilkins, Housing Services Manager
Kerry Denman, Housing Solutions Manager
Anwen Cullinan, Senior Policy Officer – Equalities and Welsh Language

Appendices:

Appendix 1 Empty Property Strategy, Action Plan and Risk Assessment.