

SOUTH HOLLAND DISTRICT COUNCIL

Report of: Rob Walker – Executive Director Place
To: Policy Development Panel – 20 February 2018
Author: Phil Stacey Housing Options Manager
Subject: Addressing Long Term Empty Homes
Purpose: Present an update on the current situation

Recommendation(s):

That the Policy Development Panel note the progress made on addressing long term empty homes

1.0 BACKGROUND

- 1.1 On 16 February 2017, Policy Development Panel received a report on Addressing Long Term Empty Homes.
- 1.2 In 2017 there was a significant review of Communities, Environmental Services, Housing and Operational Assets services. The process involved a diagnostic and functional review of how the services are currently operating to identify improved ways of working. The operational delivery of Empty Homes is delivered through this service.
- 1.3 Following on from this review, changes to the operational model to address Empty Homes have been identified. These include as follows:
 - Refreshing the Empty Homes Strategy – this work has already started. The vast majority of the 2014-16 Strategy has been delivered on and any remaining elements either require a change of direction or are no longer viable due to changes in legislation and/or funding. A revised Empty Homes Strategy will then be drafted and consulted upon with other partners, both internally and externally, and presented to Committee.
 - Council Tax – The autumn budget statement gave local authorities the power to increase the council tax empty homes premium from 50% to 100%. A decision has already been taken to make no increase to the premium for 2018/19.

This means the current Council Tax position is there is 100% discount for up to one month for unoccupied properties. This discount starts from the date the property became unoccupied and substantially unfurnished. Properties unoccupied and substantially unfurnished for longer than one month; there is no discount. So, 100% charge is due. Properties unoccupied and substantially unfurnished for two years or more, will be charged a Long Term Empty Dwellings Premium; meaning an extra 50 per cent will be added to the Council Tax bill. The amount payable will be 150 per cent of the usual Council Tax.
 - Empty Homes Data – The Empty Homes team currently relies on data received from Council Tax as per above. This is delivered quarterly and is in a raw data format, via a spreadsheet. This data is reprocessed within our team to enable us to fulfill our aim to bring Empty Homes back into use.

Work has started to look to both simplify and repackage this data to be more usable. Although still (initially) relying on human manipulation, we are piloting delivering the data in a way that will allow us to share more accurate numbers of Empty Homes and to identify the wards in which these Empty Homes are situated. This part will address a long outstanding request from PDP to see this level of detail which until now we have not been able to deliver.

The longer term aim will be automate data processing to deliver accurate and timely Empty Homes information to better direct resources and to enable owners of Empty Homes to access both help and funding through on-line means. Deploying this channel shift forms part of the wider SHDC Transformation and Digital programs that is ongoing.

- **Performance-** In October 2017, SHDC had 264 empty properties; this was an increase of 32 from the previous 232 reported last year. The October date and figures are used by Government and on which we are required to formally report these figures. This is how Empty Homes contributes towards the Council New Homes Bonus. Of course, during the year these numbers may vary substantially due to various factors beyond the control of SHDC, and as these properties cycle in and then out of the reported figures.

There are a number of reasons why a property may be empty. While the Private Sector Housing Team continue to work hard to reduce the number of empty homes, by working with home owners and, if necessary taking enforcement action against those who appear to have no intention of bringing the properties back into use, there has been a number of factors which have contributed to the increase in numbers.

This year there were a number of new developments for example at Grange Court in Spalding, which at the time the figures were produced the new homes were still unoccupied and for sale. Under Council Tax regulations once a property has reached a certain stage in its build (first fixes), the regulations state that it is reasonable to expect that a property can be completed within a 3 month period. Therefore new build properties are monitored and are issued with a Completion Notice by the Council Tax team at the earliest point. The team are being more proactive in issuing these notices in order to get properties into the valuation list, therefore increasing the tax base and maximising revenue. These properties may be for sale for a number of months before they become sold and occupied thereby increasing the figures.

The team has also been more proactive this year in tackling poor standards of accommodation in the private sector, a number of prohibition orders have been served where properties have been sub-standard and the occupiers have been at risk if they were to remain in the property. Whilst it can be a quick process to remove someone from the risk of harm, the team then have the task to ensure the property is a satisfactory standard for re-occupation. This can be quite a lengthy process, especially if the owners do not have available funds or the intention to bring properties up to the Decent Homes Standard. It may well result in further notices being served and owners being prosecuted through the judicial system.

As at 31.01.18; SHDC has 356 properties empty. 264 properties have been empty for between 6 months and 2 years and 92 properties have been empty for over 2 years.

From 1st October 2017 to date; 45 properties have been bought back into use: of these, 6 were only bought back into use following the direct intervention of the team. Nationally: Empty Homes figures have increased for the first time since 2015- (See table below)

	2013	2014	2015	2016	2017
Empty Dwellings	480,322	460,881	448,999	443,197	454,586

The Empty Homes team is also aware of a number of properties (and land) which is empty that are not currently part of the data capture provided by Council Tax. This has been noted as an area of concern; due to questions being asked by members about the reliability of performance data reported by the Empty Homes Team. Further work will be required with Valuation and other partners in SHDC to better determine the numbers, whereabouts and offer possible solutions. There are no current financial incentives offered by either Central Government or SHDC to address this issue

- Incentives – SHDC operates a number of incentives designed around early intervention and working with owners to enable them to bring their Empty Homes back into use. Internal processes have been redesigned, following the review, and both shortened and simplified. An example of this is; that at the very earliest stage a specially designed postcard is being sent to all 'new' empty homes identified within the database offering a simple step by step guide on what SHDC can do to assist – this has proved successful and we are examining whether this can be done even more quickly and simply, via email or an interactive addition to the website.

Owners of Empty Homes can also access a range of financial initiatives to help them bring them back into use. This financial assistance ranges across a number of loans and grants. As part of the strategy review as mentioned earlier, we will be looking to see if it possible to add a Renovate Grant with a ceiling of £5000.00 similar to that currently used in Breckland.

Unsurprisingly, early intervention and proactive working with Empty Home owners by far and away delivers the most successful outcomes.

- Enforcement – SHDC has available to it a number of options to enforce when an owner is unwilling to see their dwelling returned to use. These include:

Compulsory Purchase Orders. A CPO enables a public body to obtain land or property without the consent of the owner. They are a common tool for addressing long term empty dwellings. Where these powers are utilised to return vacant property to use, it is common for an authority to undertake a CPO whilst having a buyer for the dwelling in place.

Enforced Sale. The authority can force an owner to sell their dwelling by placing a land charge on a property, usually following the completion of works on the dwelling in default (i.e. addressing serious structural issues that pose a risk, improving the visual amenity of the dwelling and so on). The owner is given the opportunity to repay to debt prior to sale. If the monies are not paid within a specified period of time the local authority can effectively act as a mortgagee and bring the property to sale on the open market at an auction or to a preferred buyer. All charges would be cleared from the proceeds of the sale, allowing the council to recover the cost of the works previously carried out and the remainder would be paid to the owner.

Empty Dwelling Management Order. EDMOs allow a local authority to take over the management of an empty dwelling for a period of up to seven years. The authority then uses this period of time to bring the property up to a decent standard, using rental income

from the dwelling to recuperate renovation costs. In order to obtain an EDMO, the authority must make a case to the Residential Property Tribunal, linking the use of the EDMO to wider issues caused by the dwelling within its immediate vicinity (i.e. Anti-Social Behaviour). For this reason their use is rare, but they remain a tool available at the hands of the local authority.

Prior to undertaking enforcement activity on the scale listed above, it is commonly held that an authority should first to address the matter using informal means.

Over the last 3 years, SHDC has undertaken steps to Compulsory Purchase one property and Enforce the Sale of two others. During the process, actions on all three ceased with a successful conclusion (i.e. the property being bought back into use) without a final legal sanction. However, in all three of these cases the timescales and costs involved have been high; for example: to resolve the property through the CPO route (which ultimately never happened) took over 5 years.

2.0 **OPTIONS**

2.1 Option 1: That the Panel considers the information and provides feedback.

2.2 Option 2:- Do nothing

3.0 **REASONS FOR RECOMMENDATION(S)**

3.1 It is recommended that the contents of this report are noted and that members of the Performance Monitoring Panel have an up to date understanding of the changes to the approach in dealing with Empty Homes.

4.0 **EXPECTED BENEFITS**

4.1 To return the maximum numbers of empty homes back into to use per annum.

4.2 To maximise New Homes Bonus income to the authority.

5.0 **IMPLICATIONS**

5.1 **Carbon Footprint / Environmental Issues**

5.1.1 It is the opinion of the report author that there are no implications.

5.2 **Constitution & Legal**

5.2.1 It is the opinion of the report author that there are no implications.

5.3 **Contracts**

5.3.1 It is the opinion of the report author that there are no implications

5.4 **Corporate Priorities**

5.4.1 There is a strong link between work around empty homes and our corporate priorities, notably 'to have pride in South Holland by supporting the district and residents to develop And thrive.

5.5 **Crime and Disorder**

5.5.1 There is often a link between empty dwellings and anti-social behaviour. Addressing the issue of long term properties should make a contribution to wider efforts to address anti social behaviour.

5.6 **Equality and Diversity / Human Rights**

5.6.1 It is the opinion of the report author that there are no implications.

5.7 **Financial**

5.7.1 The additional resource committed retrospectively within the strategy has a financial implication for the authority.

5.8 **Health & Wellbeing**

5.8.1 There is a positive link between increasing the supply of housing, along with investing into the condition of private housing in the district and the broader Health and Wellbeing agenda.

5.9 **Risk Management**

5.9.1 There are risks to the authority associated with certain courses of action designed to bring Empty Homes back into use. For example, the use of non-mandatory enforcement powers (i.e. Compulsory Purchase, Empty Dwelling Management Orders etc.) carry with them certain degrees of financial risk. However, decisions to utilise these powers will be made on a case by case basis and only where enforcement action is deemed as the last option available to the authority to bring a dwelling back into use.

5.10 **Safeguarding**

5.10.1 It is the opinion of the report author that there are no implications.

5.11 **Staffing**

5.11.1 Two additional Private Sector Housing Officers had been added to the compliment of the team following the review. Part of these officers roles will be used to address bringing Empty Homes back into use.

5.12 **Stakeholders / Consultation / Timescales**

5.12.1 There are no known implications for stakeholders, but empty homes work will require the Council to adopt a partnership approach. There are no known implications in terms of timescales and consultation.

6.0 **WARDS/COMMUNITIES AFFECTED**

6.1 All Wards

7.0 **ACRONYMS**

7.1 None

Background papers: -

**Addressing Long Term Empty Homes in South Holland.
February 2016**

Lead Contact Officer

Name and Post: Phil Stacey. Housing Options Manager
Telephone Number: 01775 764605
Email: philstacey@sholland.gov.uk

Key Decision: No

Exempt Decision: No

This report refers to a Mandatory Service

Appendices attached to this report: None