

SOUTH HOLLAND DISTRICT COUNCIL

Report of: Rob Walker – Executive Director Place

To: Policy Development Panel – 19 September 2018

Author: Phil Stacey Housing Options Manager

Subject: Addressing Long Term Empty Homes

Purpose: To update members on changes to legislation, a recent initiative taken to reduce the numbers of Empty Homes and to update them on current performance

Recommendation(s):

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

1.0 BACKGROUND

- 1.1 On 20 February 2018, Policy Development Panel received a report on addressing long term empty homes.
- 1.2 Following on from this, changes to the operational model to address Empty Homes have been identified. These include as follows:
 - Refreshing the Empty Homes Strategy – Work continues to a revised Empty Homes Strategy. Time is being taken to absorb the possible impacts of various changes to Government policy in accordance with Empty Homes and those changes are identified within the further body of this report.
 - Council Tax – On 18 July 2018 the Government introduced an amendment to the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Bill at the third reading in the House of Lords. It would allow councils to triple the council tax on homes left empty. Under the new provision, decisions on whether to charge a premium, and the exact rates to be charged would remain a matter for councils, taking local circumstances into account. It is anticipated that councils would be able to charge 100% premiums from April 2019, 200% premiums from April 2020 and 300% premiums from 2021.
 - Council Tax have an empty home review programme of activity which includes canvass, pro-active work to follow up and increased targeted visits and inspections as they head up to the September deadline. This ensures Council Tax records are as up to date as possible.
 - Council Tax provide the Private Sector Housing Team with a report quarterly with details of long term empty dwellings for work to be carried out to get these back into use. There is prompt dialog between our services ensuring Council Tax records are updated based on information found.

- Empty Homes Data –
- Tackling Empty Homes is a generic function across the current five Private Sector Housing Officers. On the whole, the team relies on the information provided by Council tax each quarter to act. A mixed option of incentives and/or enforcement is currently used and is described below
- **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. 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.
- **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. This 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 this action 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 Development Management Order -These 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 one, the authority must make a case to the Residential Property Tribunal, linking the use of this order 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.

- New Homes Bonus

New Homes Bonus is made up of a number of payments for each additional property brought into use (new build or net empty homes returned to use). Each payment for each property is based on the national average council tax amount. There are also small additional amounts for each new affordable house created. However, a new change to the NHB calculation has now been introduced which means the total amount of the reward is based on growth above a national baseline of 0.4%. So all growth below this % is not rewarded. From 2018/19 the total value of the award for each year is paid for the next 4 years and then stops.

➤ Performance-

As at 10th September 2018, the number of SHDC properties that are in the 'Long Term Empty' status is 221. This is a decrease of 43 from the 264 last reported to PDP on the 20th February 2018.

A recent initiative, involving a dedicated officer from the Private Sector Housing team, has just been completed.

This has involved the officer targeting visits to properties that were empty beyond a 6 month period,

255 inspections were carried out over a 5 week period and daily reports on what was found was fed back. This included confirming that properties were either empty or actually occupied and gathering intelligence on the condition of the properties, as well as obtaining any intelligence as to what was happening to bring the property back into use.

Where they were identified as being occupied, either the occupants were interviewed by the officer on site and the necessary information was taken from them to ensure proper council tax billing could take place or a detailed assessment of the property was made, which involved taking evidence (including photographs) to demonstrate the property was actually occupied

As a result of this work, 39 properties that were being designated as 'Empty' on our records have now been identified as being occupied. This work will reflect positively towards the New Home bonus as described above, as well as ensuring proper Council Tax billing can take place.

This work has also identified 6 possible Houses in Multiple Occupation which were not known to SHDC.

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 PDP have an up to date understanding of the changes to legislation and to note the recent initiative taken to reduce numbers of 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 If enforcement action is considered necessary there would be legal implications in taking these matters forward.

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 a link about the conditions surrounding empty homes around vandalism, overgrown gardens, infestations etc. –. 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 Bringing Empty Homes back into use contributes towards income in the form of New Homes Bonus and Council Tax revenues

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 (Such as: 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 by the Director of Place, and will only be considered 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.

5.12 **Staffing**

5.12.1 Five Private Sector Housing Officers are available. Tackling Empty Homes is a generic function across all these officers

5.13 Stakeholders / Consultation / Timescales

5.13.1 There are no known implications for stakeholders.

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 2017**

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Key Decision: No

Exempt Decision: No

This report refers to a Mandatory Service

Appendices attached to this report: None