

SOUTH HOLLAND DISTRICT COUNCIL

Report of: Rob Walker – Executive Director Place

To: Policy Development Panel – 5th March 2019

Author: Phil Stacey, Housing Options Manager

Subject: Addressing Long Term Empty Homes

Purpose: To update members on the current position of Empty Homes and the work being undertaken to increase performance

Recommendation(s):

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

1.0 BACKGROUND

- 1.1 On 19 September 2018, The Policy Development Panel (PDP) received a report on addressing long term empty homes. Performance on Empty Homes is sustained and this report seeks to update members on the current position. The following interventions identify options available to increase the supply of empty homes which may be brought back into use.
- 1.2 Work is required to develop an overarching Empty Homes Strategy. The work undertaken by the Private Sector Housing Team contributes to maintaining a stable position on managing empty homes within the district. However, a strategic focus is required to accelerate beyond the work currently being undertaken.
- 1.3 Since April 2013 Councils have had the discretion to charge up to 50% empty homes premium for properties that have been empty for over 2 years. In offering these new powers the Government were seeking to influence owners to bring empty homes back into use as well as the ability for councils to increase their Council Tax revenue.
- 1.4 As part of the 2017 Budget it was announced that the Government would be implementing new flexibilities in respect of charging an additional 50% Council Tax premium on Long Term Empty properties, bringing the total Council Tax to 200%. Additionally the changes would allow further premiums of 100% for Long Term Empty properties of greater than 5 years from 1 April 2020 and a further additional premium of 100% for Long Term Empty properties of greater than 10 years from 1 April 2021.
- 1.5 The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act has received Royal Assent and is now an act of parliament.
- 1.6 It is to be proposed to South Holland District Council in February 2019 as part of the Medium Term Financial Strategy (MTFS) to increase the premium on long term empty dwellings as follows: -

- 1.6.1 An additional 50% Council Tax premium on Long Term Empty properties, raising the Council Tax to 200%, from 1 April 2019.
- 1.6.2 An additional 100% Council Tax premium on Long Term Empty properties longer than 5 years, raising the Council Tax to 300%, from 1 April 2020.
- 1.6.3 An additional 100% Council Tax premium on Long Term Empty properties longer than 10 years, raising the Council Tax to 400%, from 1 April 2021.

- 1.7 The direct financial benefits from Council Tax income for this proposal are small for South Holland (around £6k per year). Subject to approval this will be included within the collection fund. The main benefits are non-financial and are to encourage homes back into use.

- 1.8 The Council Tax team have an empty homes review programme of activity which includes canvassing, pro-active work to follow up and increased targeted visits and inspections as they head up to the September deadline each year. This ensures Council Tax records are as up to date as possible.

- 1.9 Council Tax provides 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.

- 1.10 Tackling Empty Homes is a generic function across the Private Sector Housing Team and not the dedicated role of an Empty Homes Officer. On the whole, the team relies on the information provided by Council tax each quarter to identify potential empty homes. A mixed option of incentives and/or enforcement is currently used and is described below:

- 1.11 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. Owners of Empty Homes can also access a range of financial initiatives to help them bring homes back into use. This financial assistance ranges across a number of loans and grants.

- 1.12 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:

- 1.13 Compulsory Purchase Orders, this enables a public body to obtain land or property without the consent of the owner. They are a common tools 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.

- 1.14 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 the 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.

- 1.15 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.

1.16 Enforcement action will be taken in accordance with the Councils Enforcement Policy.

1.17 New Homes Bonus (NHB) 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.

1.18 As at 31 January 2019; there were 244 long term empty homes (empty between 6-24 months). This compares to 224 at 1 September 2018. Although numbers have increased, the level of long term empty homes remains at 0.6% of total banded dwellings across the district and overall performance remains stable.

2.0 **OPTIONS**

2.1 Option 1: That the Panel note the report and provide feedback on the future focus that should be given to addressing long term empty homes.

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 Council's position.

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 **Constitution & Legal**

5.1.1 If enforcement action is considered necessary there would be legal implications in taking these matters forward.

5.2 **Corporate Priorities**

5.2.1 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'.

5.3 **Crime and Disorder**

5.3.1 There is a link about the conditions surrounding empty homes around vandalism, overgrown gardens and infestations. Addressing the issue of long term properties should make a contribution to wider efforts to address anti-social behaviour.

5.4 **Financial**

5.4.1 Bringing Empty Homes back into use contributes towards income in the form of New Homes Bonus and Council Tax revenues as detailed in paragraphs 1.17 and 1.18.

5.5 **Health & Wellbeing**

5.5.1 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.

5.6 **Risk Management**

5.6.1 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.) carry with them certain degrees of financial risk. However, decisions to utilise these powers will be made on a case by case basis 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 in accordance with the Councils enforcement policy.

5.7 **Staffing**

5.7.1 Tackling Empty Homes is a generic function across the Private Sector Housing Team. The work does not sit exclusively with a dedicated Empty Homes Officer.

6.0 **WARDS/COMMUNITIES AFFECTED**

6.1 All Wards

7.0 **ACRONYMS**

7.1 MTFs= Medium Term Financial Strategy
NHS= New Homes Bonus

Background papers: - **Addressing Long Term Empty Homes in South Holland.
September 2018**

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Key Decision: No

Exempt Decision: No

This report refers to a Mandatory Service

Appendices attached to this report: None