

## SOUTH HOLLAND DISTRICT COUNCIL

**Report of:** Rob Walker – Executive Director Place

**To:** Policy Development Panel Tuesday, 24 September 2019

**Author:** Jason King, Phil Stacey (Housing Landlord Services Manager, Housing Options Manager)

**Subject:** Addressing Long Term Empty Homes

**Purpose:** To update members on the current position of Empty Homes, work undertaken and the future development of an Empty Homes Strategy.

### **Recommendation(s):**

1. That the Policy Development Panel notes the progress made on addressing Long Term Empty Homes.
2. That the Policy Development Panel gives consideration to performance on Empty Homes continuing to be monitored by the Performance Monitoring Panel.
3. That the Policy Development Panel notes that further reports will relate to the development of an Empty Homes Strategy.

### **1.0 BACKGROUND**

- 1.1 On 5 March 2019, The Policy Development Panel (PDP) received a report on addressing long term empty homes. The report provided an update to Members on performance and sought direction on the development of an Empty Homes Strategy. It was directed by the Panel that performance should be monitored for a further 6 months with further consideration to be given to the development of a strategy at the next 6 month update report. Since then some directed change to the Council's website to promote increased reporting of Empty Homes, including the establishment of a dedicated inbox has been undertaken.
- 1.2 The Council continues to see stable performance in relation to Empty Homes. Despite refreshed information on the Council's website and a dedicated inbox for reporting Empty Homes, there has been little change in the number of homes being reported. Business Intelligence gathered by Council Tax continues to be the largest source of information relating to Empty Homes. To increase performance on the number of Empty Homes brought back into use, an overarching Empty Homes Strategy should be developed linked to the Private Sector Housing Enforcement Policy. Despite the work undertaken by the Private Sector Housing Team in maintaining a stable position, a strategic focus is required to accelerate beyond the work currently being undertaken.
- 1.3 The measures currently in place to address long term Empty Homes are outlined below. 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 the Government implemented new flexibilities in respect of imposing Council Tax premium on Long Term Empty properties.
- 1.5 South Holland District Council agreed in February 2019 as part of the Medium Term Financial Strategy (MTFS) to increase the premium on long term empty dwellings as follows: -
- i. An additional 50% Council Tax premium on Long Term Empty properties, raising the Council Tax to 200%, from 1 April 2019.
  - ii. 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.
  - iii. 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.
- 1.6 The direct financial benefits from Council Tax income for this proposal are small for South Holland (around £6k per year). This is representative of the number of Empty Homes in South Holland. The main benefits are non-financial and are to encourage homes back into use.
- 1.7 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.
- 1.8 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 services ensuring Council Tax records are updated based on information found.
- 1.9 Tackling Empty Homes is managed across the whole of the Private Sector Housing Team and not by a dedicated role of an Empty Homes Officer. Currently, 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:
- 1.10 **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.
- 1.11 **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, Enforced Sale, and Empty Development Management Order. Enforcement action will be taken in accordance with the Council's Enforcement Policy.
- 1.12 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). 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. Changes to the NHB calculation were introduced in 2017/2018, which means the total amount of the reward is based on growth above a national baseline of 0.4%. So all growth below this percentage is not rewarded.

1.13 As at 6<sup>th</sup> September 2019 there were 268 long term empty homes (empty between 6-24 months). This compares to 244 at 5 March 2019. 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.

1.14 *Empty Homes in England 2018* (A report by Empty Homes a national campaigning charity) identified the following as being the common reasons for empty homes across England

- Inheriting a property, the new owner (or joint owners) may take some time to decide what to do, or to sort out the property before it is put on the market for rent or sale.
- A previously rented property may require substantial repairs before it can be re-let, but the landlord is putting off doing this work, often related to time or money constraints.
- People or companies have bought properties to redevelop. However, for a variety of reasons it is taking a long time to complete the works or activity has stalled.
- Owners are holding on to a property hoping for a rise in its market value before trying to sell it and may have unrealistic expectations about the likely value of their property given local market conditions.

## 2.0 **OPTIONS**

2.1 Option 1: That the Panel note the report and provide any feedback and direction for Officers to consider when developing an Empty Homes Strategy.

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 the Panel give direction on the development of a future Empty Homes strategy. Whilst the panel receives a regular update on Empty Homes it is important that further consideration is given to improving performance in this area by the development of an overarching strategy.

## 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, Your Home.

### 5.3 **Crime and Disorder**

5.3.1 There is a link between the conditions surrounding empty homes, vandalism, overgrown gardens and infestations. Addressing the issue of long term empty 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 1.12.

#### 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  
NHB= New Homes Bonus

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Background papers: - **Addressing Long Term Empty Homes in South Holland, 5 March 2019.**

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#### **Lead Contact Officer**

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

**Key Decision:** No

**Exempt Decision:** No

**This report refers to a Mandatory Service.**