

POLICY SCRUTINY GROUP - 25TH APRIL 2017

Report of the Head of Strategic and Private Sector Housing

ITEM 8 EMPTY HOMES STRATEGY 2017-2022

Purpose of Report

To enable the Group to review the draft Empty Homes Strategy 2017-2022.

Action Requested

That the Group review and comment on the draft Empty Homes Strategy 2017-2022.

Policy Context and Justification

The Empty Homes Strategy is designed to help deliver the Council's priorities identified in the Corporate Plan. The aim of the Strategy is to set out a clear direction and action plan to reduce the negative impact that empty homes can have on surrounding homes and areas, whilst making the best possible use of the housing stock.

Background

On 19th August 2015, the Scrutiny Management Board resolved to establish the Empty Homes Scrutiny Panel to investigate 'What options are available to enable Charnwood Borough Council to bring more empty homes back into use'.

The Panel's first meeting was held on 30th September 2015, and the Panel concluded its work in May 2016. The Panel was asked to review the options and resources available to bring more empty homes back into use and in particular:

- What resources are currently available for work relating to empty properties and what it is used for
- What approaches to dealing with empty properties are used by other authorities.

The Panel was asked to include consideration of:

- The introduction of an empty homes premium and whether any income generated from it could be ring-fenced for work on bringing empty homes back into use
- Other mechanisms available to the Council to deal with empty properties
- Whether the Council should provide a reactive or proactive approach to addressing empty homes.

On 7th July 2016, the Cabinet considered the findings and recommendations of the Empty Homes Scrutiny Panel. Minute 19-4 - referred to the development of an Empty Homes Strategy. The Panel's recommendation was approved by Cabinet that the Council should adopt an Empty Homes Strategy.

The draft Empty Homes Strategy 2017-2022 has been developed (copy attached as an Appendix). The Strategy provides a clear direction and action plan to reduce the negative

impact that empty homes can have on surrounding homes and areas, whilst making the best possible use of the housing stock.

The Strategy will concentrate on four key objectives:

1. Encourage empty home owners to bring empty homes back into use.
2. Bring problematic empty homes back into use through enforcement action.
3. Devise and explore new and innovative solutions to reduce the impact of empty homes on local communities and bring them back into use.
4. Develop a co-ordinated approach to help identify and tackle empty homes.

Background Papers

1. Cabinet, 7th July 2016 – Item 6 and Minute 19.
2. Scrutiny Management Board, 15th June 2016 - Item 7 and Minute 6.
3. Empty Homes Scrutiny Panel agendas and notes of meetings held on:

Meeting 1 – 30th September 2015

Meeting 2 – 5th November 2015

Meeting 3 – 3rd December 2015

Meeting 4 – 13th January 2016

Meeting 5 – 2nd March 2016

Meeting 6 – 7th April 2016

Meeting 7 – 11th May 2016.

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Empty Homes Strategy

2017-2022





Welcome to the Council's new Empty Homes Strategy 2017-2022.

This Strategy sets out our approach for tackling empty homes in the Borough, which can be a blight on local neighbourhoods and in some cases become a magnet for crime and anti-social behaviour.

The Strategy aims to reduce the impact of empty homes on local communities and to minimise the wasted housing resource created by homes being left empty.

In line with our values, I believe this Strategy sets out key objectives and provides the framework to enable us to deal with empty homes, clearly setting out the Council's approach and commitment to tackling this issue over the next 5 years.

This Strategy will concentrate on 4 key objectives:

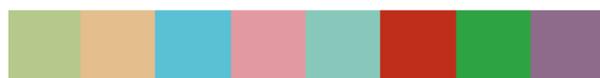
1. Encourage empty home owners to bring empty homes back into use.
2. Bring problematic empty homes back into use through enforcement action.
3. Devise and explore new and innovative solutions to reduce the impact of empty homes on local communities and bring them back into use.
4. Develop a coordinated approach to help identify and tackle empty homes.

I look forward to reporting on the success and achievements in the near future.

Councillor Paul Mercer
Lead Member
Strategic and Private Sector Housing



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Charnwood's Empty Homes Strategy 2017-2022 sets out a clear direction and action plan to reduce the negative impact that empty homes can have on surrounding homes and areas, whilst making the best possible use of the housing stock

By tackling empty homes, we will:

- Improve housing conditions, the local environment and neighbourhoods.
- Reduce vandalism and associated anti-social behaviour.
- Contribute towards the growing housing need by increasing housing provision and expanding the housing options available.

Empty homes can have a devastating effect on neighbourhoods and the environment and are a waste of valuable housing resource.

For example, the Royal Institute of Chartered Surveyors (RICS) states "that an empty home reduces the market value of adjoining homes by up to 18%".

National Context

When the Coalition Government was formed they set out their aim for empty homes in the Housing Strategy for England (Laying the Foundations: A Housing Strategy for England 2014) part of which was to increase the number of empty homes brought back into use as a

sustainable way of increasing the overall supply of housing, and to reduce blight on neighbourhoods. The Government made a commitment to put in place the right incentives and levers, both practical and financial to support local authorities, housing providers and community and voluntary groups.

From this led the 'income incentives' for local authorities to bring empty homes back into use in the form of the New Homes Bonus and the ability to charge 150% council tax for owning a long term empty homes.

There are currently 610,000 empty homes in England with 205,821 long-term vacant dwellings (that is, homes unoccupied for over six months); (Homes from Empty Homes 2015).

Regional Context

Using the 2014 CBT1 data, the organisation Empty Homes (Empty Homes, 2015) calculated that across the East Midlands, the proportion of home that were empty for more than 6 months was 0.97% (at that time, the proportion within Charnwood was 0.92%) and for the whole of England was 0.88%.

The region with the highest proportion of empty homes was the North East with 1.34% and the region with the lowest was London with 0.60%.

The position within the Borough is therefore similar to that within the region.



Our Corporate Plan 2016-2020 sets out the Council's key themes, one of which is to make sure that Charnwood is a great place to live for families by *“creating a strong and lasting economy”*

A Great Place to Live for Families

Through this Strategy, Charnwood Borough Council aims to bring up to 250 empty homes back into affordable use over the next 5 years, reducing the pressure on existing housing stock and providing decent family accommodation.

A Safe and Secure Environment

By tackling empty homes, we will reduce the risk of anti-social behaviour that can be associated with some empty homes, improving the lives of local residents and reducing pressure on emergency services and various Council services.

Achieving our Ambitions

In order to achieve our ambitions, this Strategy focuses on **4 key objectives**:

1. Encourage empty home owners to bring empty homes back into use.
2. Bring problematic empty homes back into use through enforcement action.
3. Devise and explore new and innovative solutions to reduce the impact of empty homes on local communities and bring them back into use.
4. Develop a coordinated approach to help identify and tackle empty homes.



Although the number of empty homes within the Borough is consistent with the East Midlands overall and it is accepted that there will always be a number of empty homes within a fluid housing market, we want to ensure that longer term empty homes are not a wasted resource

The Current Position

In Charnwood, there are around 1,200 empty homes, in total, at any given time, some of which are undergoing renovation or awaiting probate, etc. This figure also includes social housing.

However, we estimate that there are approximately 500 empty homes that have been empty for 6 months or more and of these 250 have been empty for 2 years or more.

Through this 5 year Strategy, we aim to bring long term empty homes back into use.

Over the Past 5 Years

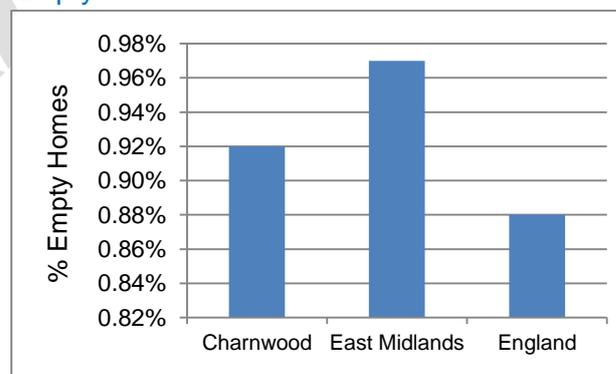
There are a number of ways of defining what constitutes an empty home. One consistent measure of the extent of the number of empty homes in the Borough is the annual CTBI return (Council Tax Base Information) submitted to the Department for Communities and Local Government. This data focuses on homes that have been empty for 6 months or more. The

table below details the number of empty homes each year between 2010 and 2016.

Empty homes in Charnwood between 2010 and 2016

Year	Number of empty homes for 6 months or more	% empty homes
2010	747	1.09%
2011	738	1.07%
2012	641	0.92%
2013	648	0.92%
2014	651	0.92%
2015	713	1.00%
2016	608	0.84%

Empty homes as a % of all homes



Number of empty homes brought back into use

End of Quarter 4 – 45 empty homes brought back into use – break down of interventions to be included in a chart.



Charnwood Borough Council aims to bring long term empty homes back into use over the next 5 years

Examples of empty homes brought back into use in Charnwood

Who benefits from Bringing Empty Homes back into Use?

Benefits from bringing empty homes back into use
The Homeowner
<ul style="list-style-type: none"> • Increased income • Increased capital value • Reduced costs – e.g. Council Tax liability and empty home insurance
The Community
<ul style="list-style-type: none"> • The provision of additional housing options • Reduced negative impact on house prices (RICS) • Prevent anti-social behaviour including vandalism, arson, burglary, fly tipping and drug misuse
The Council
<ul style="list-style-type: none"> • Increased housing supply • Reduced costs in dealing with complaints about empty homes • Increase in New Homes Bonus payment • Recovery of debt owed to the Council, associated with empty homes



Encourage empty home owners to bring empty homes back into use

In the first instance, we aim to provide help and advice to the owners of empty homes. The Empty Homes Officer provides advice and support, on a one-to-one basis, where each case is assessed on its merits. Assistance may be given with refurbishment, sales, letting or finding tenants and health and safety matters.

Partnership Grants

The Council currently offers discretionary financial assistance in the form of a Partnership Grant. This financial assistance helps towards the cost of works to bring the home up to a lettable standard.



Tenant Finder Scheme

The scheme aims to support home owners to overcome the problems that can arise during the letting process, whilst providing good quality homes for families who need somewhere to live.

The service aims to simplify what can be a stressful experience. Tenant Finder will assist the empty home owner through the whole of the letting process, from introducing them to a prospective tenant to signing the tenancy agreement.

Private Sector Leasing (PSL)

Private Sector Leasing is a scheme where the Council enters into a lease with a private landlord. The Council uses the home to provide affordable accommodation for homeless families.

Advice on Repair Works

The Empty Homes Officer can provide a Schedule of Works, clearly outlining what works need to be completed to bring the home up to a lettable standard.

Advice on Selling an Empty Home

The Empty Homes Officer can offer advice on selling an empty home including access to discounted fees from estate agents and auctioneers.



Bring problematic empty homes back into use through enforcement action

Measures to bring empty homes back into use
Enforced Sale
Allows local authorities to force the sale of a home to recover debts owed to the Council that are registered as a charge on the home.
Compulsory Purchase Order (CPO)
CPOs allow local authorities to apply to the Secretary of State for the compulsory purchase of an empty home.
Empty Dwelling Management Order (EDMO)
EMDOs allow local authorities to secure occupation and responsible management of some privately owned houses and flats that have been empty for two years or more.

Where all other approaches fail, or if there is an imminent risk to health and safety, the Council will consider a number of enforcement options. The options available include, but are not limited to:

Enforced Sale

Enforced sale is a procedure that allows local authorities to recover charges, for example where works in default have been charged to a property, by forcing the sale of that property. In doing so, it often brings the home back into use.

Where a home has debts (owed to the Council) secured against it as a Local

Land Charge or where the Council can apply to the County Court for an interim charging order and if successful, then apply for a final charging order to enforce the sale of the home, this may be considered an appropriate option.

Compulsory Purchase Order (CPO)

Where a local authority is able to make a compelling case in the interest of the public, for a home to be compulsorily purchased; and where other methods of returning the home to use have been tried and failed, a CPO provides the final sanction to ultimately facilitate the renovation and reoccupation of the most problematic empty homes.

Where this is the case, the Council may apply to the Secretary of State for an Order to be made. In making an application the Council must show (among other things), a clear intention for the use of the home and be able to show that it has the necessary resources available to follow through with the CPO.

Where an owner is not willing to sell by agreement, an application may be made under Section 17 of the Housing Act 1985, which allows for homes to be acquired for residential purposes if there is a general housing need in the area.

If using this provision, the Council must demonstrate a qualitative or quantitative increase in the housing stock.



Section 226 of the Town and Country Planning Act 1990, allows local authorities to acquire land or buildings, if such acquisition will allow improvements or redevelopment to take place that contributes to the promotion and/or improvement of economic, social or environmental wellbeing.

It may be appropriate to acquire empty homes that adversely affect the street scene because of their condition.

Obtaining a CPO
An application must be made to the Secretary of State and will only be successful where:
<ol style="list-style-type: none"> 1. It can be proved that the public benefit outweighs the private loss 2. That the Council is able to show there are clear intentions for the home/land 3. That the necessary resources are in place
The process is not without risk and the Council will first attempt to acquire the property through negotiation.

Owners of homes that are compulsory purchased may be entitled to compensation for the loss at a level equivalent to the open market value and may be entitled to additional compensation under certain circumstances.

Empty Dwelling Management Order (EDMO)

An EDMO can be made where an owner leaves a home empty and has no intention of securing its voluntary reoccupation. With an EDMO, the Council undertakes the management of a home for a set period of time, up to seven years, with the EDMO being reviewed after that time.

EDMOs are open to appeal at any stage and can be administratively burdensome, with the end result being the likely return of the home into the same ownership as that which left it vacant in the first instance.

In order to obtain an interim EDMO, an application must be made to the Residential Homes Tribunal Service.

The Residential Homes Tribunal Service must be satisfied that the home is not exempt according to the Local Authority Housing Statistics return.

Exempt properties include:

- Second homes
- Holiday lets
- Flats and houses normally occupied by students
- The owner is in prison
- The owner is receiving or giving care
- The owner is in the armed forces
- The dwelling is flood damaged or awaiting clergy
- The owner has been notified that the Council is going to apply for an EDMO



That the Council attempted to ascertain what steps the owner is taking to bring the home back into use (and those details) and that:

- The homes must have been empty for at least 6 months
- There is no reasonable prospect of the home being occupied in the near future
- By granting the order, there is a reasonable prospect of the home being brought back into use

If these matters are satisfied, the Tribunal will then balance the rights of the owner, against those of the wider community in making their decision.

Once granted, an interim order lasts for a maximum of 12 months, during which time the Council must take such action as they consider appropriate to ensure that the home becomes, and continues to be, occupied. This may include creating tenancies with the permission of the owner.

The Council must take such other steps as they consider appropriate. Where no such steps exist which are appropriate in order to secure the occupation of the dwelling, the Council must either make a final decision EDMO or revoke the interim order.

No further application to the First-tier Tribunal (FtT) (Property Chamber) is required to make a final EDMO where an interim Order has been granted, but the owner may appeal to the FtT against the Council's decision to make such an Order.

Whilst a final EDMO is in force, the Council effectively becomes the landlord and may carry out renovation and maintenance work, create tenancies and will be responsible for

the management of the home. Both interim and final EDMOs allow a local authority to collect rent and other payments from the occupant of a home and use it to meet any expenses incurred.

It is important to consider the likely income from the home, against the expenses likely to be incurred in bringing the homes up to a habitable standard and in managing the home through an EDMO.

In some circumstances, the expenses incurred by a local authority may exceed the income; although the Council may still proceed with an EDMO if it would result in the Council being unable to recover all of its expenses in relation to the home. This is particularly important as few empty homes are in a habitable condition.

In consequence, the home in question may not be appropriate to let and will be likely to require some, if not substantial, repair.

An EDMO might be suitable where the cost of the works to bring the homes up to standard are not significant and may be recovered in the period of the order.

ACTION
<p>Bring problematic empty homes back into use through enforcement action</p> <ul style="list-style-type: none"> • Develop a policy for dealing with empty homes • Identify problematic empty homes for appropriate enforcement action • Set up procedure and template documents for CPO, enforced sales and EDMOs • That the Council is able to show there are clear intentions for the home/land • That the necessary resources are in place



Devise and explore new and innovative solutions to reduce the impact of empty homes on local communities and bring them back into use

Charnwood Borough Council is committed to exploring innovative solutions to help reduce empty homes within the Borough.

One type of scheme the Council will consider is a Social Lettings scheme.

ACTION
Devise and explore new and innovative solutions to reduce the impact of empty homes on local communities and bring them back into use
<ul style="list-style-type: none">• Develop policies for newly identified schemes• Explore other solutions and set up relevant policies• Promote options available for bringing empty homes back into use• Review empty homes grants



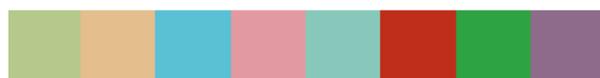
Develop a coordinated approach to help identify and tackle empty homes

In order to contribute towards the growing demand for housing, together with tackling the blight of empty homes, the Council intends to work in collaboration with other service areas and external partners to help bring empty homes back into use.

The Private Sector Housing team will build on the close working relationship it has with Council Tax officers, with a view to replicating this with other service areas across the Council including:

- Building Control
- Development Control
- Environmental Protection
- Government agencies
- Registered Providers (Housing Associations)

ACTION
Develop a coordinated approach to help identify and tackle empty homes
<ul style="list-style-type: none">• Create a communication channel with relevant services and external bodies• Set up a proactive program to help identify empty homes



empty homes strategy action plan 2017-2022				
	ACTION	LEAD ORGANISATION/S	OUTCOMES	DELIVER BY
1.	Review advice and assistance available to empty home owners including Partnership Grants and Tenant Finder Scheme	<ul style="list-style-type: none"> • Charnwood Borough Council • Estate Agents • Letting Agents • Auctioneers 	<ul style="list-style-type: none"> • Revised Tenant Finder Protocol • Improved offer and take up of sales and lettings packages for empty home owners 	July 2017
2.	Reduce the impact of problematic empty homes on local neighbourhoods	<ul style="list-style-type: none"> • Charnwood Borough Council • Police 	<ul style="list-style-type: none"> • Improved standards and conditions of empty homes • Increase in problematic empty homes brought back into use 	TBC
3.	Introduce new ways for empty homes to be brought back into use	<ul style="list-style-type: none"> • Charnwood Borough Council • Registered Providers • External organisations, eg charities 	<ul style="list-style-type: none"> • Creation of new scheme, eg Social Letting Scheme 	Dec 2017
4.	Develop a Policy Protocol for empty homes enforcement	<ul style="list-style-type: none"> • Charnwood Borough Council 	<ul style="list-style-type: none"> • Creation of Empty Homes Enforcement Policy and Protocol • Methodical identification of empty homes subject to enforcement action • Increase in number of empty homes brought back into use as a result of enforcement action taken 	TBC



In order to successfully deliver the Empty Homes Strategy, the Council will utilise all available resources across its own departments and its external partners

The key resources required to deliver this Strategy include:

- Empty Homes Officer
- The Council Tax service's continued cooperation in providing the Empty Homes Officer with information to help identify additional homes
- A close working relationship with the Planning department
- A close working relationship with Legal Services. It is imperative and essential that legal action is taken promptly and in accordance with the law in problematic cases
- Funds to carry out marketing campaigns and projects, including grant assistance to assist the Empty Homes Officer



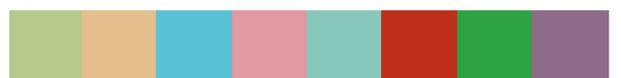
The effectiveness and delivery of the Strategy will be monitored through its Action Plan, which will be linked to the Business Plan

The actions identified under each objective will be monitored within the Strategic and Private Sector Housing Management Team.

The overall progress towards the annual target of bringing empty homes back into use is monitored by members.

The success of new policies, procedures and initiatives will be measured by achievements of the overall targets.

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