

Report of the Strategic Director of Place to the meeting of Regeneration and Economy Scrutiny Committee to be held on 28 February 2017

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Subject:

Empty Homes Update

Summary statement:

This report provides an update on the Council's empty homes programme of work and introduces the draft Empty Homes Delivery Plan.

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Overview & Scrutiny Area:

Regeneration and Economy



1. SUMMARY

This report provides an update on the Council's empty homes programme of work and introduces the draft Empty Homes Action Plan.

2. BACKGROUND

- 2.1 As the district has over 214,000 properties it is recognised that there are always a number of homes that are empty due to people moving home, ending tenancies, etc. Known as "transactional" empties these properties are generally empty for less than 6 months (however due to the current housing market it is not uncommon for properties to remain empty for up to 12 months whilst being sold). These properties do not generally need any intervention from the Empty Homes and Loans team so resources are focussed on properties that have been empty for more than 6 months (known as long term empties).
- 2.2 At February 2017, 44% of empty properties have been empty for less than 6 months. This means 56% (4,130) of empty properties have been empty for more than 6 months (long term). For those, the length of time they have been empty for is summarised below:

Length of time empty	Number of properties	% of total number of empty properties
6 months – 1 year	1,641	22%
1 - 2 years	1,182	16%
2 - 3 years	427	6%
3 - 5 years	351	5%
5 - 10 years	323	4%
Over 10 years	206	3%
Total	4,130	56%

- 2.3 At October 2016 there were 7,525 empty properties in the district, of these 3,581 had been empty for less than 6 months and 3,944 were considered to be long term empty properties (empty for over 6 months). In 2009 there were 7,302 long term empty properties therefore the current figure shows a reduction of 3,358 long term empty homes since 2009.
- 2.4 Prior to 2015 the only indicator relating to empty homes reported on the net number of long term empty homes in the district. This figure represented the number of long term empties as a net figure resulting from properties becoming empty and all those no longer being empty. This indicator did not easily illustrate how many empty properties were no longer empty in the district or allow us to appreciate the scale of the 'churn' of empty and the impact this would have on communities. Consequently, in 2015, the Council introduced an additional performance indicator relating to empty homes.



The additional indicator reports on the total number of long term empty properties that have ceased to be empty. This is reported on a monthly basis as a rolling 12 month figure. The January 2017 outturn for this indicator is 4,943 – meaning that in the year January 2016 to January 2017, 4,943 long term empty properties ceased to be empty.

- 2.5 Demand for the service continues to be high with 595 service requests being responded to in 2015/16. The work of the team is a mixture of this reactive work as well as proactive work generated from the Councils' own data and surveys of the district. The team are dealing with approximately 1,000 empty properties at any one time.
- 2.6 A large proportion of the work and response provided by the team relates to resolving issues through formal enforcement powers such as nuisance from empty properties (i.e. dampness) and securing empty properties against unauthorised access. In addition, Empty Homes Advisors work both reactively and proactively to investigate the circumstances surrounding empty properties and provide advice to owners on their options, products available and organisations that may be able to help.
- 2.7 The most problematic long term empty properties, considered to be of a higher risk (following a risk assessment by officers), are targeted more intensely by officers for action. There are currently 100 high risk long term empty properties.
- 2.8 The reasons why properties are left to become long term empty can be many and varied. Detailed investigations are often necessary to identify legal ownership of properties before any action can be taken. For this reason one of the products developed and used by the team is to offer some owners legal assistance to help them to resolve ownership issues which are preventing them bring the property back into use.
- 2.9 Officers utilise appropriate products from the full range of options available to them to try to encourage owners to bring their homes back into use but in some cases they have to use the ultimate sanction against uncooperative owners – compulsory purchase. Since 2010, the service has voluntarily acquired 29 properties and compulsorily purchased 18 properties. 15 cases are currently ongoing, of which 11 are CPOs and 4 are Voluntary Acquisition.
- 2.10 The Team continues to work with other organisations such as Bradford Youthbuild Trust, Centrepont, ARISE and other smaller charities to provide the opportunity to purchase empty properties and bring them back into use as rented accommodation for young and vulnerable people in addition to providing support to those young people.
- 2.11 The Empty Homes and Loans team is often approached by developers who are looking to find empty properties to bring them back into use. Officers will often pass the details of these developers to empty home owners and act as facilitators in negotiations as it may provide an additional means of bringing their property back into use.



- 2.12 The range of products and services the Council and its partners are able to support continues to grow with 11 fact sheets available from the Council. This information provides advice to owners on how the barriers they are facing may be broken down, this is accompanied by face to face advice and signposting on complex issues.
- 2.13 One of the key products developed by the service is the Empty Property Loan (EPL). This is an equity share loan intended to provide essential funding to enable long term empty property owners to bring their properties back into use. This is one of a very few loan products that are being successfully delivered to empty home owners nationally and has been developed in partnership with Sheffield City Council who administer the loan on behalf of the Council. To date over 400 enquiries have been received and 22 loans have been completed, 20 of which were brought back into use by the loan (2 have only just been completed and the owners are seeking tenants).
- 2.14 The service has also developed a new product known as Empty Property Assistance (EPA) which is a small grant of up to £5,000 which owners can only access where they have been unable to access loan funding. It is intended to be a last resort and to provide help to empty property owners who have no other means of funding and who have exhausted all other ways to raise finance. It will only suit circumstances where works costing up to £5,000 will bring the property back into use. Since it was introduced in late 2014, 10 of these have been completed and most now occupied with the most recent ones awaiting tenants.
- 2.15 Each month, the service proactively targets all empty home owners whose properties have been empty for 12 months. Working in partnership with the Council's Revenues and Benefits service, the team uses Council Tax information to identify these owners and send out a letter promoting the various products available to help an owner bring their property back into use.

3. OTHER CONSIDERATIONS

- 3.1 Following the Government's Autumn statement, the Homes and Communities Agency (HCA) has advised that applications for funding to create affordable homes through the acquisition and repair of empty homes will now be considered. The Council is now looking to identify opportunities to access this funding.
- 3.2 The provision of quality and affordable housing and communities and neighbourhoods where people want to live is a key strategic priority within both the District Plan and Council Plan. Tackling empty homes in the district contributes towards the issues of housing supply, housing quality and creating neighbourhoods which are clean and where people feel safe.
- 3.3 The current Empty Homes Delivery Plan 2011 -14 has been reviewed. In line with the Council's other housing delivery plans it is proposed that the new plan becomes an action plan under the Council's Housing and Homelessness Strategy as opposed to a stand alone delivery plan. The draft Empty Homes Action Plan is attached as Appendix 2 to this report.



4. FINANCIAL & RESOURCE APPRAISAL

- 4.1 The service continues to recycle funding through loans, property acquisition and disposals. The funding supports bringing homes back into use. Other impacts include the reduction of debt to the council through enforced sale and the use of the empty property loan and assistance, as owners can only access these forms of assistance if they have cleared any outstanding council tax debt to the Council first.
- 4.2 The financial benefit to the Council of bringing empty homes back into use can be measured in a number of ways with one of the most significant being its contribution to the new homes bonus (NHB) awarded by Government.
- 4.3 The new homes bonus is calculated annually using the previous year's October figures. However, the bonus paid to the Council is spread over a number of years, a base year ('year zero') having been calculated from data obtained in 2010-11. This creates a cumulative effect with each year's performance adding to or offset against new homes performance the previous year.

The most recent provisional Local Government Financial Statement changed the way that New Homes Bonus will be paid. Previously payments were received over a 6 year period. The changes mean that bonuses up to 2016/17 will now be for 5 years and those from 2018/19 will be for 4 years. Despite this, year on year the New Homes Bonus continues to be important to the Council as un-ringfenced income. The table below shows the New Homes Bonus awarded to date and the total to be paid. Not all of the amounts shown below are attributable to empty properties brought back into use, it represents the total NHB awarded to the Council.

Year		Annual Award	Total New Homes Bonus to be received over 6 years
Year 0		£2,760,424	£16,562,544
Year 1	2012/13	£1,055,829	£5,279,145
Year 2	2013/14	£1,664,440	£8,322,200
Year 3	2014/15	£1,776,641	£8,883,205
Year 4	2015/16	£1,612,000	£8,060,000
Year 5	2016/17	£1,794,000	£8,970,000
Total		£10,663,334	£56,077,094

- 4.4 In November 2012 the Executive decided to charge a Council Tax premium on empty homes which have been vacant for more than two years. This premium is currently set at 150% of the Council Tax for the property. Since its introduction in April 2013 the Council has seen a drop of almost 20% in the number of properties empty for over two years. At any one time there are between 1,300 and 1,500 properties that have been empty for more 2 years. Using Council Tax data, the number of empty homes vacant for more than 2 years in 2013 was 1,756 and in January 2017 was 1,406.



5. RISK MANAGEMENT AND GOVERNANCE ISSUES

No significant risks have been identified.

6. LEGAL APPRAISAL

6.1 Legal Services provide advice on the format of notices and procedures required to implement statutory responsibilities.

7. OTHER IMPLICATIONS

7.1 EQUALITY & DIVERSITY

The improvement of housing conditions in the District will have a positive impact on those groups and individuals who suffer multiple disadvantages associated with poor quality and inadequate housing.

7.2 SUSTAINABILITY IMPLICATIONS

7.2.1 The Councils work on bringing empty homes back into use supports the objective of making use of existing resources to provide housing wherever possible rather than using new materials to construct new housing. Significant CO₂ emissions occur through construction which may be avoided by maximising the existing housing stock. Greenfield sites in particular comprise a valuable resource for biodiversity, recreation and resilience to climate change which further strengthens the case for consolidating existing housing stock and previously developed land.

7.3 GREENHOUSE GAS EMISSIONS IMPACTS

7.3.1 Inevitably, occupied homes will contribute additional emissions of around 6 tonnes of CO₂ annually, thereby increasing overall emissions for the district. The objective therefore will be to influence energy efficiency refurbishments, for example the previously empty Green Deal Communities show home in Keighley, included internal wall insulation, under floor insulation and an efficient new heating system.

7.4 COMMUNITY SAFETY IMPLICATIONS

7.4.1 The presence of empty homes within communities impacts significantly on community safety, the fear of crime and the feelings that residents have towards their neighbourhood. As a result, the success of the team, and returning a property into occupation, impacts significantly on whole streets and neighbourhoods.

7.4.2 Empty homes can, in some cases, attract antisocial behaviour, accumulations of refuse and also criminal activity. The team often work with neighbourhood wardens, Neighbourhood Services and the police to highlight and tackle problematic properties, ensuring that action can be taken where possible.

7.4.3 The team also attend Ward Partnership meetings, providing and gathering information about problematic properties.



7.5 HUMAN RIGHTS ACT

- 7.5.1 A key element of the teams' work in the enforcement of legislation, and in particular in the compulsory purchase of properties is the consideration of individuals' human rights, both those of the property owner/s and the residents in the neighbouring properties or community.
- 7.5.2 All actions taken by the team are in line with the Housing Service Enforcement Policy (agreed at the Councils Executive Committee on the 28th February 2006) which is based upon the principles of the Enforcement Concordat.

7.6 TRADE UNION

No Trade Union implications have been identified.

7.7 WARD IMPLICATIONS

- 7.7.1 The team responds to all service requests across the district and works proactively to target the most problematic empties on a risk assessed basis regardless of location.
- 7.7.2 The team also attend Ward Partnership meetings, providing and gathering information about problematic properties.

8. NOT FOR PUBLICATION DOCUMENTS

None.

9. RECOMMENDATIONS

- 9.1 That the Committee note the report and endorse the draft Empty Homes Action Plan and request a further update on the work of the Empty Homes team in 12 months.

10. APPENDICES

- 10.1 Appendix 1 – Breakdown of long term empty properties (at February 2017), by Ward.
- 10.2 Appendix 2 – Draft Empty Homes Action Plan.

12. BACKGROUND DOCUMENTS

None.



Appendix 1 – Breakdown of long term empty properties (at February 2017), by Ward

Ward	Long Term
Baildon	68
Bingley	97
Bingley Rural	118
Bolton And Undercliffe	133
Bowling And Barkerend	300
Bradford Moor	179
City	417
Clayton And Fairweather Green	95
Craven	88
Eccleshill	100
Great Horton	204
Heaton	151
Idle And Thackley	89
Ilkley	81
Keighley Central	175
Keighley East	144
Keighley West	78
Little Horton	183
Manningham	243
Queensbury	141
Royds	113
Shipley	112
Thornton And Allerton	122
Toller	139
Tong	109
Wharfedale	48
Wibsey	122
Windhill And Wrose	65
Worth Valley	116
Wyke	100
Total	4,130

