

## **Report of the Strategic Director of Place to the meeting of Regeneration and Economy Scrutiny Committee to be held on February 20th 2018**

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**Subject:**

Empty Homes Update

**Summary statement:**

This report provides an update on the Council's empty homes programme of work.

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**Portfolio:**

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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.

## 2. BACKGROUND

- 2.1 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.
- 2.2 As the district has nearly 216,000 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).
- 2.3 All local authorities provide a return to central government on an annual basis (in October) of data extracted from the Council Tax database. This includes data on empty properties such as the total number of empty properties and the number of long term empty properties. These figures are published by central government and provide the Council's official position. At October 2017 there were 7,530 empty properties in the district, of these 3,599 had been empty for less than 6 months and 3,931 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 3,371 long term empty homes since 2009.
- 2.4 Understandably, data and figures fluctuate from month to month, especially those relating to the housing market and empty properties. At January 2018, 45% (3,451) of empty properties were empty for less than 6 months. This means 55% (4,262) 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:

<b>Length of time empty</b>	<b>Number of properties</b>	<b>% of long term empty properties</b>
6 months – 1 year	1,647	39.5%
1 - 2 years	1,246	29%
2 - 3 years	17	0.5%
3 - 5 years	480	11%
5 - 10 years	576	13%
Over 10 years	296	7%
<b>Total</b>	<b>4,262</b>	

2.5 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 December 2017 outturn for this indicator is 4,567 – meaning that in the year December 2016 to December 2017, 4,567 long term empty properties ceased to be empty.

2.6 Demand for the service continues to be high with 465 service requests being responded to in 2016/17. 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 just over 1,100 empty properties at any one time. A breakdown of the type of request for service of investigation relating to these properties is given below:

<b>Nature of Request / Intervention</b>	<b>No.</b>
Long Term Empty Property – General Issues / Concerns	242
Request for Empty Property Advice	327
Proactive Empty Property Investigation	392
Defective Gutters at an Empty Property	8
Damp causing a nuisance from an Empty Property	37
Empty Property Loan Enquiry	22
Empty Property Loan or Assistance Case	6
Monitoring a vacated property following enforcement	94
<b>Total</b>	<b>1128</b>

2.7 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.

2.8 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 93 high risk long term empty properties.

2.9 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.

- 2.10 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 30 properties and compulsorily purchased 20 properties. 26 cases are currently ongoing, of which 21 are CPOs and 5 are Voluntary Acquisition.
- 2.11 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.
- 2.12 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.
- 2.13 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.
- 2.14 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 450 enquiries have been received and 30 loans have been completed, the majority of which have been brought back into use with the exception of recently completed loans in January where owners are seeking tenants or arranging to occupy the property themselves.
- 2.15 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, 14 of these have been completed and most now occupied with the most recent ones awaiting tenants.
- 2.16 The Empty Homes team also work closely with colleagues in the Council Tax Enforcement Team to coordinate action relating to the Enforced Sale of empty

properties where there is debt against the Council. This debt can be Council Tax debt or debt that has been generated as a result of other services having to carry out works at empty properties – where owners will not - in order to remove statutory nuisance, rubbish or to secure them against unauthorised entry.

- 2.17 There is also collaboration between the team and colleagues in Adult Services where properties are empty due to owners either being elderly and in permanent residential care or in particular where owners have been in residential care and have since passed away and there is a debt owing to the Council for that care. Such cases are obviously very sensitive and the team helps Adult Services in dealing with these.

### **3. OTHER CONSIDERATIONS**

- 3.1 Homes England (formerly known as 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 be considered. The Council is working with partners to identify opportunities to access this funding.

### **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.

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
Year 6	2017/18	£1,004,000	£4,016,000
<b>Total</b>		<b>£11,667,334</b>	<b>£60,093,094</b>

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 2018 was 1,366 (a further reduction since January 2017).

4.5 In the Autumn Statement 2017 the Government announced that Councils would be given powers to further increase the Council Tax premium on empty homes which have been vacant for more than two years. Officers are still awaiting further guidance on this but initial advice is that this will require changes to primary legislation which are unlikely to be introduced before April 2019.

## 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 CO<sub>2</sub> 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 CO<sub>2</sub> 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 Private Sector Housing Enforcement Policy (reviewed and agreed by the Council's Executive Committee on the 7<sup>th</sup> November 2017).

## **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.
- 7.7.3 Council Tax empty homes data is analysed to produce lists of empty properties at ward level. For some time, beginning initially in the wards containing the highest number of long term empty properties, Empty Homes Advisors proactively approach properties / owners (where the team is not already involved) to investigate the circumstances and discuss the owners' intentions, offering help and taking action where possible and appropriate.

## **8. NOT FOR PUBLICATION DOCUMENTS**

None.

## **9. OPTIONS**

- 9.1 Option 1 – that the Committee note the report.
- 9.2 Option 2 – that the Committee note the report and request a further update on the work of the Empty Homes team in 12 months.

## **10. RECOMMENDATIONS**

That the Committee note the report and request a further update on the work of the Empty Homes team in 12 months.

## **11. APPENDICES**

- 11.1 Appendix 1 – Breakdown of long term empty properties (at February 2018), by Ward.

## **12. BACKGROUND DOCUMENTS**

None.



**Appendix 1 – Breakdown of long term empty properties (at January 2018), by Ward**

<b>Ward</b>	<b>Long Term</b>
Baildon	52
Bingley	121
Bingley Rural	114
Bolton And Undercliffe	128
Bowling And Barkerend	258
Bradford Moor	161
City	586
Clayton And Fairweather Green	105
Craven	98
Eccleshill	99
Great Horton	223
Heaton	136
Idle And Thackley	64
Ilkley	90
Keighley Central	186
Keighley East	205
Keighley West	84
Little Horton	172
Manningham	284
Queensbury	119
Royds	83
Shipley	81
Thornton And Allerton	124
Toller	156
Tong	99
Wharfedale	46
Wibsey	116
Windhill And Wrose	57
Worth Valley	131
Wyke	84
<b>Total</b>	<b>4,262</b>