

# Report of the Strategic Director, Place to the meeting of Regeneration and Environment Scrutiny Committee to be held on 26 March 2019

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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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Steve Hartley  
Strategic Director of Place

**Portfolio:**

**Regeneration, Housing, Planning &  
Transport**

Report Contact: Julie Rhodes/Dave  
North

Phone: (01274) 431163/7629

E-mail: [julie.rhodes@bradford.gov.uk](mailto:julie.rhodes@bradford.gov.uk)

**Overview & Scrutiny Area:**

**Regeneration and Environment**

## 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 over 217,000 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 2018 there were 7,669 empty properties in the district, of these 3,579 had been empty for less than 6 months and 4,090 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 3,212 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 February 2019, 42.4% (3,311) of empty properties were empty for less than 6 months. This means 57.6% (4,489) 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	1,722	38.4
1 - 2 years	1,277	28.4
2 - 3 years	571	12.7
3 - 5 years	422	9.4
5 - 10 years	292	6.5
Over 10 years	205	4.6
<b>Total</b>	<b>4,489</b>	

- 2.5 Of the 7,800 properties empty in February 2019, 5,337 properties were owned by individual owners, i.e. owners that only own one property. There are only 8 property owners that own more than 14 empty properties in the district, i.e. larger portfolio owners.
- 2.6 Incommunities Housing Group is the largest stock owning housing association in Bradford and their strategic long term investment/regeneration plans are impacting on the number of empty homes in Bradford. They currently own 487 empty properties in the district, 408 of which are long term empty properties (empty for longer than 6 months) of which a significant number are located in some of their high rise stock. Incommunities have made the decision to demolish 11 of their high rise tower blocks (626 properties) due to a significant reduction in demand for these properties and the longer term financial costs that are associated with managing and maintaining high rise complex buildings such as these and have been proactively managing the relocation of tenants from these buildings.

The Council maintains close contact with Incommunities regarding their empty properties, their long term strategy and opportunities to work in partnership on either their own empty properties or privately owned properties.

- 2.7 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 February 2019 outturn for this indicator is 5,037 – meaning that in the year February 2018 to February 2019, 5,037 long term empty properties ceased to be empty.

- 2.8 Demand for the service continues to be high with 486 service requests being responded to in 2017/18. In the first nine months of 2018/19 the service has received 398 service requests.
- 2.9 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 1,200 cases 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	244
Request for Empty Property Advice	325
Proactive Empty Property Investigation	497
Defective Gutters at an Empty Property	11
Damp causing a nuisance from an Empty Property	34
Empty Property Loan Enquiry	17
Empty Property Loan or Assistance Case	13
Monitoring a vacated property following enforcement	81
<b>Total</b>	<b>1,222</b>

- 2.10 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.
- 2.11 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 98 high risk long term empty properties. Every one of these properties is being dealt with according to the circumstances and the willingness/activity of the owner/s.
- 2.12 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.
- 2.13 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 compulsorily purchased 27 properties and voluntarily acquired 32 properties. There are a further 27 cases currently ongoing where the Council is attempting to acquire properties, 11 of which are through compulsory purchase and 16 are through voluntary acquisition.
- 2.14 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.

- 2.15 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.
- 2.16 The range of products and services the Council and its partners are able to support continues to grow with 12 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.
- 2.17 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 480 enquiries have been received and 32 loans have been completed, the majority of which have been brought back into use with the exception of recently completed loans in February where owners are seeking tenants or arranging to occupy the property themselves.
- 2.18 The service 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.
- 2.19 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.
- 2.20 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
Year 0		£2,760,000	£16,560,000
Year 1	2012/13	£1,150,000	£5,750,000
Year 2	2013/14	£1,756,000	£8,780,000
Year 3	2014/15	£1,863,000	£9,315,000
Year 4	2015/16	£1,708,000	£8,540,000
Year 5	2016/17	£1,916,000	£7,664,000
Year 6	2017/18	£1,004,000	£4,016,000
Year 7	2018/19	£1,034,000	£4,136,000
<b>Total</b>		<b>£13,191,000</b>	<b>£64,761,000</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 February 2019 was 1,466.
- 4.5 Most recently The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 received Royal Assent on 1 November 2018. This Act increases the maximum premium that a Council can choose to apply in the case of long term empty dwellings (over 2 years). The decision on whether to apply a premium, and the exact rates to be charged are at the Council's discretion subject

to specified maximums and timescales. These premiums are charged in addition to the standard Council Tax charged for the property.

- 4.6 The Government's intention is to give greater freedom to shape local council tax charging policies for properties that have been classed as empty for more than two years so that local authorities are better able to influence and encourage owners to bring properties back into use.
- 4.7 At the Council's meeting of the Executive Committee on the 4<sup>th</sup> December 2018 it was agreed that the Council will increase Council Tax premiums, phased in over three years, so that:
- From 1 April 2019 – the maximum charge is up to 100% for properties empty for at least two years
  - From 1 April 2020:
    - the maximum charge is 100% for properties empty for at least two years but less than five years
    - the maximum charge is 200% for properties empty for at least five years
  - From 1 April 2021:
    - the maximum charge is 100% for properties empty for at least two years but less than five years
    - the maximum charge is 200% for properties empty for at least five years but less than ten years
    - the maximum charge is 300% for properties empty for at least ten years

These charges (or premiums as they are known) are charged in addition to the usual council tax charge that applies to the property.

Incentivising owners to bring their property back into use through increased premiums will increase the amount of Council Tax to be collected.

For example, the introduction of a 100% Council Tax premium from April 2019 will generate around £740,000 in the amount of Council Tax billed in 2019/20 should the number of homes empty for over 2 years remain the same. £740,000 will be the maximum raised with the actual amount starting from around £550,000, taking account of potential changes in behaviour.

## **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**

- 7.1.1 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.
- 7.1.2 The Council is always mindful of its Public Sector Equality Duty (PSED) when making the decision to pursue compulsory purchase action and ensures it has had due regard to the three aims of the Equality Duty. That is to:
- Eliminate unlawful discrimination
  - Advance equality of opportunity between people who share a protected characteristic and those who do not
  - Foster good relations between people who share a protected characteristic and those who do not
- 7.1.3 Before taking any action, formulating or applying policy and exercising discretion with regard to compulsory purchase powers and procedures, the Council will always decide the extent to which the aims of the PSED are relevant and whether people with a protected characteristic may be impacted.
- 7.1.4 The Decisions to pursue compulsory purchase action are taken on a case by case basis and relate to a property and the need to bring it back into use.
- 7.1.5 However, where a specific case involves a person with a recognised shared characteristic appropriate action will be taken to ensure that the information provided and support given ensures they are not placed at a disadvantage with regard to the process. This could be in relation to an owner with a disability, such as mental health issues, or an elderly person who needs support in understanding the process.

### **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.

## **7.8 IMPLICATIONS FOR CORPORATE PARENTING**

This report does not have any implications for the Council's Corporate Parenting duty.

## **7.9 ISSUES ARISING FROM PRIVACY IMPACT ASSESSMENT**

The Housing service routinely completes Privacy Impact Assessments in line with legislation where there is a change in policy and/or practice. Any issues identified through those assessments are then addressed.

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

None.

## **9. OPTIONS**

9.1 Option 1 – that the Committee consider the report.

9.2 Option 2 – that the Committee considers the report and requests a further update on the work of the Empty Homes team in 12 months.

## **10. RECOMMENDATIONS**

That the Committee considers the report and requests 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 2019), by Ward.

## **12. BACKGROUND DOCUMENTS**

None.

**Appendix 1 – Breakdown of long term empty properties (at February 2019), by Ward**

<b>Ward</b>	<b>No. Long Term Empty Properties</b>
Baildon	67
Bingley	148
Bingley Rural	98
Bolton And Undercliffe	131
Bowling And Barkerend	286
Bradford Moor	184
City	654
Clayton And Fairweather Green	97
Craven	100
Eccleshill	108
Great Horton	202
Heaton	148
Idle And Thackley	76
Ilkley	107
Keighley Central	184
Keighley East	183
Keighley West	106
Little Horton	163
Manningham	258
Queensbury	106
Royds	78
Shipley	128
Thornton And Allerton	114
Toller	166
Tong	119
Wharfedale	60
Wibsey	122
Windhill And Wrose	98
Worth Valley	111
Wyke	87
<b>Total</b>	<b>4,489</b>