

REPORT TITLE: EMPTY HOME STRATEGY – UPDATE AND REVIEW

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REPORT OF PORTFOLIO HOLDER: Cllr Caroline Horrill

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WARD(S): ALL

PURPOSE

The Council's Empty Property Strategy approved in 2016, set out the primary focus and key enforcement action available to the Council to enable empty homes to be brought back in to use.

This paper outlines the work carried out to date and discusses the options available to the Council to enhance the work of the strategy.

RECOMMENDATIONS:

1. That Cabinet (Housing) Committee note the progress made within the Empty Homes Strategy.
2. That Cabinet (Housing) Committee endorse the principle of applying an additional Council Tax: Empty Homes Premium on homes that have been empty for 2 years or more and that a report be prepared for Council to consider options in relation to additional premium.
3. That Cabinet (Housing) Committee note the limitation of the current enhanced options and support the continuation of the current 'case to case' approach to bringing empty homes back into use.

IMPLICATIONS:

1 COUNCIL STRATEGY OUTCOME

- 1.1 The Council Strategy recognises 'Delivering Quality Housing Options' as one of the five key themes within the strategy.
- 1.2 The promotion of the Empty Property Strategy, by attempting to increase the reoccupation of empty homes, is consistent with the community cohesion aims of the Housing Strategy and its aim to 'support local people in accessing high quality and affordable housing which meets their need'.
- 1.3 Promotion also supports the Council's Preventing Homelessness Strategy by encouraging owners to bring empty properties back in to use and letting their homes to vulnerable households through the Council's 'City Lets' scheme.

2 FINANCIAL IMPLICATIONS

- 2.1 There are no immediate additional financial implications from the proposals in this report. However, existing resources invested in addressing empty homes are limited, as is scope for offering assistance to homeowners and landlords (through advice and/or financial assistance). Currently the service does not offer any form of financial assistance to homeowners or landlords to enable them to undertake repairs and/or improvements to their property.
- 2.2 There may be financial implications associated with enforcement action in respect of compulsorily purchasing empty properties (CPO) or obtaining a final Empty Dwelling Management Order (EDMO) arising from legal costs and the cost of repairs to the property over which the purchase or EDMO is granted. With limited resources, each case has to be considered on its merits.
- 2.3 Loans, and works in default under an EDMO, can be recovered through placing a charge on a property or through rental receipts, but will need to be financed in advance. CPO also require short term financing until a developer is found to buy the property
- 2.4 Where there are potential development opportunities New Homes budgets/grants and the Housing Revenue Account could support the purchasing of properties
- 2.5 An increase in Council Tax for homes left empty for more than 2 years could mitigate the financial implications attached to the strategy work (see Enhanced Options in paragraph 9.23 a)..

LEGAL AND PROCUREMENT IMPLICATIONS

- 2.6 Support for enforcement options identified as being available for the Council to use is set out in CAB2675(HSG) of 03 February 2016.

- 2.7 All works commissioned to bring empty homes back in to use as stated in the strategy would be procured in accordance with the Council's Contracts Procedure Rules.

3 WORKFORCE IMPLICATIONS

- 3.1 The Private Sector Housing team has only two enforcement officers which means existing enforcement work is carried out on a case to case basis with more emphasis on a supportive 'hand- holding ' approach to encourage home owners to bring empty homes back in to use.
- 3.2 The existing 'City Lets' officer post is currently under review to be extended to include a responsibility for Empty Homes. But the extent of this additional responsibility within the current post will be limited to general monitoring and advice and as such will continue to be predominantly reactive.
- 3.3 There is an impact on Legal Services support resources.

4 PROPERTY AND ASSET IMPLICATIONS

- 4.1 Implementing the Strategy has no direct impact on Council property or assets.
- 4.2 Some enforcement options could result in the Council acquiring properties prior to works being completed.

5 CONSULTATION AND COMMUNICATION

- 5.1 Consultation has taken place with Cllr Horrill, Parish Councillors, and the Hampshire Housing Advisory Group.

6 ENVIRONMENTAL CONSIDERATIONS

- 6.1 Empty homes are recognised as having a serious impact on the viability of local communities. It has been identified that dealing with empty properties can have social, regenerative, financial and strategic benefits. Bringing empty homes back into use will have a positive impact on the visual environment within our local neighbourhoods.

7 EQUALITY IMPACT ASSESSMENT

- 7.1 After being taken to Committee, The Empty Property Strategy 2016 – 2021 underwent an Integrated Impact Assessment (IIA) signed off by the Assistant Director (Organisational & Service Delivery). At the time the strategy referenced the measures discussed within this report.

8 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<i>Property N/A</i>	N/A	N/A
Community Support Minimum risk of negative press coverage from effected home owners.	Wider press promotion and improved publicity of effective action to bring empty homes back into use. Increased housing options through the 'City Lets' scheme.	Opportunity to positively enhance the Council's reputation within local neighbourhoods and the wider community by bringing empty homes back in to occupation. Tackling homelessness.
Timescales Ongoing to 2021, through the life of the strategy.	N/A	N/A
Project capacity Ability of the PSH team to meet the objectives of the reviewed Empty Homes Strategy due to current lack of staff resilience. Lack of available financial incentives.	To include empty homes responsibility within the existing 'City Lets' Officer role. Employment of dedicated Empty Property Officer	Expanding the role of the 'City Lets' officer to include more direct engagement with owners of empty homes, to promote a financial assistance scheme and to initiate enforcement where appropriate. Recycling of PSH and Council Tax generated revenue.
Financial / VfM Lack of funds to pursue EDMOs or CPO's on a larger scale due to higher than average local property prices. Additional PSH & Legal staffing costs.	Increase Council Tax on long term empty homes to assist with funding. Identify resources suitable to underpin a loan scheme (<i>loans and EDMO/CPO expenditure generally recoverable through charge on property and/or resale</i>)	Opportunity to positively enhance the Council's reputation within local neighbourhoods and the wider community by bringing empty homes back in to occupation through additional methods and generated revenue.
Legal Additional legal resource in respect of enforcement action, property purchases and loan agreements.	Out source potential additional legal work.	Increased housing options, supply, reduced empty homes, and improved neighbourhoods.
Innovation Loan funding providing positive assistance to home owners to help bring	Ensure loans are suitably secured against property assets.	Opportunity to positively enhance the Council's reputation by offering support and financial

empty homes back in to use.		incentives to encourage home owners of empty homes to return them to the housing supply.
Reputation Risk of failing to engage home owners. Reduce the numbers of local empty homes. Reduced public confidence in the Council as a local authority housing provider.	Robust 'good news' publicity opportunities. Employment of dedicated Empty Property Officer.	Opportunity to positively enhance the Council's reputation within local neighbourhoods and the wider community by bringing empty homes back in to occupation Increased housing options and private sector housing supply.
Other - None	N/A	N/A

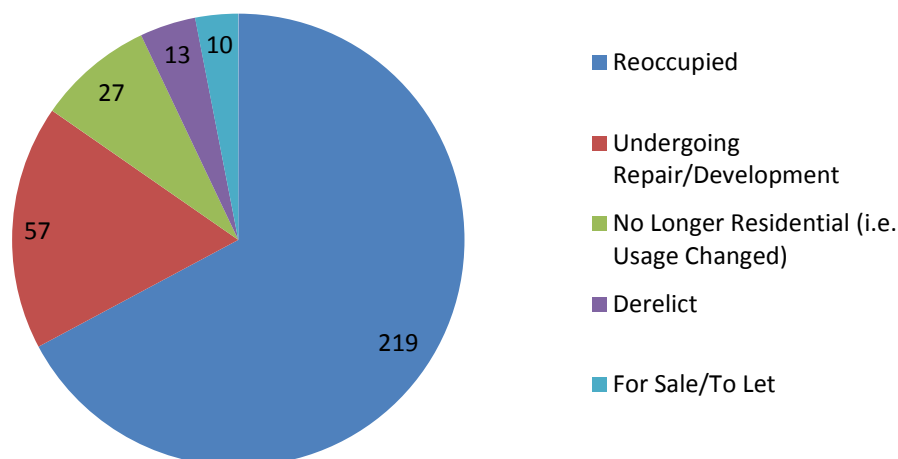
9 SUPPORTING INFORMATION:

9.1 Background

- 9.2 Whilst there is no legal requirement for a local authority to have an Empty Property Strategy, it is good practice to have a strategy, providing clarity, direction and focus when dealing with empty home issues.
- 9.3 Section 3 of the Housing Act 2004 (the Act) requires local authorities to consider housing conditions within their District, with a view to determining what action to take under their duties and powers to deal with housing conditions, including empty dwellings.
- 9.4 The definition of an empty dwelling under the Act is "a dwelling that has remained vacant for more than six months" (the definition) although there are exemptions detailed in section 134 (6) of the Act.
- 9.5 Long term empty properties are viewed as a wasted resource. If left unoccupied properties can quickly fall into disrepair and neglect, becoming a blight on a neighbourhood, attracting anti-social behaviour, accumulating refuse, encouraging vandalism and reducing property values in the local area.
- 9.6 Bringing an empty property back into use benefits owners as it provides them with an opportunity to let or sell the property. In turn it provides a new home for a tenant or new owner and their family. It is also advantageous to the wider community by improving the neighbourhood and encouraging economic activity.
- 9.7 Following CAB2790(HSG) a baseline Council Tax report in Spring 2016, detailed a total of 326 homes empty for six months or more. Officers

embarked on a positive campaign to visit and assess the condition of each one, making contact with identified owners.

- 9.8 A three letter approach was used by officers in an attempt to contact and support owners to bring their homes back into use. Each letter was left at the property at the time of the visit. Initial letters not responded to within a set timescale generated two successive letters. The main aim was to support owners to bring their home back in to use. But the third and final letter informed of the legal action the Council could potentially take in respect of an empty home such as. Compulsory purchase Orders (CPOs) and other associated enforcement action.
- 9.9 Over the course of our intervention work it became apparent that a large number of the properties detailed as being empty were either re-occupied or were undergoing refurbishment works. It also revealed a number of very personal and genuine reasons for homes remaining empty. The chart below sets out the results of the original 326 properties visited and investigated.



- 9.10 In January 2018, to support this report a similar baseline report was sought from Council Tax intelligence. This showed a list of 318 homes empty for more than six months or more.
- 9.11 Empty homes figures represent 3.1 % of the private sector stock empty at any one time with 0.75% of the private sector stock empty for more than 6 months. The English Housing Survey 2016-17 reports an overall vacant rate of 4.8% within private sector stock. Although there is no figure for long term empty homes in that year's headline report, previous years have shown a rate of 1-1.5%.
- 9.12 These figures indicate that empty homes occur less frequently in Winchester than in the country in general. This demonstrates that the local housing market is strong, with the majority of empty properties re-occupied within the first six months through natural stock turnover. Similarly, on the whole, long

term empty homes also occur less frequently in Winchester than elsewhere in the country.

- 9.13 Cross- referencing the 2018 list with the 2016 list and survey results produced a list of 85 addresses common to both lists. This suggests a typical level of approximately 300-330 homes empty for over 6 months at any time. The majority of these are re-occupied by the natural flow of the market and typically resulting in approximately 80-100 homes empty for 2 years or more.
- 9.14 Winchester numbers are low when compared to other Hampshire authorities (as detailed below) with 326 empty homes within a private housing stock of 43,260.

Local Authority	IOW	PCC	SCC	BDDC	EHDC	EBC	FBC	HDC	NFBC	TVBC
No of Empty Homes	665	531	583	506	311	322	166	220	474	110
No of Housing Stock	69,680	89,790	104,660	73,360	51,096	55,100	49,270	38,330	81,170	52,770

As at October 2016

source <https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants>

- 9.15 Despite low numbers of empty homes in Winchester it should be noted that there is a continuing hard-core of 40 properties within the Winchester district that have been vacant for 5 years or more. A small subset of these would not be practicable to return to use either because they are on private estates or belong to other authorities such as the Lord Chancellors Department. However the majority are not, and the two following case studies indicate the complexity of dealing with such cases.
- 9.16 **Case Study A:** This property was significantly run down and in poor condition with the owner still occupying the property. In 2014, we supported the owner to move to council accommodation. But the property has since remained empty and become derelict. It is a significant blight on the street and a potential risk to others. We encouraged and worked with the owner's nephew to provide security fencing to discourage unwanted visitors. But he is reluctant to carry out any demolition or other works until his aunt has died. We have in conjunction with Building Control tried to reach a resolution with the family for more than 3 years with little success beyond promises to act. Enforcement by means of a Building Act or Housing Act demolition order or Compulsory Purchase Order are now viable options. However it is the requirement of the legislation to allow the family every opportunity to resolve the matter themselves prior to enforcement action that continues to delay enforcement action.

- 9.17 **Case Study B:** This property has been empty for over 8 years and during that time, although the external fabric of the building is essentially sound, it has been stripped internally of all fixtures and fittings, and most ceilings. It is essentially a shell. The owner has consistently resisted and stalled any approaches made, while continually indicating that he intends to refurbish the property to let. After several years of such insistence and no action, officers with the support of the local parish councillor, gave the owner deadlines for action. After this an Empty Dwelling Management Order (EDMO) would be sought, enabling the Council to take over management of the property, complete the repairs necessary and arrange for the property to be tenanted to recover the Council's costs. The EDMO was applied for at a First Tier Tribunal in February 2018. The owner has been given until May 2018, to submit detailed plans and a planning application (for an extension he has long proposed). Should plans not be submitted the EDMO will be granted. The process has involved considerable resources and time to reach this point and so it is important to highlight that the owner needs only to comply with the Tribunal's direction (submit planning applications/put a for sale board up) to continue to delay action to bring the property back into use, which legislation allows for up to a point.
- 9.18 Enforcement options for addressing empty homes are complicated, time-consuming and expensive with only limited potential for a positive outcome. The examples above indicate the complications and what little a landlord needs to do to frustrate the process. Since their introduction in 2006, only 108 EDMOs had been enforced by 2015 across the country.
- 9.19 Both the above case studies have been predominantly a reactive response, due to service resources. It is fair to say that a more proactive approach may have resulted in more timely and positive resolutions.
- 9.20 Often intelligence gathered from owners of empty homes suggest their properties are "undergoing repair/development" or "re-occupied". Often the information provided by owners is not a true reflection of the situation or of their commitment to bring the property back into use due to many varying reasons including financial difficulties.
- 9.21 There is anecdotal evidence from many owners of long term empty homes that finance is a significant factor in preventing them bringing their property back into use. In several cases owners have inherited the property, have no wish to live in it and are reluctant to sell it, perhaps for sentimental or family reasons. Often the new owners cannot raise money to invest in the property either to bring it up to a lettable condition or to improve its market value.
- 9.22 **Enhanced Options**
- 9.23 The implementation of the Strategy Action Plan has had results and we have seen over 200 properties brought back into use in the last 2 years. It is not clear what outcomes increased intervention by the Council could achieve,

although if the Council considered additional action is required in this area, the following options could be considered:

- a) Use of the Council's power to increase Council Tax on homes that have been empty for two years or more could encourage owners to return their empty property back into use. This would require a full Council decision and would need to be determined prior to the annual billing process, which has been completed for 2018. However, a report will be prepared for Cabinet and Council that will consider this and other options in relation to Council tax later in the year. Any decision would only be effective from April 2019 at the earliest.
- b) Use of Compulsory Purchase Orders (CPO) and Empty Dwelling Management Orders (EDMO) currently used on a case to case basis could be actively considered to enforce or encourage owners to bring their empty homes back in to use. CPO's could be pursued for derelict properties that are beyond practical or economic repair in cooperation with the New Homes delivery team, providing ready access to self build applicants registered on the Land List who are in a position to take on the property immediately following the completion of an order. The use or threat of an EDMO forces owners to engage with the Council and will likely result in the owner addressing the issue before the matter is presented to a First Tier Property Tribunal. Alternatively, this would allow the Council the opportunity to be granted a Final Management Order to manage the property and receive the realised income for up to 7 years.

10 Conclusion:

- 10.1 Following the introduction of the Strategy positive work on a case to case basis has been undertaken to bring empty homes back in to use. The register of empty homes indicates that the local housing market is strong with the majority of empty properties re-occupied within the first six months through natural stock turnover. There are low numbers of long term empty properties.
- 10.2 The potential for the Council to apply an additional Council Tax: Empty Homes Premium on homes that have been empty for 2 years or more would assist the work of the strategy.
- 10.3 The enforcement legislation available to officers is weak and cumbersome and so in line with the existing strategy and the Council Enforcement Policy, the first approach will continue to be one of engagement, with enforcement only being taken on a case to case basis where owners are unwilling to engage or when it is evidenced that owners are seeking to frustrate the process through a deliberate lack of action.
- 10.4 The delivery of the Empty Homes Strategy is a corporate priority and highlighted as a key outcome within the Council Strategy. There are

options for additional investment and intervention to support bringing empty homes back into use. But it is not clear how successful the options would be at reducing the number of empty homes over and above the existing case work undertaken.

11 OTHER OPTIONS CONSIDERED AND REJECTED

- 11.1 The following options have been considered and rejected due to a lack of staffing and financial resources.
- 11.2 Council financial assistance in the form of loans or grants to assist owners to carry out such works as necessary to bring a property up to a minimum standard in line with the Decent Homes Standard.
- 11.3 Applying conditions attached in respect of Empty Dwelling Management Orders such as a loan secured as a charge against the property. Letting the property through the 'City Lets' scheme with the rent reducing the outstanding loan until or unless the loan is repaid. Ensuring an agreement is secured with owners to immediately place the property on the open market to sell or let to repay loans and increase housing supply.
- 11.4 Compulsory Purchase Orders sought through an established Housing Company.
- 11.5 To further consider the other options rejected would require a further report to be taken to full Council.

BACKGROUND DOCUMENTS:-

Winchester City Council Empty Property Strategy 2016 - 2021

Previous Committee Reports:-

CAB2765(HSG) – Options for Bringing Empty Properties Back Into use

CAB2790(HSG) – Private Sector Empty Property Strategy

Other Background Documents:-

None

APPENDICES:

Empty Homes Strategy – Action Plan Progress

Appendix 1 Empty Homes Strategy – action plan progress.

Action No.	When will we do it by	Task/Steps	Target/Outcome	Progress to date
Priority 1: Identifying Empty Properties				
1.1	April 2016	Build a robust register of all empty properties in the district including any relevant information on the properties such as condition, planning permissions. Ensure this information is available and accessible to all teams.	Established empty property register which is up to date and relevant.	Established Empty Homes Register as at 2016.
1.2	April 2017	Engage other WCC teams in identifying the empty properties such as planning, neighbourhood services, building control.	Identification of all empty properties in the district.	Engaging with other interested teams. Working in partnership with planning, building control, community safety and legal.
1.3	Ongoing monthly from April 2016	Liaise with Council Tax to obtain timely information to ensure the empty homes register is up to date.	Up to date and relevant information on empty properties.	Process in place with quarterly reports received and reviewed.
1.4	April 2017	Ensure each identified empty property is visited to ascertain the condition, status etc.,	Identify condition of property and to enable potential options to be considered.	Initial strategy objective completed in 2016.
Priority 2: Engagement and advice for empty property owners				

2.1	September 2016	Develop a procedural flowchart for team use to include: establishing how to identify an owner, detail the advice and options available for empty properties and ensure that City Lets is explored at every opportunity.	Establish a clear procedure for the team to deal with empty properties effectively.	Procedural flowchart established. 'City Lets' scheme promoted as a positive and viable option to owners. Advice in respect of sale/rental options on a case to case to basis.
2.2	September 2016	Develop a case work approach to each empty property and implement a '3 stage' letter to engage owners.	Engage with owners.	Case work approach adopted in 2016. Existing approach is on a case to case basis due to existing staffing resources.
2.3	April 2017	Develop information packs and advice leaflet for owners on the options available.	Educate owners on their options available	Not progressed as yet.
2.4	April 2018	Consider whether Council Tax rates of 150% can be charged on properties empty for more than 2 years.	Encourage owners to return the empty property back to use.	This objective is currently being actively considered and will be subject to a Cabinet report later this year.
Priority 3: Publicity				
3.1	September 2016	Liaise with WCC communications team regarding publicity opportunities.	Ensure awareness of options available for empty properties and how to report an empty property.	PHS Webpage in place with a report form available for the public to report empty homes. Press release issued and articles in Parish publications in respect of recent EDMO work.
3.2	April 2017	Promote information on WCC website for owners, in particular in relation the 'City Lets' scheme.	Ensure owners of empty properties are aware of the options available to them to bring their property back to use.	PHS Webpage includes advice information and promotion of the 'City Lets' scheme.
3.3	April 2017	Develop information on WCC website for the public.	Ensure the public are aware how to report an empty property.	Report form available on the PSH webpage.

3.4	April 2017	Consider advertising 'City Lets' in the local media.	Target empty home owners to consider this option to bring their empty property back to use.	Media options pursued in local publications i.e. Fire Service, RHCH, Hampshire Observer, City Let' Flyers produced and distributed in public buildings.
3.5	September 2017 and ongoing	Ensure that any empty properties brought back into use are publicised.	To raise awareness and encourage further properties to be brought back into use.	see 3.1
Priority 4: Partnership Working				
4.1	September 2017	Explore any joint funding opportunities available with Hampshire Authorities through HAG to bring empty properties back to use.	Achieve funding to bring empty properties back into use	Regular officer attendance at HAG. No joint Hampshire funding opportunities identified.
4.2	September 2017	Seek to identify any grant funding opportunities to return empty properties back to use.	Achieve funding to bring empty properties back into use	Not progressed due to limited options.
Priority 5: Enforcement – Use of legislative powers				
5.1	September 2017	Ensure appropriate enforcement policies and procedures are in place and are regularly monitored and updated.	Using enforcement powers in a targeted and effective way.	Enforcement powers in place with the existing policy under review.
5.2	April 2018	Identify properties from the register and casework which may be having a detrimental environmental impact and consider appropriate enforcement action.	Ensure empty properties are not causing a negative impact on the neighbourhood.	Priorities identified as at 2016. EDMO sought on one property, and threat of CPO having an effect on another.
5.3	September 2018	Explore the options of Compulsory Purchase Orders with members for those properties long term empty.	Effective action for those properties empty long term.	Report including enhanced options and recommendations taken to Cabinet (Housing) Committee 21.3.18.

