

COMMUNITY OVERVIEW AND SCRUTINY PANEL – 17 June 2014

EMPTY HOMES

1. INTRODUCTION AND BACKGROUND

- 1.1 This is a report on empty homes, setting out the national and local policy issues and outlining the Council's work on tackling empty properties.
- 1.2 The issue of empty properties has long been associated with the national shortage of affordable housing, with some commentators considering tackling empty properties to be a 'quick fix' to improve the supply of housing and reduce the need for new development.
- 1.3 Empty properties are known to be associated with a number of other problems including:
- Vandalism
 - Graffiti
 - Anti-social behaviour

and can therefore have a negative impact on local neighbourhoods.

2. THE NATIONAL PICTURE

- 2.1 Data on empty properties is obtained from council tax information. The data is supplied by owners of empty homes who report their properties as empty to their local authority. Councils offer exemptions and discounts from council tax for empty homes and they can also charge a higher level of council tax, called a premium. The official statistics are produced by adding together the exemptions, discounts and premiums.
- 2.2 Some homes are not included in the statistics. These include:
- Uninhabitable homes: Homes in very poor condition can be excluded from council tax and so are not counted in these statistics. To be excluded, homes need to be beyond economic repair. No data is available to quantify how many of these there are nationally.
 - Homes due for demolition (provided the demolition process has started or the house is beyond economic repair). No data is available on the number of properties.
 - Flats above shops. Some unused flats above shops which do not have the normal features of residential dwellings may be charged under business rates and not council tax and so do not feature in empty homes statistics.

- 2.3 The number of empty properties across England has fallen gradually in recent years from 768,000 in 2008 to 705,000 in 2012. Around half of empty homes are in the private sector. Surveys by the Empty Homes charity show that typical properties are rented homes that have fallen into disrepair. Sometimes the owner has inherited the property. In many cases the owner lacks the funds or the skills to repair and manage the property.
- 2.4 There are also known to be many empty houses and flats owned by and often located next to businesses. Many of these would originally have provided staff accommodation, but with changing employment patterns they are no longer used. In some areas cottages were tied to agricultural work, but increasing agricultural mechanisation means they are no longer needed. It is common in these cases for the business to lack the skills to make use of the empty homes.
- 2.5 In the last decade there have been many large regeneration schemes that have involved emptying homes in preparation for refurbishment or demolition. In recent years falling house prices, restrictions on borrowing money and reduced government funding have caused many of these schemes to stall or even be abandoned. This has led to large areas of many social housing estates standing empty. In addition some regeneration schemes have taken the same approach to privately owned housing. Some of these have led to large numbers of homes standing empty.
- 2.6 There are also many developments of new flats in towns and cities that have high vacancy rates. Some are owned by investors who may be waiting for rental prices to pick up, other flats were never sold, and others are incomplete, the development having been abandoned.
- 2.7 In 2013, the biggest ever annual drop in the empty homes statistics was recorded, with numbers falling to 635,000 (about 2.8% of the total of 22,793,248 homes.) Of the empty properties, 232,600 (1.02%) are considered to be the more problematic long- term empty homes (meaning they have been empty for more than six months).
- 2.8 There are a number of reasons for the reduction in empty homes. It is considered that the improving housing market has made it more viable to renovate derelict properties, bringing many back into use. Alongside market factors, changes to council tax charging on empty homes were introduced by the government in 2013. This has created strong incentives for owners to get their empty properties back into use quickly to avoid incurring additional council tax. Finally, the government also introduced an empty homes program, providing grants and incentives for councils, housing associations, community groups and owners to bring empty homes into affordable use.

3. THE LOCAL PICTURE

- 3.1 There are 80,488 properties in the New Forest district. Around 400 properties are currently considered to be long-term empty homes (approximately 0.5% of the total.)
- 3.2 In 2013, the Council Tax department carried out a survey of 291 properties in the district which were thought to have been empty for 18 months or longer. A survey form was sent to each of the properties followed by two reminders (where required) and then personal visits were made to complete the canvass.
- 3.3 An analysis from the canvass returns showed that 129 (44%) of the properties were now occupied and 53 (18%) were, in fact, second homes. Only 109 homes were actually empty properties.
- 3.4 The results were analysed to find out the reasons why these properties were empty. Of the 109 homes:
- 43 were undergoing repairs (20 of these were for major structural works)
 - 28 were for sale (including 8 subject to an age restriction)
 - 7 were available for let
 - 5 were used for commercial purposes
 - 4 were awaiting demolition
 - 14 appeared to be empty with no known reasons

4. DEALING WITH EMPTY HOMES

- 4.1 Bringing empty homes back into use has been a priority for the Coalition Government. £100 million capital funding was set aside within the 2011-15 affordable homes programme to tackle long-term empty properties. The expectation is that over 3,000 homes will be returned to occupation.
- 4.2 The New Homes Bonus was launched by the Coalition to create a financial incentive to encourage local authorities to facilitate housing growth. An annual award provides local authorities with a grant based on increases in housing stock. Empty dwellings brought back into use are identified as increases in housing stock alongside new developments.
- 4.3 From 1 April 2013 second homes may be charged 100% of their normal rate of council tax. Local authorities may also set an 'empty homes premium' for long-term empty properties. Some properties which have been unoccupied and substantially unfurnished for over two years may be charged up to 150% of the normal liability. The Government does not expect any authorities to charge the premium where the owner is taking active steps to market a property for sale or rent.

- 4.4 Local authorities have a number of legal powers to enable them to take direct action to resolve issues with individual empty properties. Relevant acts include:

Environmental Protection Act 1990

S59 enables the removal of controlled waste from any land.

Clean Neighbourhoods and Environment Act 2005

S28 enables service of fixed penalty notices to tackle graffiti.

Town and Country Planning Act 1990

S215 enables the local planning authority to require owners to take steps to remedy the condition of land which is having an adverse effect.

Building Act 1984

If a building or structure is in a ruinous or dilapidated condition and is seriously detrimental to the amenities of the neighbourhood or dangerous, sections 77 and 79 can require the owner to undertake works to restore or repair the structure and obviate any danger.

Housing Act 2004

This Act introduced Empty Dwelling Management Orders (EDMO's). The Act enables local authorities to apply to a Residential Property Tribunal for approval of an interim EDMO which is the first stage in the process. The tribunal must be satisfied that the property has been empty for at least two years, that it is "causing a nuisance for the community" and that there is local support for the use of an EDMO. Certain classes of property are completely exempt – houses temporarily unoccupied because the resident is in care, for example, or holiday homes. Properties in the process of being sold or let are likewise exempt. The tribunal is not required to grant requests which comply with the requirements, and where it does grant the request, there is an appeals process for property owners. Interim EDMO last for up to twelve months, during which the authority works with the owner to try and agree a way to put the property back into use. The authority is considered legally in possession during this time, but does not gain legal ownership; it can change the locks but not sell the house. If no agreement is reached during this time, and the building remains unoccupied, the authority may make a final EDMO, which lasts for up to seven years. A final EDMO differs from an interim EDMO in that the authority is not required to obtain the owner's consent before finding a tenant for the property. If the authority fails to find an occupier for the property, or decides it cannot reasonably get the property occupied, it must hand back possession to the owner. When a tenant has been found under the EDMO, the rent is paid to the local authority, who are able to recover any costs they may have incurred by taking possession of the property and making it habitable, as well as the routine costs of maintenance and letting. However, any money over and above these costs is to be paid to the owner of

the property. The legislation encourages local authorities to engage closely with owners and to use EDMO's as a last resort.

Housing Act 1985 and Town and Country Planning Act 1990

S17 allows compulsory purchase of underused properties if there is a general housing need in the area. S226 of the Town and Country Planning Act 1990 also allows compulsory purchase to take place of acquisition will allow improvements or redevelopment to take place. CPO processes can be extremely lengthy and difficult for the local authority.

5. TACKLING EMPTY HOMES IN THE NEW FOREST

- 5.1 There are very few long-term empty properties in the New Forest district and the numbers of complaints and problems caused by empty homes are relatively low.
- 5.2 Powers to tackle empty properties fall across a number of different services (including Council Tax, Housing Services, Planning, Environmental Health and Legal Services.)
- 5.3 A Task and Finish Group examined the option of charging a Council Tax premium on empty properties last year. A decision was made that the premium was not necessary in the New Forest district because of the low number of properties.
- 5.4 In order to provide a co-ordinated response to deal with those properties which are empty for long periods, the Housing Grants and Improvements Team has recently taken on a co-ordinating role for tackling problematic empty homes. Officers in the team have now begun to work their way through the list of longstanding empty homes to see what action may be appropriate in each case. Planning meetings will take place with relevant staff from the different services to assess and decide what action may be appropriate in each case.
- 5.5 The first planning meeting has recently taken place to discuss a longstanding empty property in New Milton. This property used to be the subject of an EDMO and it has been decided to apply for a further EDMO to seek to bring the property back into use.
- 5.6 As well as the available enforcement actions, the Council has sought to find ways of working with owners to bring properties back into use. Capital funding of up to £75,000 has been made available from the Council's own funds which can be used to lend money to owners to carry out necessary improvement works. Once the works are completed, properties can be brought into the Council's leasing scheme (which provides temporary housing for homeless families) and the rental payments for the property are then used to pay back the loan.

5.7 The Council has also been successful in obtaining funding from the Homes and Communities Agency of up to £50,000 to be granted or loaned to owners to bring properties back into use. This will enable works to be carried out which could make refurbishment schemes viable. The use of some of this funding as a grant, alongside a loan from the Council and the service of an EDMO is the package of measures which will enable the property in New Milton to be brought back into use to house a homeless family.

6. PORTFOLIO HOLDER COMMENTS

6.1 The Council has made funding available to help to tackle empty homes and has successfully bid for additional funding from the Homes and Communities Agency. The recent restructure of Housing and Customer Services has enabled work on empty homes to be co-ordinated by one team with the resources to tackle longstanding empty homes. I am particularly keen that empty properties are brought back into use for homeless households as this will provide good standard accommodation for families in need.

7. CONCLUSIONS

7.1 The detailed survey work undertaken by the Council Tax department has shown that the number of empty properties in the district is low. Nevertheless, issues can be serious in local communities and the Council has sought to develop a proportionate response which is co-ordinated by one of the housing teams.

8. RECOMMENDATIONS

8.1 That the Panel notes the contents of this report and endorse the proportionate and co-ordinated approach to tackling empty homes.

For further information please contact:

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Background Papers:

None