

Report Title:	Empty Homes Action Plan
Contains Confidential or Exempt Information?	NO - Part I
Member reporting:	Cllr Simon Dudley – Leader of the Council
Meeting and Date:	Cabinet - 25 May 2017
Responsible Officer(s):	Russell O’Keefe – Executive Director
Wards affected:	All

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REPORT SUMMARY

1. This report proposes a new plan to bring further empty homes back into use in the Borough to utilise them for affordable housing.
2. The plan would result in an additional 25 properties per annum being available for affordable housing.

1 DETAILS OF RECOMMENDATION(S)

RECOMMENDATION: That Cabinet notes the report and:

- i) **Approves the action plan of bringing back empty homes into use for the affordable housing portfolio.**

2 REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

- 2.1 Long term empty properties are a potential resource for the local authority to use its housing, revenue and enforcement powers to bring back into use as affordable rented housing.
- 2.2 Bringing long term empty homes back into use was highlighted by the Government as a key priority in ‘Laying the Foundations’, a Housing Strategy for England in 2011. This strategy led to a number of incentives being put into place to support local authorities and their partners which the Council adopted including;
 - The payment of New Homes Bonus for long term empty properties put back into use;
 - Changes to Council Tax exemptions for empty homes and the introduction of the Premium Council tax charge for properties left empty over 2 years.
 - New discretion for local authorities around certain categories of property exemptions for council tax from 1 April 2013 which the Royal Borough adopted changes include:
 - Properties that are unoccupied and unfurnished will receive 100% exemption for a maximum period of one month,

- Properties that are unoccupied and unfurnished for two years or more will be charged an additional 50% on top of the full council tax

2.3 In addition to this work the Residential Services Team have used two approaches to bring back properties back into use :

- An empty homes loan via the flexible home improvement loans suite of products available, where a loan is secured against the property and is repayable on the fifth anniversary of the loan. The Council has provided 10 empty homes loans to properties in the Borough.
- An empty homes loan for owners to undertake repairs to their property on the condition that the property is made available at an affordable rent (80% of the market rent) and managed by a registered provider for an agreed 5 year period. There are currently two properties that are managed by Housing Solutions on behalf of the owners.

2.4 The current numbers of empty homes recorded in the Borough are as follows :

Table 1: Empty Homes

Category	Numbers
Long Term Empty (More than 6 months)	609
Empty attracting the 50% Council Tax premium	308

2.5 A proposed new action plan to bring further empty homes back into use has been developed. This can be found in Appendix 1. The main focus of the action plan is on developing four products:

- **Providing a tenant finding service** - In cases where the property is in good condition, and the owner would rather rent the property, the Council can assist with the provision of a tenant finding scheme. Similar schemes run by other Local Authorities and Housing Associations include incentives such as a one off incentive payment, guaranteed rent for the length of the tenancy and management services in exchange for a set tenancy length
- **Providing a full grant or an interest free (or low interest) loan to cover costs of renovation** - The Council could provide a grant or a loan (up to a certain limit) to the property owner with the requirement to sign up to a nominations agreement with the Council. The Council then has rights to provide tenants to the property over a certain period, usually a minimum of 5 years. However, length of letting period would be dependant on amount of grant. Should the property be sold within the letting period, grant would have to be re-paid.
- **Help owners sell their properties** - This could involve providing information and an introduction to local estate agents, or, holding a list of investors or those interested in purchasing empty homes that could be made available to owners of empty homes.

- **Work in partnership with a Registered Provider and the Council's Property Company to redevelop empty homes for affordable housing**
 - This option could be used for larger properties identified as uninhabitable and too costly to renovate, where the only viable option would be to demolish and re-develop the site.

Table 2: Options

Option	Comments
To agree to the empty homes action plan and the resources required to deliver it.	This will deliver additional stock estimated to be 10 units in 2017-18 the set up year and 25 in subsequent years
Recommended Option	
Not to agree to the empty homes action plan	This will not deliver potential additional stock.

3 KEY IMPLICATIONS

Table 3: Key implications

Outcome	Unmet	Met	Exceeded	Significantly Exceeded	Date of delivery
40 empty properties brought back into use as affordable housing supply by April 2019	Less than 40 units	42 units	43-45 units	46-50 units	April 2019

4 FINANCIAL DETAILS / VALUE FOR MONEY

- 4.1 The report seeks the addition of £30,000 revenue each year for 3 years of available development funds to the ASC Commissioning function to deliver the action plan in conjunction with Residential Services and the Revenues and Benefits teams.

Table 4: Financial impact of report's recommendations

Capital	2017/18	2018/19	2019/20
Addition	£30,000	£30,000	£30,000
Reduction	0	0	0
Net impact	£30,000	£30,000	£30,000

- 4.2 Additional capital bids may be sought through the life of the programme to fund loan and incentive schemes.

5 LEGAL IMPLICATIONS

- 5.1 The council has a range of legal enforcement powers to bring properties back into use. These are listed in Appendix 2.

6 RISK MANAGEMENT

Table 5: Impact of risk and mitigation

Risks	Uncontrolled Risk	Controls	Controlled Risk
Empty properties are not able to be brought back into use	Medium	Having the empty property responsibility within the Housing Commissioning portfolio will mitigate this risk by having a single point of contact to coordinate the empty homes action plan.	Low

7 POTENTIAL IMPACTS

- 7.1 The impact of the scheme will benefit residents who are in housing need as empty homes will be brought back into use.

8 CONSULTATION

- 8.1 The report will be considered by Housing and Planning Overview and Scrutiny

9 TIMETABLE FOR IMPLEMENTATION

Table 5: Implementation timetable

Date	Details
May 2017	Cabinet agree the action plan
May 2017	Action plan commences

10 APPENDICES

Appendix 1 - Empty Homes Action Plan

Appendix 2 - Enforcement powers

11 BACKGROUND DOCUMENTS

N/A

12 CONSULTATION (MANDATORY)

Name of consultee	Post held	Date sent	Commented & returned
Cllr Simon Dudley	Leader of the Council	26/04/2017	26/04/2017
Alison Alexander	Managing Director	25/04/2017	25/04/17
Russell O'Keefe	Executive Director	25/04/2017	25/04/17
Andy Jeffs	Executive Director	25/04/2017	25/04/17
Rob Stubbs	Section 151 Officer	25/04/2017	25/04/17
Terry Baldwin	Head of HR	25/04/2017	25/04/17
Mary Kilner	Head of Law and Governance	25/04/2017	25/04/17

REPORT HISTORY

Decision type: Non-key decision	Urgency item? Yes
Report Author: Nick Davies – Service Lead Commissioning	

APPENDIX 1: DELIVERY PLAN

ACTION	KEY TASKS	RESPONSIBILITY	TARGET DATE
1. Identify resource for Empty Homes Action Plan	<ul style="list-style-type: none"> • Identify and allocate staffing resource to carry out the Action Plan 	Service Lead Commissioning	May 2017
2. Research to identify empty homes and compile a detailed empty homes register	<ul style="list-style-type: none"> • Obtain list of properties registered as long term vacant on Council tax records • Review RBWM webpage content • Inform local members of the project so that they can feed back any identified empty properties in their ward. • Compile a database/register of empty homes including data on the reasons for them being empty, a tailor made options plan and recorded actions of intervention taken 	Housing Enabling Officer / Empty Homes supply officer	June 2017

<p>3. Market the service to raise awareness and encourage bringing empty properties back into use</p>	<ul style="list-style-type: none"> • Set up an empty homes page on the Council website • Produce and distribute information leaflets • Connect with local partners and agencies that will help deliver the programme objectives 	<p>Empty Property Officer</p>	<p>July - August 2017</p>
<p>4. Publish Empty Property Programme</p>	<ul style="list-style-type: none"> • The programme will include: <ol style="list-style-type: none"> 1. Providing a tenant finding service. In cases where the property is in good condition, and the owner would rather rent the property, the Council can assist with the provision of a tenant finding scheme. Similar schemes run by other Local Authorities and Housing Associations include incentives such as a one off incentive payment, guaranteed rent for the length of the tenancy and management services in exchange for a set tenancy length 	<p>Empty Property Officer</p>	<p>August 2017</p>

	<p>2. Provide a full grant or an interest free (or low interest) loan to cover costs of renovation</p> <p>The Council could provide a grant or a loan (up to a certain limit) to the property owner with the requirement to sign up to a nominations agreement with the Council. The Council then has rights to provide tenants to the property over a certain period, usually a minimum 5 years, however, length of letting period would be dependant on amount of grant. Should the property be sold within the letting period, grant would be re-paid.</p> <p>3. Help owners sell their properties</p> <p>This could involve providing information and an introduction to local Estate Agents, or, holding a list of investors or</p>		
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	<p>those interested in purchasing empty homes that could be made available to owners of empty homes.</p> <p>4. Work in partnership with an Registered Local Landlord to redevelop empty homes for affordable housing</p> <p>This option could be used for larger properties identified as uninhabitable and too costly to renovate, where the only viable option would be to demolish and re-develop the site.</p>		
<p>5. Create local framework for delivery of the programme</p>	<ul style="list-style-type: none"> • Connect with local partners to 'roll out' the programme and confirm arrangements for delivery of any options requiring partner involvement 	<p>Empty Property Officer</p>	<p>September 2017</p>

Appendix 2: Enforcement

Empty Dwelling Management Orders

Empty Dwelling Management Orders (EDMOs) provide a relatively new legislative tool for local authorities to tackle privately owned empty homes. They provide some important new powers and a framework that can assist both property owners and local authorities find a solution that enables an empty property to be returned to use. CLG has published detailed technical guidance on EDMOs.

<http://www.communities.gov.uk/housing/housingmanagementcare/emptyhomes/>

The implementation and operation of EDMOs requires dedicated resources to take on the role of 'landlord' e.g. drafting leases, getting keys cut, repairs, day to day management. Since its stock transfer, the Council no longer has property management expertise or resources to undertake this process. An external partner (preferably an RP) would need to be identified to carry out these services. EDMOs are not a suitable option for resolving all empty homes.

Compulsory Purchase

Where a local authority has tried to facilitate a private sale and this and other methods of returning the property to use have failed, compulsory purchase might be considered. Compulsory Purchase is perhaps the strongest power available to tackle empty homes. It is not however a power that rests with the local authority. A local authority may apply to the Secretary of State for an order to be made. The local authority will need to demonstrate that there is a compelling case in the public interest for the property to be compulsorily purchased, and that other methods of returning the property to use have been tried and have failed. In most cases this means that compulsory purchase is a method of last resort. In addition, the local authority will need to show that it has clear intentions for the use of the property/land, and be able to show that it has the necessary resources available to go through with the CPO. Legislation in England and Wales gives local authorities the power to acquire land and property compulsorily where the owner is not willing to sell by agreement. Section 17 Housing Act 1985 is a general enabling piece of law that allows a local authority to acquire under-used or ineffectively used property/land etc. for residential purposes if there is a general housing need in the area.

Enforced Sale

Enforced sale is actually a procedure that allows local authorities to recover debt, but a number of local authorities have used it as a way of getting empty properties back into use. The power dates back to the Law of Property Act 1925. This gives local authorities the power to sell properties in order to release the money tied up in the value of the property. This enables them to recover money they are owed. Where the owner fails to repay the debt secured on their property the power enables the local authority to force the sale of the property in order to recover the debt.

Debts are secured on properties by the local authority making a local land charge or making a caution on the land registry certificate at HM Land Registry. Once the charge is in place the local authority can pursue the enforced sale without further legal recourse.

Prevention of Damage by Pests Act 1949

This Act gives Local Authorities the power to enforce owners of the land to take steps to keep the land free from mice and rats. This can include clearing vegetation, refuse and items from a property in order to remove the potential for harbourage of vermin. If the owner fails to comply, the Council can carry out the works in default and enforce the sale of the property in order to recover the debt.

Section 77 of the Building Act 1984

Section 77 of the Building Act 1984 enables local authorities to deal with buildings that it considers to be dangerous. It can apply to a Magistrates' Court for an order requiring the owner to make the building safe or demolish it. If the owner fails to comply, the Council can carry out the works in default.

Section 78 of the Building Act 1984

Section 78 of the Building Act 1984 allows local authorities to deal with buildings that pose an immediate danger. This emergency measure allows the local authority to carry out remedial works itself without giving the owner the opportunity to deal with it himself. The local authority is only entitled to carry out works that remove the danger.

Section 29 of the Local Government (Miscellaneous Provisions) Act 1982

Section 29 of the Local Government (Miscellaneous Provisions) Act 1982 allows local authorities to carry out works to an unoccupied building to prevent unauthorised entry or to prevent it from becoming a danger to public health. 48 hours notice is needed unless the works are required immediately. Costs are recoverable.

Sections 79-81 of the Environmental Protection Act 1990

Sections 79-81 of the Environmental Protection Act 1990 allows the local authority to require abatement of statutory nuisances. The term statutory nuisance applies to a range of problems that might arise from empty homes, including accumulations of rubbish or dampness affecting neighbouring properties. The act allows local authorities to serve an abatement notice on the owner of the premises requiring works to abate the nuisance. If the notice is not complied with the local authority can carry out works in default.

Enforcement to require demolition

Local authorities have powers that enable them to demolish and clear unwanted homes and make better use of the land. Powers under the Housing Act 1985, amended by the 2004 act, allow local authorities to declare clearance areas and serve demolition orders. Alternatively local authorities can use compulsory purchase powers to acquire properties prior to demolition.

Section 215 (Town and Country Planning Act 1990) 'eyesores and heavily littered land'

Where the condition of land or buildings is having an adverse effect on the amenity of the area, the Council can issue a notice requiring steps to be taken to remedy the condition of the land or building. A notice could be served, for example, where the paint or rendering of a property or the condition of the garden was in such a poor condition that it was harming the character of the area. The notice must describe the steps that need to be taken and the period for compliance. It is an offence not to comply with the notice. The Council may also carry out the work itself in default of compliance with the notice and place a legal charge on the property to recover its expenses.

Listed Buildings

There are also a number of powers available to local authorities under the Planning (Listed Building and Conservation Areas) Act 1990. .