

**BABERGH DISTRICT COUNCIL and MID SUFFOLK DISTRICT COUNCIL**

<b>From: Head of Housing</b>	<b>Report Number: P48</b>
<b>To: Strategy Committee Executive Committee</b>	<b>Date of meeting: 11 September 2014 15 September 2014</b>

**EMPTY HOMES POLICY**

**1. Purpose of Report**

- 1.1 To provide an integrated joint Policy for dealing with long term empty homes within the two Districts.
- 1.2 To support the strategic priorities of providing more homes to meet local need and maximising the use of existing private sector housing.

**2. Recommendation**

- 2.1 That the joint Policy dealing with long term empty homes as contained in the appendix attached to this report be approved and implemented with immediate effect.

The Committee is able to resolve this matter.

**3. Financial Implications**

- 3.1 New Homes Bonus (NHB) is a grant paid by central government to local councils for increasing the number of homes and their use. NHB is paid for each empty property brought back into use. It is paid each year for six years and the amount varies each year as it is based on the current Council Tax Band D charge.

**4. Risk Management**

This report does not link to any of the risks within the Significant Business Risk Register.

However, a key risk is:

<b>Risk Description</b>	<b>Likelihood</b>	<b>Seriousness or Impact</b>	<b>Mitigation Measures</b>
Failure to bring empty homes back into use results in the loss of New Homes Bonus income for the Councils.	The likelihood of the threat or opportunity:  3 – probable	The impact of the threat or opportunity:  1 – minimal	By adopting the policy contained in this Report the income from New Homes Bonus can be maximised.

## 5. Consultations

5.1 None

## 6. Equality Analysis

6.1 This report has no direct equality and diversity issues.

## 7. Shared Service / Partnership Implications

7.1 The joint Policy represents a step in the integration of the two Councils. The Policy is also closely aligned with the approach being taken by the other Suffolk District Councils to tackle the issue of empty homes.

## 8. Key Information

8.1 Empty properties are defined as unoccupied and unfurnished. From April 2014 if a property remains empty for more than two years 150% Council Tax is payable.

8.2 From data supplied by the Shared Revenues Partnership there are currently 1,100 properties which have been empty for longer than six months.

8.3 Bringing empty properties back into use will increase the supply of housing in order to help to meet local housing need and demand.

8.4 Tackling empty properties can be a complex process as there are a wide variety of reasons for owners not wishing or not being able to return the property to use. Engaging and negotiating with these owners is going to be a key to success. We want to work with owners to find solutions.

## 9. Appendices

Title	Location
(a) Babergh and Mid Suffolk Empty Homes Policy	Attached

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# Empty Homes Policy 2014-2017





## Foreword

One of Babergh District Council's key priorities is to 'Shape, influence and provide the leadership to achieve the right mix and supply of housing. Mid Suffolk District Council has as a key priority to 'Ensure there are enough good quality, environmentally efficient and cost effective homes with the appropriate tenures and in the right locations'.

Babergh and Mid Suffolk's Strategic Plan includes a desired outcome to 'Improve the quality and use of existing private sector housing' which we will do by 'bringing as many of our long term empty homes (greater than 6 months) back into use.

The Strategic Plan requires that the existing housing stock of all tenures in both districts is used efficiently and effectively and that the number of properties which are empty is minimised to increase the supply of housing to meet housing need and housing demand.

Increasing the number of empty homes brought back into use will also increase the amount of New Homes Bonus paid by the Government to the Councils thereby increasing the resources available to support services to the people and businesses of the districts.

Properties become empty for a number of reasons and most are reoccupied within a short period of time. However across Babergh and Mid Suffolk in April 2014 there were 1,100 properties which had been empty for a period of at least 6 months. These empty homes are the focus of this Empty Homes Policy as many will be empty for longer than they need to be or will not be brought back into use without the provision of advice, support or enforcement action. The Councils have set a target to reduce the number of empty homes by 400 between June 2014 and March 2017 and this Policy sets out the approach the Councils will adopt in order to meet this target.

## What is an Empty Home?

There are many definitions of an empty home. Council Tax legislation identifies a property as a long term empty home when it has been empty of people and furniture or possessions for 6 months or more. This Policy will concentrate on bringing empty homes which have been empty for at least 6 months or more back into use, although some have been empty for significantly longer.

## Why does a property become an empty home?

There are many reasons why a property becomes empty and is not brought back into use:

- Owner is in residential care and would wish to return (but often is unable to do so)
- Reluctance to let or sell the property
- Unclear ownership or probate issues
- Being marketed for sale or rent at unrealistic asking price
- Property needs repair, improvement, refurbishment or complete redevelopment
- Property has been abandoned.
- Issues around Planning Permission requirements

## Why does it matter if a property is empty?

There is a large need and demand for housing in Babergh and Mid Suffolk and empty properties which could otherwise be made available for sale or rent are a wasted resource. In April 2014 there were 2,114 active applications on the housing registers for Babergh and Mid Suffolk. In many cases, the longer a property is left empty the more money it will cost to bring it back into use as the condition of the property deteriorates, making it increasingly difficult for some owners to be able to afford to bring a property back into use and so the property remains empty and continues to deteriorate. Properties in a poor condition will be attractive to some potential purchasers as they provide the opportunity to improve the property in their own way and so poor condition does not have to prevent a property being sold and then brought back into use. However, for some people the poor condition of a property may be a deterrent to them making a purchase. The deterioration of properties and in particular the neglect of gardens can have a negative impact on the local area and the amenity of neighbouring properties. This may adversely affect the health and wellbeing of neighbours and in some cases make it difficult for them to find a buyer or tenant for their property or adversely affect the price they can achieve.

Taking action to bring empty homes back into use therefore has a number of benefits, it maximises the value of the empty home for the owner or may provide an income. It ensures another property is occupied. It is beneficial to the local area and the immediate neighbouring properties. It provides an additional home thus helping meet demand.

The Councils will, through this Policy, offer advice and support to owners of empty homes to enable the properties to be brought back into use. Where owners do not

work with the Councils to bring their properties back into use in a reasonable period, enforcement action will be considered.

### **Identifying Empty Homes**

The Councils will use a range of information to identify empty homes. This will include using Council Tax information to identify properties which have been empty for at least 6 months as well as information provided by partner agencies and officers. Members of the public can also advise the Councils of empty properties and all notifications will be investigated.

There have been instances where the Councils' information has shown that a property is empty but in fact the property has been occupied. This has tended to occur when the owner is paying the long term empty property premium Council Tax on the property because they did not realise that there was a need to provide an update to the Councils. Where this is found the owner will be asked to notify the Council Tax Department that the property is now occupied which will allow for the records to be corrected and taken off the empty property list. The Councils will also benefit from New Homes Bonus on each property returned to use.

### **Empty Homes Procedure**

Appendix A sets out the Councils' approach to bringing empty properties back into use which will be applied consistently and fairly. The approach is to support owners through the provision of advice and assistance (which may include financial assistance - see below) but enforcement action may be taken when required to ensure empty homes are brought back into use.

### **Advice and Assistance**

The Councils will provide information and advice to owners of empty homes to enable them to bring the property back into use as quickly as possible. Options to bring the property back into use, for example by selling the property as is, renovating the property and selling or by privately renting the property will be discussed and where repair or improvement works are required a reasonable period for such works to be carried out will be agreed with the owner. Where a reasonable period for repair, improvement, refurbishment or redevelopment works has been agreed, the Councils will take no further action to bring the property back into use. If however, these timescales are not kept, enforcement action will be considered.

Specific support will be offered such as:

- Advertising of property for sale through the Empty Property Matching Service. This will match investors and developers with owners of empty properties. Our website is currently under construction but this facility will be available at the end of September 2014. The success of this will be monitored after six months and changes may become necessary.

- Incentives to let, such as the rent deposit guarantee scheme.
- Support to privately rent the property including advertising through the Gateway to Homechoice scheme and provision of a guide to privately renting (a charge applies).
- Provision of financial assistance to bring properties back into use.

### **Financial Assistance**

In some cases, the Councils may be able, subject to available resources, to support owners to bring empty properties back into use through the provision of an Empty Home Loan/Grant (details yet to be agreed by the Councils. The new joint Housing Renewal Policy which will include the loans/grants available will shortly follow). The loan/grant will provide a contribution towards some or all of the costs required to bring the property back into a state of good repair. The loan/grant will be discretionary and be subject to an inspection of the property to identify the works which must be carried out before the property can be reoccupied. To receive any financial assistance, the owner of the property must agree to carry out all the required works and bring the property back into use within an agreed timescale.

Details of the financial assistance available will be published on the websites following agreement of the joint Housing Renewal Policy.

### **Enforcement Action**

The Corporate Enforcement Policy sets out the Councils' approach to enforcement activity. This Policy also identifies that the Councils will, where appropriate, use Compulsory Purchase Orders, Interim Empty Dwelling Management Orders, Closure Notices and Enforced Sale.

The Housing Act 1985 allows Councils to apply to the Secretary of State to compulsory purchase empty homes. This power will only be used where the owner of an empty home either cannot be traced or proved, or where the owner is unwilling or unable to bring the empty home back into use within a reasonable timescale. Where a Council applies for a Compulsory Purchase Order, the owner has the right to contest the order, if the order is contested the Secretary of State will provide the opportunity for the owner to explain why the property should not be compulsory purchased. The final decision as to whether the order should be granted would be decided by an independent Government appointed inspector.

The Housing Act 2004 allows a Council to apply to the Residential Property Tribunal for an Interim Empty Dwelling Management Order (IEDMO) followed by an Empty Dwelling Management Order. This allows the Council to take management of the property (but not ownership) for a period of up to 7 years. At the end of the period another order can be applied for. The order requires the Council to bring the property back into use and pass any surplus rental income (once the Council has recovered its costs) to the owner.

The Councils will also consider enforcement action using the following powers as required:

- Buildings Act 1984 s77 & 78 – this allows the Council to require an owner to make their property safe or in an emergency carry out works in place of the owner to make the property safe.
- Housing Act 1985 s265 – this allows the council to demolish a property if it cannot be repaired.
- Local Government (Miscellaneous Provisions) Act 1982 s29 – this allows the Council to take action to secure a property which is insecure.
- Prevention of Damage by Pests Act 1949 – allows the Council to require and undertake works on behalf of an owner or occupier to prevent damage to buildings being caused by rats and mice (can include works to property or gardens).
- Public Health Act 1936– allows the Local Authority to require and undertake works on behalf of an owner or occupier to improve filthy and verminous properties.
- Town and Country Planning Act 1990 s215 – this allows the Council to take action to require improvement of an unsightly building (including gardens).

Where the Council is owed money on an empty home (through non-payment of Council Tax or where works have been carried out by the Council on behalf of the owner using one of the powers above or any other power available to the Council) the Council can seek an order to require that the property is sold in order to recover what it is owed. Any surplus monies are then paid to the owner.

### **Monitoring and Review**

The number of empty homes will be reported quarterly, along with the number of empty homes at each stage of being brought back into use as set out in this procedure through the Council's Performance Monitoring arrangements.

April 2014



## Appendix A

### Empty Homes Procedure

This procedure sets out the actions the Council will take in order to bring empty homes back into use.

The Council will consider on a monthly basis a list of homes which have been empty (unfurnished and unoccupied) for a period of at least 6 months and will consider on a monthly basis what action is required. The flowchart at the end of this procedure sets out the actions the Council will take.

Where properties are identified through contact with the owner as being incorrectly identified on the Council Tax system as empty, the Council will liaise with the owner to correct the information held.

### Support to Owners

The Council will offer advice and support to owners to assist them in bringing empty homes back into use. This support will include:

- Information pack on renting property, support to rent property including through advertising through the Your Choice Your Home scheme (fee applies);
- Advertising of property for sale through Empty Property Matching Service;
- Provision of financial assistance to bring properties back into use as set out in the Empty Homes Policy.

### Monitoring and Review

The number of empty homes will be reported quarterly, along with the number of empty homes at each stage of being brought back into use as set out in this procedure.

# Empty Homes Policy 2014-2017

**Stage 1:** Send an initial letter requesting details of the owners' intentions for the property.

Response received within four weeks	<b>No</b>	Yes	Consider response (See note below)
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**Stage 2:** Send letter 2 if no response received to initial letter.

Response received within four weeks?	<b>No</b>	Yes	Consider response (See note below)
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**Stage 3:** Send letter 3 if no response received to initial and second letter.

Response received within four weeks?	<b>No</b>	Yes	Consider response (See note below)
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**Stage 4:** Visit property to assess condition of property and impact of the empty home on neighbours and the amenity of the neighbourhood.

**Stage 5:** Send enforcement letter if no response following stages 1-3 or if timescale for bringing property back into use is not reasonable. This to advise that if owner does not respond providing details of how and when property will be returned into use enforcement action will be considered (or say 'taken'?)

Response received?	<b>No</b>	Yes	Consider response
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**Stage 6:** Take appropriate action (See Empty Homes Policy and Enforcement Policy)

**Note:** In stages 1, 2,3 and 5, when considering a response from the owner that the property is being brought back into use, consider whether the timescale for work is reasonable based on the extent of the work needed to bring the property back into use, then suspend action for 3 or 6 months (or longer if the case requires it), to allow works to be completed.

At the end of the suspension period contact owner to establish if property has been brought back into use, if not go to stage 4 or where Stage 5 has already been reached, go to Stage 6.