

ARUN DISTRICT COUNCIL

REPORT TO AND DECISION OF HOUSING AND CUSTOMER SERVICE WORKING GROUP ON 6 FEBRUARY 2020

PART A : REPORT

SUBJECT: EMPTY HOMES STRATEGY 2018 – 2023 UPDATE

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EXTN: 37683

PORTFOLIO AREA: Technical Services

EXECUTIVE SUMMARY:

On the 04 January 2018 the Housing and Customer Services Working Group recommended to Cabinet that the Empty Homes Strategy 2018-2023 was adopted and this report provides an update on the work and achievements to date.

The Housing and Customer Services Working Group on 03 July 2014 recommended to Cabinet that the Empty Property Assistance Program (EPAP) was set up to help provide grants and loans to owners of empty properties to bring them up to decent home standard and back into occupation. Additional funds are requested for the continuation of this work. It is proposed that this is achieved via the transfer of unspent receipts from discretionary housing grants repayments accessible for home improvement programme.

On 24 November 2016 the Housing and Customer Services Working Group recommended to Full Council, on 11th January 2017 the adoption of the Enforced Sale Procedure, this report also provides a review and update to this procedure for approval.

RECOMMENDATIONS:

Members are requested to recommend to Cabinet:

1. To note the update on the Empty Homes work.
2. To adopt the updated Enforced Sale Procedure.
3. To delegate authority to the Group Head of Technical Services to make changes resulting from identified good practice and legislative changes to the Enforced Sale Procedure, a review of which will take place by the end of 2022.
4. To approve the use of existing revenue funds identified below for Empty Homes Assistance Programme with any unspent funds to be Earmarked at the end of the financial year:

- a. £66k currently earmarked for Empty Homes
- b. unspent receipts from discretionary housing grants repayments (current balance £20k)
- c. unspent receipts up to £44k from disability facilities grant repayments

1. BACKGROUND:

1.1 On 04 January 2018 the Housing and Customer Services Working Group recommended to Cabinet that the Empty Homes Strategy 2018 – 2023 was adopted.

1.2 Empty homes represent a wasted resource and can have a negative impact on local communities. Long term empty properties can:

- attract crime, vandalism and anti-social behaviour.
- become a public health hazard and magnet to vermin as well as look unsightly and pose a potential danger to the community including children.
- detract from the neighbourhood amenity.
- reduce the value of adjacent properties.
- cost the community for visits and action by Police and the Council's Private Sector Housing and Public Health Team.

1.3 As of April 2019, there were 394 Empty Homes in the Arun District based on Council Tax records. The figures for the number of properties brought back into use by the direct intervention of the Empty Homes Officer, are detailed in the table below:

Year	Number of Properties Brought Back into Use
2014/2015	35
2015/2016	20
2016/2017	40
2017/2018	49
2018/2019	82
2019/20 as at 31 st December 2019	57

1.4 All these figures exceed the corporate target set annually which for 2019/20 is 25 properties.

1.5 The New Homes Bonus is a grant paid by central government for increasing the number of homes and their use. The New Homes Bonus until 2017 was paid each year for 6 years and based on the amount of extra council tax revenue raised for new build homes, conversions and long term empty homes brought back into use and equated to approximately £1,500 per property each year. In 2017/2018 changes to the way the New Homes Bonus was awarded saw a reduction in the amount of money earned by reducing the reward from 6 years to 4 years. Therefore, the work

that the Empty Homes Officer carries out contributes to the amount of New Homes Bonus the Council receives. Since 2014 this has equated to approximately £1.6 million.

1.6 The focus of empty homes work is on any property that has been empty for more than 6 months and initially a letter is sent to the property owner advising them of the free service the Council offers in advice and the options that are available to them to bring the property back into use. This includes how they can:

- Reduce the costs of owning an empty property including council tax and deterioration in value.
- Reduce the risks of leaving their property unoccupied - vandalism, squatters, complaints from neighbours and the decline in its condition.
- Gain rental income or lump sum by letting or selling their property.

1.7 Options available to help empty property owners:

- List of individuals and companies interested in purchasing empty homes
- Advice and guidance on selling their home, probate, letting and renovations
- Availability of a grant or loan to assist in bringing the property back into use.

1.8 This initial letter often encourages owners to contact the Council. However, if no response is received a second and, if necessary, a third letter is sent in the hope that they will engage with the Empty Homes Officer.

1.9 Each empty property is different and there are many reasons why they become empty. These reasons can be sensitive, and it is important to be understanding of all different situations.

1.10 The Empty Homes strategy is based upon an approach of:

- Engage – engage in methods of identifying properties
- Encourage – encourage owners of empty properties to bring them back into use
- Enforce – enforcement action will be used in appropriate circumstances to target long term empty properties, if owners fail to co-operate with renewal options.

1.11 The Housing and Customer Services Working Group on 03 July 2014 recommended to Cabinet that the Empty Property Assistance Program was set up to help provide grants and loans to owners of empty properties to bring them up to decent home standard and back into occupation. £200,000 was approved for the provision of loans which would be directly paid back and a supplementary estimate of £100,000 was agreed to support the grants and enforcement work.

1.12 Property owners can apply for assistance which can be in the form of a grant which will be up to a maximum of £5,000 or an interest free loan which is up to £10,000 and paid back on a monthly basis over an agreed term.

1.13 In exchange for a grant or loan the property will be referred to the guaranteed rent scheme and the Council will have nomination rights for a five year period. The property owner is also required to join the Arun and Chichester Landlord Accreditation Scheme and meet these standards.

1.14 The grants and loans are registered with the Land Registry as a charge on the property and become payable if the property is sold or there is a change of tenure within 5 years. The table below shows the number of grants and loans provided over the past 5 years:

	Number of Grants	Number of Loans
2014/2015	0	0
2015/2016	3	0
2016/2017	0	1
2017/2018	0	0
2018/2019	0	0
2019/20 to 31 st Dec 2019	5	0
Total Value	£40,000	£10,000

1.15 There has been limited take up of this funding and therefore a review is to take place regarding the criteria with a hope that this will be more attractive to property owners and encourage them to bring their properties back into use.

1.16 The informal engagement and encouragement can be effective in a number of cases, however, often the Empty Homes Officer has to resort to enforcement to ensure that the property is brought back into use. This can involve a range of formal enforcement notices requiring repair and renovation works to be completed by the owner in a specified timescale or requiring works to deal with public health issues such as clearing gardens and/or properties of waste and tackling rodent infestations. Often failure to comply with such a notice provides the Council with a legal right to carry out the works in default and to recover the cost. Over the past year works in default have been carried out on approximately 7 properties which have utilised various pieces of legislation to deal with a range of issues, for example, garden clearances to address potential vermin infestations, securing of premises where unauthorised entry is being made and there is a risk to public safety, internal refurbishments where improvement notices have not been complied with. In all cases, the works in default have either facilitated the property being sold or reoccupied.

1.17 The funding from the Empty Property Assistance Program is used to support the Council undertaking enforcement action including works in default. Any money the Council spends in undertaking works in default is recharged back to the owner. Non-payment can lead to a Charge being secured on the property. Where a Charge has been placed on the property and registered as a Local Land Charge by the Council's Local Land Charges Team, it provides the basis for the Enforced Sales Procedure. The Council has the power of sale of the property, conferred by the Charge, to recover the money it is owed for carrying out the works in default. It is the same power that a bank or building society would rely upon to sell a house, when the owner has defaulted on the mortgage, which is secured as a Charge against the property.

- 1.18 The Enforced Sale Procedure was approved by Full Council on 11th January 2017 following a recommendation from the Housing and Customer Services Working Group at their meeting on 24th November 2016. Since the approval of the Enforced Sale Procedure three cases had unpaid debts for works in default which have enabled the Council to begin proceedings for the enforced sale.
- 1.19 As part of the adoption of the procedure it was agreed that a review would take place after 18 months, therefore this has taken place and a revised procedure is appended to this report. In consultation with Legal it has been agreed that the only amendment required is to page 9 section 10 which now identifies that the officer within Private Sector Housing in consultation with legal will serve the relevant notice on the owner.
- 1.20 Due to the expenditure on grants as identified in the table above and carrying out works in default this element of the funding, £100,000, is decreasing and is essential to this work and facilitating action in relation to empty properties. The sum of £130k has been identified from existing revenue funds and it is therefore proposed that any unspent funds to be utilised for the continuation of the Empty Homes Property Assistance Programme. Any unspent funds to be Earmarked at the end of each financial year so the balance will remain available in future years.
- 1.21 For the first time in 2018 the Council used powers under the Housing Act 1985 and 2004 to serve demolition orders, four have been served to date, 3 of which were in 2019, the outcomes of which were:
- The owners of the property complied with the order and undertook the demolition works themselves
 - The property was sold via auction and the new owner has undertaken significant renovation and refurbishment to a high standard.
 - Demolition Order currently under appeal therefore the demolition order is suspended whilst this is heard.
- 1.22 Demolition orders remain available under Part 9 of the 1985 Act as amended. They are a possible response to serious hazards that are identified in a property where this is the appropriate course of action. In deciding whether to make a demolition order the Council will:
- take into account the availability of local accommodation for rehousing any occupants;
 - take into account the demand for, and sustainability of, the accommodation if the hazard was remedied;
 - consider the prospective use of the cleared site;
 - consider the local environment, the suitability of the area for continued residential occupation and the impact of a cleared site on the appearance and character of the neighbourhood.

- 1.23 Whilst this course of action removes a residential property from the private sector housing stock, and therefore these decisions are not taken lightly, it does deal with and remove an empty property and in turn generally provides for a more viable plot of land and development opportunity either for the owner or a prospective buyer.
- 1.24 Since 2018 the Council has received five appeals, via the First Tier (Property) Tribunal from property owners regarding notices that have been served. In all cases the Tribunal found in favour of the Council and upheld the notices, thus supporting the work and enforcement approach that is taken in regard to empty homes. However, it should also be noted that any appeal requires considerable time to prepare and therefore impacts on the time available to the Empty Homes Officer to engage with owners of other empty properties.
- 1.25 Another enforcement option available is one of compulsory purchase. This is considered a last resort and would mean that the Council becomes the legal owner of the property before then selling it on the open market. Such action was undertaken in 2014 in respect of a property in Bognor Regis and in January 2019 the compensation funds were credited to the nominated account and the process finalised, illustrating that enforcement cases can be very complex and time consuming.
- 1.26 The success of the work being achieved in regard to empty properties has been recognised by the Empty Homes Officer obtaining the National Empty Homes Conference Practitioner of the Year 2019 award.

2. PROPOSAL(S):

Members resolve to recommend to Cabinet:

1. To note the update on the Empty Homes work.
2. To adopt the updated Enforced Sale Procedure.
3. To delegate authority to the Group Head of Technical Services to make changes resulting from identified good practice and legislative changes to the Enforced Sale Procedure, a review of which will take place by the end of 2022.
4. To approve the use of existing revenue funds identified below for Empty Homes Assistance Programme with any unspent funds to be Earmarked at the end of the financial year:
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Whilst the Enforced Sales Procedure was adopted by Full Council in January 2017, there is no constitutional requirement for this decision to be made by the Council. Therefore Cabinet is being asked to sign off the revisions to the procedure along with the other proposals.

3. OPTIONS:

Other options available to Members:

- Not to agree the use of identified existing revenue funds for Empty Homes Assistance Programme.
- To agree the use of a different sum of existing revenue funds for Empty Homes Assistance Programme.
- Not to adopt the updated Enforced Sale Procedure or to recommend it to full council for approval.
- To amend and adopt the updated Enforced Sale Procedure
- Not to agree that the Group Head of Technical Services is delegated authority to make changes resulting from identified good practice and legislative changes to the Enforced Sale Procedure, a review of which will take place by the end of 2022.

4. CONSULTATION:

Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council		X
Relevant District Ward Councillors		X
Other groups/persons (please specify)		X
5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)	YES	NO
Financial	X	
Legal	X	
Human Rights/Equality Impact Assessment		X
Community Safety including Section 17 of Crime & Disorder Act	X	
Sustainability		X
Asset Management/Property/Land		X
Technology		X
Other (please explain)		X

6. IMPLICATIONS:

Financial: - If the proposals are agreed, there are no financial implications anticipated as the funding is already identified and available.

If the proposals are not agreed, the aims and objectives of the Councils Empty Homes Strategy 2018-2023 is likely to be impacted, decreasing the number of empty homes brought back into use, which would reduce the new homes bonus that the council receive.

Legal: - Advised on the review of the Enforced Sale Procedure.

Equalities – No adverse impact identified on protected characteristics.

7. REASON FOR THE DECISION:

To assist in bringing empty properties back into use and support the aims and objectives of the Councils Empty Homes Strategy 2018-2023.

8. BACKGROUND PAPERS:

Case studies to be provided for members at the meeting.

Enforced Sale Procedure

Equality Impact Analysis