

ARUN DISTRICT COUNCIL

REPORT TO AND DECISION OF ENVIRONMENT AND NEIGHBOURHOOD SERVICES COMMITTEE ON 17TH NOVEMBER 2021

SUBJECT: Empty Property Assistance Programme

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DATE: 22nd September 2021
EXTN: 01903 737669
AREA: PLACE

EXECUTIVE SUMMARY:

On the 4th January 2018 the Housing and Customer Services Working Group recommended to Cabinet that the Empty Homes Strategy 2018-2023 was adopted. This report provides an update on the work and achievements to date, but also highlights the increase in work in this area and the impact on resources.

The report provides proposals for reviewing the approach to empty homes work, increasing awareness and publicity and in turn the resources required to achieve this.

RECOMMENDATIONS:

That Committee: :

1. Delegate authority to the Group Head of Technical Services to make changes resulting from identified good practise and legislative changes to the Empty Property Assistance Programme, grants and loans criteria.
2. Recommend to the Corporate Policy and Performance Committee that growth of £17,523 be included in the 2022-2023 revenue budget, to recruit on scale 4, an additional part time Technical Support Assistant for 23hrs per week to support and enhance the empty homes work.

1. BACKGROUND:

1.1 On 4th 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 2021, there were 433 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
2019/2020	57
2020/2021	76
2021/2020 as at 30 th September 2021	25

1.4 All these figures exceed the corporate target set annually which for 2021/2022 is 25 properties.

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.

Empty Property Assistance Program

- 1.11 The Housing and Customer Services Working Group on 3rd 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 the Council would 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.
- 1.15 There has been limited take up of this funding, unfortunately because of the misconceptions perceived by property owners regarding potential tenants nominated by the Council. Therefore a review is proposed to make the scheme more attractive and thereby increasing the number of empty properties brought back into use.
- 1.16 Kent County Council are very active in the empty homes field and have a multi million pound “No Use Empty Scheme” and their grant and loan criteria has been reviewed and one proposal is to adopt a similar approach on a smaller scale and to expand the criteria of the financial assistance to empty home owners to renovate their properties to sell. It is considered that this would provide an increased positive outcome for all parties and prevent any potential enforcement action due to the

condition of the property and length of time it has been empty. The Council's interest would be protected by securing a legal charge as currently operated under the existing scheme. Once the property is sold the money is paid back to the Council as there would be a registered charge on the property.

Enforcement Tools

- 1.17 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.
- 1.18 Over the past year works in default have been carried out on approximately 5 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.
- 1.19 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. During 2021/22 one enforced sale was completed.
- 1.20 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, 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.
- 1.21 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.

1.22 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.

1.23 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.

1.24 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.

1.25 The success of the work being achieved in regard to empty properties has been recognised by the Empty Homes Officer obtaining two awards National Empty Homes Conference Practitioner of the Year 2019 and National Empty Home Network – Meeting the Challenge Award 202.

New Homes Bonus

1.26 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 £1666 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.

Council Tax and Empty Homes

1.26 On 30th September 2021 a report was presented to the Residential and Wellbeing Committee regarding Council Tax and empty homes discount and Members recommended to Full Council that an increase to the premium on long term empty properties be approved as follows:

- 100% premium from 1st April 2022 for those properties which are empty for 2 years and over
- 200% premium from 1st April 2022 for those properties which are empty for 5 years and over
- 300% premium from 1st April 2022 for those properties which are empty for 10 years and over

1.27 If this is approved by Full Council it will provide another tool for the Empty Homes Officer to encourage empty home owners to bring their properties back into use.

Current Position

1.28 Over recent years rents have increased, demand for properties is higher and conversions of derelict commercial properties/hotels is a significant market currently. These are all factors that would need to be taken into consideration when considering a review of the Council's approach to empty properties and any financial assistance that is offered.

1.29 The Empty Homes Officer has seen an increase in reports of empty properties from local residents as well as enquiries from homes owners themselves. Therefore there is an opportunity to review and overhaul the approach the Council takes in regards to empty properties which in turn will increase the New Homes Bonus received on an annual basis currently.

2. PROPOSAL(S):

2.1 The proposals include:

- a) Review of the Empty Properties Assistance Program criteria for grants and loans. As discussed in paragraph 1.16 of this report, to review and use best practice from other Councils, and consider providing a grant or loan to assist property owners to renovate their properties with a view to selling rather than renting which is currently the criteria.
- b) Overhaul the process and procedures and review the timing of mail outs including

the content of the letters with an aim of targeting the longer-term empty properties rather than the ones that are going through protracted sales, probate or refurbishment.

- c) Publicise the work of the Empty Homes Officer through press articles, Arun Times and social media to help promote the success stories but also to raise awareness of how the Council can assist.
- d) Partnership working could be developed with agencies such as Turning Tides, YMCA and other charitable housing organisations to partner and match fund mutually beneficial projects.
- e) Set up quarterly inter departmental meetings to assist with transparency and communication across the Council, to include discussion on long term empty properties to ensure a corporate approach and joint working.
- f) Streamline enforcement and works in default processes by procuring a five year contract for a local business to undertake small works following non-compliance with legal notices. Currently the Empty Homes Officer has to obtain a number of quotes to show value for money which is time consuming.
- g) To develop and review the existing Empty Homes Strategy for 2023-2028.

2.2 Additional resources to the current 1FTE Empty Homes Officer would be required in order to continue to deal with the high level of empty homes work and to also overhaul the current processes, procedures and increase publicity and awareness as described above. Support has been provided temporarily from within the Private Sector Housing Team which is not sustainable in the longer term, however, it has helped to identify that a part time Technical Support Assistant role of 23hrs Scale 4 is required.

3. OPTIONS:

Other options available to Members:

- 3.1 To agree no further changes to the Empty Property Assistance Program, thereby limiting the take up of the grants and loans which in turn would potentially increase the enforcement work and impact on existing resources.
- 3.2 To continue with the existing resources ie. 1 FTE Empty Homes Officer, but this would therefore limit the scope of work in this area and would be restricted to reactive work rather than developing the service, raising awareness and publicity and helping to increase the potential New Homes Bonus income the Council receives.

4. CONSULTATION:

Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council		X
Relevant District Ward Councillors		X
Other groups/persons (please specify): Finance, Legal, Residential Services, Empty Homes Network, other	X	

Local Authorities.		
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: As the proposal is for a new additional permanent post, this is will require permanent growth in the establishment of 0.62 FTE.

Legal: Increased enforcement activity in this area in turn increase the resources required from Legal Services to support with advice, dealing with appeals and processing of enforced sales.

Equality: No adverse impacts on protected characteristics have been identified.

7. REASON FOR THE DECISION:

7.1 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:

Appendix – Before and After - Photographs illustrating cases the Empty Homes Officer has been involved with.

Equality Impact Assessment