

Returning Houses to Homes Policy and Procedures (Private Sector)



May 2012

Contents

1. Introduction	3
2. Background	3
2.1 How many empty houses are there in North West Leicestershire, and why?.....	3
2.2 Why are houses empty?	4
3. What have we already done about empty houses?.....	5
4. What does this policy and procedure document aim to achieve?	6
5. How will the policy and procedure achieve our objectives?	7
Our overall approach	7
6. Reporting on progress.....	8
Appendix.....	9

1. Introduction

We want North West Leicestershire ***“to be a place where people and businesses feel they belong and are proud to call home”***.

The housing strategy (www.nwleics.gov.uk/pages/housing_strategy) describes a wide range of action to achieve this vision, including turning empty houses into homes.

This policy and procedures document describes in more detail how we will direct action towards bringing empty houses in the private sector back into use so that we have:

1. Homes for all, and there is fair and equal access to housing
2. Healthy homes
3. Content and confident communities
4. The best use of available resources

Since the Council's last empty property policy there has been a new government with a top priority to reduce the national deficit. To achieve this there is less public investment in new homes. The recession has also meant there is less private investment in new homes. In light of this the government expects local authorities, the private sector and the voluntary and community sector to collectively do more to meet housing demand through existing homes, including empty houses.

This policy and procedures document will be supported by an empty homes (private sector) action plan.

2. Background

2.1 ***How many empty houses are there in North West Leicestershire, and why?***

In November 2011 there were 1,069 privately owned empty houses in North West Leicestershire. The table below indicates how long they have been empty for:

Empty for?	Number
Less than 6 months	454
6 months – 1 year	285
1 – 2 years	162
2 years plus	168
Total	1,069

Source: North West Leicestershire Council Tax Records November 2011

The number of empty houses reported by the government includes privately owned houses¹ and empty houses owned by councils and housing associations². There are some empty houses that are not recorded by the government:

¹Recorded for council tax charging purposes

- Homes still being built
- Homes that are deemed uninhabitable, including those due for demolition
- Rooms in houses in multiple occupation and some types of homes provided for older people

There are several types of houses which are not classed as empty. These include those where:

- The owner is receiving or giving care or treatment in hospital or care home
- The owner lives elsewhere for long periods of time due to work commitments (e.g. Armed Forces Service Personnel)
- Second homes

The government reports that there are 720,000 privately owned empty houses in England, with 280,000 empty for six months or more (November 2011). Regional information is not available yet.

The proportion of long term empty houses in North West Leicestershire of all empty houses is higher than for England; 58% of all empty houses compared to 39% in England.

2.2 Why are houses empty?

Houses are empty for different reasons:

- ***The house may be for sale or for rent, being refurbished or adapted.*** These houses are usually re-occupied within a few months. However, there can be delays, for example where the occupier has died there can be problems over inheritance, and the owner may run out of money to refurbish the house or may expect more money for a house than the current housing market will pay.
- ***The house may be in poor repair.*** The condition of the house may have deteriorated whilst it has been empty, or it may have been left in this condition when the previous occupier moved out.
- ***The house may be empty because it will be replaced as part of a regeneration scheme.*** North West Leicestershire does not have any of these schemes.

Consultation on this policy also suggested that:

- Owners may choose to keep a home empty if they own more than one in the same 'block' and they would like to do something when a number of homes become available

²Recorded separately by these organisations

- Owners may wish to keep a home empty because they have had a bad experience of tenants. It may be preferable in the current housing market to leave a house empty until it can be sold.
- The time taken to renovate homes can take some time, and often longer than expected
- It is easier to sell a vacant property and the home will be empty for at least 3 to 4 months to do this, bearing in mind how long it takes to market the property

3. What have we already done about empty houses?

In 2008 the Council published an empty property policy³. This described how the Council would assist in bringing empty properties back into use and it was successful in bringing empty homes back into use. This was mainly because the council was able to offer grants to property owners. The government ended funding to councils for this purpose in 2010/11, as part of plans to reduce the national deficit. Despite this, between April and November 2011, with direct intervention from the Council's landlord liaison officer, 27 properties empty for less than six months were brought back into use⁴.

There is a shortage of housing in North West Leicestershire (and across the country). Despite limited funding the Council has been pro-actively seeking to understand where empty homes are in the district, having analysed a recent list of homes using Council Tax records. This has been supplemented by visits to empty houses as part of empty property surveys. This is to ascertain the condition of the property, target interventions and prioritise resources. Further work is planned to develop our knowledge base of houses and the reasons why they are empty.

The Council also offers a number of benefits for owners and landlords working with them, including the Available Property initiative⁵ which aims to match available homes with people who are seeking a home⁶. This service seeks to ensure homes are of a good standard, and support is offered to the landlord and tenant if any problems develop. The Council has held a Landlord Forum twice yearly for the last 3 years.

The Council operates a 'virtual team' of existing staff who work to bring empty houses back into use as well as a Council working group looking at the Green Deal – a government initiative to improve energy efficiency and affordable warmth and to reduce fuel poverty. There is a potential link here as houses may be empty because they need improvements to their energy efficiency and heating.

The Council has also worked with Housing Association partners to bid for funds from the Homes and Communities Agency to bring empty houses back into use. 15 homes will be brought back into use by 2015.

³ Empty property policy see www.nwleics.gov.uk/files/documents/empty_property_policy_approved_010708/Empty%20Property%20Policy%20Approved%20010708.pdf

⁴ In the same period 246 empty properties, of more than six months, were returned to use.

⁵ Available properties initiative http://www.nwleics.gov.uk/pages/available_property

⁶ Tenants are not necessarily on the council's waiting list for social housing or will need housing benefit

The Council's current approach to seeking council tax on empty houses (full council tax is charged after six months empty) acts as a disincentive to owning an empty house in the district and ensures that income is maximised.

In summary, the Council is already doing a number of things to bring empty houses back into use but we think we must, and can, do more. We want to work with owners and the community to decide what we can do.

For more information about what the Council, working with others, has done in the past to bring empty houses back into use and to provide updates on the Council's progress we will be regularly updating the Empty Property web page. We understand that it is important that we communicate what we have done, as well as what we plan to do.

4. What does this policy and procedure document aim to achieve?

In more detail this policy and procedure document aims to contribute towards:

Homes for all, and there is fair and equal access to housing

- Demand for all types of housing and tenure is greater than the supply of new housing. There is very little money available to build new homes. Empty houses present a unique opportunity to meet housing need without the need for new development. They also reduce the demand for building on Greenfield sites.
- Empty houses can be located in areas where many people would like to live but no new homes can be built, for example in rural areas. They can increase choice for people.
- There are people living in temporary and insecure accommodation, or staying with family and friends. These households tend to have a poorer quality of life than people living in settled homes.

Healthy homes

- Empty houses, particularly those in disrepair, have a negative impact on the neighbourhood environment.
- Bringing empty houses back into use will often mean making it warm and safe. This will be a better place for someone to live in the future.

Content and confident communities

- Empty houses can often cause problems for local neighbourhoods; they can be a target for squatters, vandals and arsonists. They often require the Council and other public services eg, the fire service, to take action.
- People want to take pride in their community and neighbourhood. Empty houses can be an eyesore which blights communities and spoils the environment.
- Bringing empty homes back into use encourages economic vitality, for example people will be needed to carry out repairs and improvements. Many landlords and other property investors are also residents; enabling them to operate sustainable businesses is also likely to benefit the local economy.

Making the best use of available resources

- Empty houses receive a Council Tax discount. Although North West Leicestershire already seeks to end this discount in quite a short period of time, bringing empty houses back into use may further increase Council Tax income for the local area
- Re-using or recycling an empty house is making better use of existing assets and may cost less than developing a new house
- Bringing empty properties back into use can minimise the loss of New Homes Bonus
- Working with local landlords and property investors, registered providers and the wider community to bring empty properties back into use may be more cost effective, for example they can bring experience, expertise and their own resources to the task.
- The Council has a statutory duty to find accommodation for people who are homeless through no fault of their own. There is a cost to the tax payer; more housing could reduce this cost⁷

5. How will the policy and procedure achieve our objectives?

Our overall approach

Empty houses are potentially a long-term challenge, particularly in the current housing market. Whilst some will be brought back into use within a few months, many have already been empty for much longer and will be more difficult to address. We also have limited available resources. It is important that the action we take is guided by our vision for North West Leicestershire and the housing outcomes we want to achieve as outlined in the Housing Strategy 2011-2015.

We have also learned lessons from the approach in other local authority areas to tackling empty houses, and we have consulted on this. Based on this knowledge our approach aims to be:

- ***Targeted but flexible.*** We are particularly interested in focusing on empty houses back into use that:
 - Can meet an identified housing need⁸
 - Will visibly improve the local neighbourhood, enabling pride in the community and raising awareness of the need for homes
 - Are in close proximity to local amenities eg, shops, schools, doctors surgery and employment
 - Require relatively little input

⁷ 'The 2009 Audit Commission report 'Building better lives' concluded that 'if only five per cent of empty homes could be brought back into use councils could cut their annual homelessness costs by £1½ billion.'

⁸ Housing needs are identified in a number of ways including by the Strategic Housing Market Assessment (this considers the need for home ownership, market renting and social renting), the housing register for social housing, and other local intelligence eg, from housing services, registered providers or the county council

However, we realise we will need to balance these objectives with:

- The willingness of owners to work with us and to take action
- The input required compared to the output eg, rental income, income from the New Homes Bonus, and/or cost savings that will be achieved (value for money)
- **Informed.** We realise that houses are empty for many different reasons, and that some of those empty for more than 12 months may be for a very valid reason. It is critical that we focus our resources where we feel we can make the most difference to achieving our objectives.
- **Enabling and supportive.** Enforcement is an action of last resort. Our approach will be offer a range of practical and supportive assistance to owners, recognising that a 'one size fits all' approach is not appropriate, and that many people may simply need a small amount of the right input eg, information or advice, to enable them to take action. We're also conscious that we need to be able to respond in a timely manner.
- **Value for money.** With little public funding available, our approach is to work with people and organisations in the private, community and voluntary sectors to maximise the contribution they can make. This could mean working with private landlords or developers, housing associations, charities or parish councils, for example. They may have experience and expertise, or have access to other sources of funding. We will also work with the County Council and neighbouring local authorities; they have similar housing objectives.
- **Transparent and accountable.** It is critical that the public can hold us to account for the use of public money to bring empty houses back into use. It is also important to understand how many empty houses are being brought back into use through interventions as the overall numbers may be mis-represented by figures calculated for the purpose of New Homes Bonus⁹.
- We have clear procedures (see Appendix 1) in place for those involved in the process to enable this. We also have a clear and pro-active action plan, against which we regularly monitor and report progress.

6. Reporting on progress

Progress in turning empty houses into homes to achieve the objectives described in this policy will be monitored on a quarterly basis by Council officers and reported to the North West Leicestershire Strategic Housing Partnership on a twice-yearly basis. The action plan will be revised to reflect progress and Portfolio Holders will be briefed during the regular Portfolio liaison meetings with the relevant Heads of Service.

⁹ New Homes Bonus is calculated based on the number of dwellings on the valuation list minus the number of long term empty dwellings that are not exempt from council tax. Even if the council enables 100 houses to be brought back into use in 2012/13, if the number of empty houses increases by 150 because of the housing market, the number of empty houses brought back into use will be -50.

Returning Houses to Homes Procedures

Informed and accountable

Given the importance of understanding more about why a house is empty, and not just how long it has been empty, more intelligence about the property owner is needed. This can be from data held elsewhere in the council, but other investigative work may be needed. A starting point will be to ask owners to 'tell us more' about their plans for the house when writing to them, this has been incorporated into the first stage letter that we send out following our survey visit.

We have generally raised awareness with other departments of the Council whose staff are regularly out on the District and can spot empty properties and asked them to report back to the team.

As part of the consultation process we have raised awareness amongst the local community by attending Community Forums and presenting information and how to contact us about empty properties.

Information and education

Initiative	In detail
<p>Landlords' forum</p>	<p>Regular forums are an opportunity to inform and engage with local landlords. Some of these may own empty houses and/or have an interest in bringing empty houses back into use. The forum is a useful opportunity to bring landlords up-to-speed with changes in housing benefits, legislation and regulation, amongst other things, and for the council and partners to glean local intelligence (for example what action can be taken to address empty houses).</p>
<p>Communication Website Media Letters</p>	<p>Communication through the website aims to raise awareness of empty houses and provides a wealth of useful information for empty property owners and those looking to report, buy and renovate an empty property.</p> <p>An empty homes information book will provide advice and support to empty property owners e.g. if the owner is renovating/converting an empty flat above a shop they may be able to claim tax relief on 100% of their capital spending. This will be hosted on the Council website.</p> <p>The process of revising the empty houses policy was accompanied by press releases and public consultation e.g., at the Community Forums to generate feedback.</p> <p>Letters useful to opening up a dialogue with the owner. Regular contact with owners of high priority properties will be made following a protocol that has been established to target our resources.</p>

Offering incentives

Initiative	In detail
Bids for funding from the Affordable Homes Programme	£100m capital funding is available from April 2012 through the HCA's Empty Homes 2012-15 programme to target long term empty properties. The Council has supported bids from three Housing Association partners; 15 homes will be brought into use by 2015
Encourage home owners to access the Green Deal	A government initiative to increase the energy efficiency of UK homes. There is a potential link between the Green Deal and empty homes if the barrier is heating/energy related
Empty Property Grants/Loan scheme	From the capital set aside for returning empty houses into homes within the action plan feasibility for offering small grants/loans to help overcome the barriers associated with an empty property will be considered.
Rent Deposit & Home Bond Scheme	The Council offers a free introductory service through its 'Available Properties' website, a loan of up to one month's rent in advance and a bond guarantee of up to one month's rent.

Enforcement action

In compliance with the spirit of the Enforcement Concordat, the Regulators Compliance Code and the Environmental Enforcement Policy our approach will be fair, equitable and incremental. The primary function of central and local government enforcement work is to protect the public, the environment and various other groups such as consumers. There is a need to carry out enforcement functions in a consistent, practical and equitable manner, which in turn will help to promote a thriving local and national economy.

Before progressing from one of the following procedures to another, we will ensure that owners are fully advised and given an opportunity and sufficient time to take measures of their own to bring properties back into use.

Initiative	In detail
Empty Dwelling Management Order (EDMO) and Final Management Order (FDO)	<p>The Council has an existing Returning Houses to Homes Policy and Procedures, approved by Cabinet for use of EDMO powers. An EDMO allows a local housing authority to effectively 'step into the shoes' of the owner of an unoccupied dwelling.</p> <p>Legislated for in the Housing Act 2004 the Residential Property Tribunal can authorise local authorities to take over the management of an empty property on a temporary basis to have it renovated and reoccupied, where the owner has no plans to bring that property back into use. The cost of the works is then recovered via rent.</p>

Initiative	In detail
<p>Delegated officer powers to serve notices</p>	<p>Several pieces of legislation allow Local Authorities to require repairs to a property to improve its appearance and condition. These include the Building Act 1984, Town and Country Planning Act 1990 and Environmental Protection Act 1990.</p> <p>Where a property is having a detrimental impact on the amenity of an area, a notice under s.215 of the Town and Country Planning Act 1990 may be served requiring the owner to address the unsightly external appearance. Where an owner fails to comply with such a notice the Council may undertake the works in default, and make a charge against the property. The use of s.215 notices improves the amenity of an area, but can also be used for the basis of an enforced sale. In North West Leicestershire Planning Enforcement Officers are authorised to serve notices under this Act.</p>
<p>Compulsory Purchase Order (CPO)</p>	<p>The Council has an existing Returning Houses to Homes Policy and Procedures, approved by Cabinet for the use of CPO powers.</p> <p>CPOs are a lengthy legal process that the Council does not undertake lightly. They are only used in appropriate cases, where despite the council's best endeavours; an owner has consistently failed to bring an empty property back into use.</p> <p>An alternative and quicker option is to pursue enforced sale orders in cases where owners are reluctant to address the problems that their empty property is causing the neighbourhood.</p>
<p>Enforced Sale</p>	<p>Enforced sale is a procedure that allows local authorities to recover debt, but can also serve as a way of bringing empty properties back into use. The procedure enables the local authority to force the sale of the property in order to recover a debt, where the owner has failed to repay the debt secured on their property.</p> <p>There are many ways in which such debts may be incurred. An authority may incur a debt against a property when it has secured it against unlawful entry or undertaken works in default following the service of a statutory repair notice.</p>
<p>Demolition Orders</p>	<p>Demolition Orders are for extreme cases and as such are not common practice. They can only be used when other properties will not be affected (e.g. a detached property or end of terrace).</p> <p>Legislation allows Local Authorities to issue an order where the owner is required to demolish a property that is beyond repair at their own expense</p>