Meeting: Social Care Health and Housing Overview and Scrutiny Committee

Date: 3 March 2014

Subject: Empty Homes Strategy - review of performance

Report of: Cllr Carole Hegley, Executive Member for Social Care Health and

Housing

Summary: The report proposes that Members of Overview and Scrutiny review and

note performance in tackling empty homes in Central Bedfordshire

Advising Officer: Julie Ogley, Director of Social Care Health and Housing

Contact Officer: Nick Costin, Head of Service

Public/Exempt: Public

Wards Affected: All

Function of: Council

CORPORATE IMPLICATIONS

Council Priorities:

- 1. The report supports the Council Priorities;
 - Enhancing Central Bedfordshire creating jobs, managing growth, protecting our countryside and enabling businesses to grow.
 - Promote health and wellbeing and protecting the vulnerable.

Financial:

- 2. The capital programme is £270k for 2013/14. The business model for Empty Dwelling Management Orders (EDMO's) includes repayment of the capital costs through rent collected during the lifetime of the EDMO (maximum 7 years). The Council have access to £100K Government funding. This will be used primarily for non enforcement solutions. The Council are also partners with the charity Empty Homes, which enables Central Bedfordshire empty home owners to apply for loans of up to £15,000 through the Ecological Building Society without incurring set up fees/costs.
- 3. Council Tax changes applied in April 2013 has reduced numbers of long term empty homes by 266 to 989 at October 2013. Some, however, are being investigated by Revenues and Benefits Service and the Head of Service is of the view that it is too early to conclude the outcome of the Council Tax changes. The reduction in long term empty homes from October 2012 to October 2013 is 452. This reduction will result in New Homes Bonus of approximately £630,000, which could be payable for six years.

Legal:

4. All high level enforcement action in respect of empty homes is undertaken with close liaison with Legal and Democratic Services.

Risk Management:

5. The risks of not progressing enforcement action include dissatisfaction from neighbouring residents, reputational damage, and not meeting strategy objectives. There is, however, risk of Council action being challenged by owners. This risk is minimised through joint working between Housing and Legal and Democratic Services, and through the learning from previous enforcement actions. There is risk of capital programme under spending where delays occur. This is reported monthly.

The Council are developing a new framework agreement to procure management services for Empty Homes and Private Leasing. Risks of this type of partnership working are being minimised by using lessons learnt from partnership work with Genesis and the pilot EDMO properties agreed by Executive in Sept 2009 which have been completed and occupied for over 12 months.

Staffing (including Trades Unions):

6. Not applicable.

Equalities/Human Rights:

- 7. Central Bedfordshire Council has a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 8. The empty homes strategy is designed to help meet the needs of people needing accommodation in Central Bedfordshire. It is designed to increase availability of housing resources that are currently wasted through being empty and to tackle those homes that are blighting neighbourhoods as a priority. An equality impact assessment was completed as part of the development of the strategy. The assessment found that there was no evidence that vulnerable groups are more likely to be affected by problem empty homes.
- 9. Much of the proposed enforcement activity is set out in statute. All Officers are trained to ensure compliance with the law and to recognise the different needs of communities and apply the law in a fair and consistent manner so as to not discriminate.
- 10. Bringing problematic empty homes back into use should have a positive impact for all members of the community.

Public Health

11. Empty properties can be a source of distress to neighbours for fear of crime and problems associated with poor structural condition of neighbouring empty homes, particularly those who are older or vulnerable.

Community Safety:

12. The Council has a statutory duty under section 17 of the Crime and Disorder Act 1998 to do all that it reasonably can to reduce crime and disorder in its area. Empty properties are often a source of criminal or unsociable behaviour when they are visibly un-occupied, including the dumping of refuse, attempts to break in and cause damage, thefts etc. Consequently, the proposals of this report will progress action to bring these properties back into occupation and consequently improve community safety.

Sustainability:

- 13. Returning empty properties back into use has been shown to be a more sustainable approach to meeting housing need than new build housing, even where remedial works are required. It will also enhance the immediate residential environment and good management will help ensure that the initial improvements are maintained.
- 14. Any improvements required will normally include energy efficiency works, resulting in a more affordable home for prospective tenants.

Procurement:

15. The Housing Service is currently tendering for a Property Management service to manage empty properties brought back into use by the Council through enforcement action. If there is sufficient interest, it is hoped that a service can be procured in February 2014. The previous partnership agreement with Genesis Housing Association has ended and is not being renewed.

RECOMMENDATION(S):

The Committee is asked to:-

- 1. Consider and comment on the achievements obtained to date in respect of empty homes since April 2012, including the additional revenue the Council is likely to receive.
- 2. Consider and comment on the properties that will be recommended for further high level enforcement action where appropriate.

Background Information

16. Central Bedfordshire Council's Empty Homes strategy was approved by Executive in November 2010. Empty Homes are a potential resource and have to be considered in the wider housing agenda, particularly around the potential use of private rented accommodation in discharging homelessness duty. Returning empty homes to occupation can help improve access to good quality accommodation and can help meet housing need.

- 17. The Private Sector Housing (PSH) Service focuses activity and resource on the Priority Empty Homes, those empty for 5 years or more and/or subject to complaints. There are currently 208 priority empty homes and PSH has a target to review/check the status of these homes and any activity at least every quarter. This often includes contact with the owner to review progress. The priority register/list is updated regularly and reviewed annually in April, against data obtained from Council Tax data.
- 18. The Council, will however, work with owners of all empty homes and provide the appropriate advice and assistance required to facilitate the empty home being returned to use. The capital programme is a significant resource to offer empty homes owners. Progress can be slow in persuading owners of long term empty homes to use the funding to bring the property back into use. The programme is also used to fund appropriate enforcement action costs.

Review of Performance and Outcomes

- 19. The number of priority empty homes returned to use in 2012/13 was 28. To date in 2013/14, 32 priority homes have been returned to use, 13% of those on the register. Each has a case Officer responsible, who will work with the empty home owner where possible, providing practical advice and assistance, including possible financial assistance. The total number of empty homes and long term empty homes are included in appendix A. This indicates that generally the number of empty homes in Central Bedfordshire has reduced since April 2009, apart from April 2013, where an increase was experienced.
- 20. In addition to the priority register, the PSH service closely monitors and reports on progress of the "top ten" empty homes that were reported to Members in April 2012. These are the properties where enforcement action has been agreed. Progress made for each property is reported to Head of Service. Detailed update on these properties is contained in Appendix B.
- 21. In 2011, the Council successfully bid for £200K of Government Empty Homes funding. The scheme was in partnership with Genesis Housing Association, who offered to manage the properties in a lease agreement. This scheme was promoted to empty homes owners and interest was generated from around 20 owners. However, whilst the Council progressed these cases, the high management fees charged by Genesis and lower (Affordable) rent resulted in no completions to date. Although Capital funding was attractive, owners found the low rental income unattractive. Several owners, however, are now returning homes back to occupation with other Council assistance.
- 22. The Council offers Loan Assistance to owners of long term empty homes. There are currently 19 empty home loan cases in progress. Of these, two have completed, six cases have loans approved but not completed (with a value of £51K), and 11 are at the stage of working with the owner towards approval (with an approximate value of £54K). Total potential expenditure is £126K but many cases will slip into the 2014/15 programme. One major case providing several units of accommodation progressed without Loan Assistance; originally assistance of £30K was offered to the owners.

- 23. It can be challenging persuading owners of long term empty homes to make use of the Loan Assistance funding. The low level of expenditure from the Empty Homes programme to January 2014 (£24K) is due to delays in loan assistance cases mentioned in Para 22 above, and delays with Empty Dwelling Management Order (EDMO) cases. The programme is also used to fund enforcement action, including EDMO costs. Works were due to commence on a property in Caddington to the value of £55K where a Final EDMO had been served but at the last moment, the owner placed the property on the market for sale, which was agreed in January. Whilst this is a "good result" for the Council, it does result in funding earmarked for the scheme remaining unspent.
- 24. Impact of changes to Council Tax (CTAX) in April 2013 is still to be reviewed. There has been a reduction of 266 long term empty homes between April and Sept 2013. Revenues and Benefits are, however, investigating some of the claims concerning homes being returned to use during this period, which may have been prompted by the 150% charge. The number of empty homes has also been impacted by the exercise that Revenues and Benefits conducted in the autumn 2013 with Liberata to review empty homes. This resulted in 250 properties becoming occupied on CTAX records. Consequently, concluding the impact of the changes to CTAX discounts/exemptions becomes even more difficult.
- 25. The restructure of the Housing Solutions team in Housing Services is due to be implemented in June 2014. The proposals within the restructure at this time include a greater resource dedicated to tackling empty homes, working more closely with stakeholders within and outside of the Council.

Proposals for Further Enforcement Action

- 26. Using a scoring criteria detailed in the Empty Homes Strategy, properties on the Priority Register are scored against certain criteria as below:
 - (a) Length of time empty
 - (b) Number of complaints received about the property
 - (c) Level of impact upon the surrounding neighbourhood.
 - (d) State of disrepair to the property.
- 27. On 2 January 2013, the Leader of the Council signed a Notice of Variation of the Scheme of Executive Functions Delegated to Officers. The delegation to the Director of Social Care Health and Housing gave the Director power to exercise the functions in relation to Interim and Final Empty Dwelling Management Orders (Housing Act 2004), after consultation with the relevant Executive Member. The properties included in Appendix C are proposed to be subject to the Director's approval for such action (after consultation with the Executive Member).

Conclusions on Performance

- 28. Whilst the Housing Service has made some progress in bringing priority empty homes back into use, there is a desire to undertake more activity to meet housing needs. Tackling empty homes is an" invest to save" activity in that New Homes Bonus is obtained for long term empty homes returned to use. 2013 performance has resulted in approximately £630,000 income, which should be paid for six years. In addition, CTAX changes will have increased income during 2013/14 but it is too early to predict how much at this time.
- 29. The disappointing results of the Government funded Leasing scheme is primarily due to high management fees required by Genesis Housing Association combined with lower rents. Whilst some of the funding has been returned, Council Officers are progressing a tendering process to obtain Management Services from a Letting agent at a rate that should be more attractive to owners. A further promotional programme will begin using the latest data from Revenues and Benefits in February or March 2014.

Next Steps

- 30. Using a scoring matrix to prioritise the empty homes register, the next tranche of priority empty homes for enforcement action have been identified. These are included in Appendix C and will be recommended to the Director to approve the commencement of Empty Dwelling Management Orders, after consultation with the Executive Member. PSH Officers, will, however, continue to work with owners of these homes to progress a non enforcement solution where possible.
- 31. A dedicated resource to focus on empty homes is being proposed within the Housing Service restructure. This resource will aim to grow activity using both enforcement and non enforcement tools.
- 32. Financial Regulations allow the Council to use Housing Revenue Account to potentially purchase, renovate and re-sell empty homes as part of rolling programme and at no long term cost to the Council. It is proposed that properties with outstanding CTAX arrears could be targeted for action as these properties might be subject to future enforced sale action by Revenues and Benefits team.

Appendices:

Appendix A – Number of empty homes Central Bedfordshire

Appendix B – Review of progress against previous Empty Homes agreed for Enforcement action

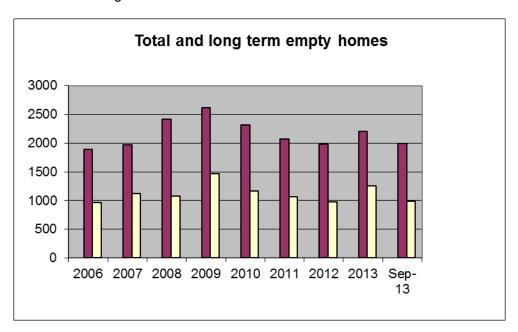
Appendix C – Summary of next tranche of empty homes for potential enforcement action

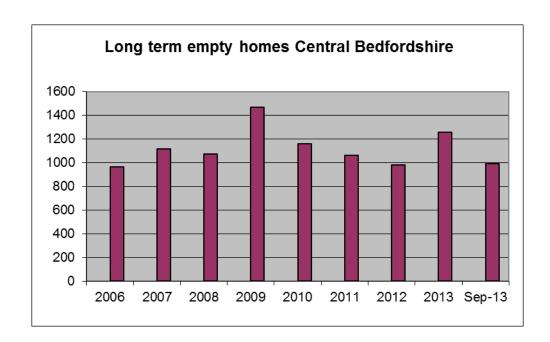
Background papers and their location: (open to public inspection)

Empty Homes strategy 2010 – 15 (on Website)
Empty Homes strategy equalities impact assessment (Watling House)
Executive report 2 November 2010

Appendix A – Numbers of Total and Long Term (6 month or longer) Empty Homes in Central Bedfordshire

The charts below are formed from Council Tax data. The reason for the increase in April 2013 is not known but data from September 2013 indicates that numbers have fallen again, possibly as a result of changes to Council Tax discounts.





Appendix B – Review of Top Five Homes agreed for Enforcement Action in 2010 and Top Ten Long Term Empty homes 2012

1 Highest Priority (Top Five) Empty homes where Executive agreed enforcement action

Two properties, Leighton Buzzard – Final EDMO's completed, and occupied

Caddington – Final EDMO approved but owner has now agreed sale of property. Contracts are being drafted by solicitors. Renovation works suspended.

Houghton Regis – EDMO applied for but withdrawn as property was occupied by squatters, making it exempt. Squatters left in summer 2012, so EDMO action can commence summer 2014 (2 year qualification period) if remains empty. Council are currently taking enforcement action to remedy statutory nuisance (leaking roof).

Totternhoe (Dunstable) – Enforcement action suspended following death of owner. Property occupied.

2 Top Ten for Enforcement Action 2012

Property A, Houghton Regis

EDMO applied for and Interim EDMO successfully obtained in November 2013. Approximate cost of works is £50K if progress to Final EDMO stage. The owner owes Council Tax and has previously asked if the Council would purchase the property. This is being explored with Landlord Services.

Property B, Potton

Works to improve the property have started following contact with owner. Property under review for enforcement action, depending upon further progress being made.

Property C, Shefford

The owners are quite old and have been ill but have stated intention to apply for Loan Assistance to renovate the property. The owner has given Council consent to act on his behalf to get quotes from builders.

Property D, Dunstable

Works in progress to convert building to flats without Council assistance. The works are scheduled to finish late early 2014. Enforcement action not appropriate.

Property E, Houghton Regis

The owner was eventually tracked down to Lincoln. This is a sensitive case where the owner had "switched off" from the fact that they own the property. Case Officer has worked with the owner who has cleared the garden and garage and helped obtain quotes for renovation works. These works are 70% completed and the property is expected to placed on the market for sale early 2014.

Properties F and H, 4 properties in close proximity, Dunstable

Site has been cleared and new development underway. Works started on site of three properties. Further property is now on market waiting for sale. Not appropriate for enforcement action.

Property G, Maulden

The owner moved back into the property, which still requires some remedial work but is occupied.

Property I, Cranfield

The properties are part of a site for a large planning application, which has been submitted.

Property J, Shillington

Planning colleagues served a s.48 notice served in August 2013, to make property, which is listed, weather tight. Notice had two month expiry period for works to be carried out, owner carried out minimal works but not to satisfaction of Planning colleagues. Funding has been offered to Planning colleagues to carry out 'works in default'. Work is still on-going. Very difficult property to renovate.

Appendix C – Summary of next "Top 15" empty homes for potential enforcement action

Property A Dunstable





This detached bungalow has been empty since 2002. The property is in poor condition externally but the interior has not been inspected. Owner is known.

Property B Leighton Buzzard





Semi detached Victorian property. Property has been empty since 2005 according to neighbours but only registered empty since end of June 2013.

Warrant to enter premises has been obtained, owner is known. Full refurbishment required - external and internal. In excess of £50,000

Property C Leighton Buzzard





Semi detached house in a nice location, front gardens are extremely overgrown but front door is accessible. Guttering is missing and visible signs of rot to soffits.

Property is not registered as empty by Council Tax but neighbours have made numerous complaints. Occupancy still being contested/investigated.

Property D Linslade





The empty property is two storey accommodation above a commercial premises, it is currently used for storage. It has been registered as empty since 1995.

Leaseholder has shown interest in refurbishing premises but would have difficulty raising finance. Estimated expense in excess of £50k

Property E Biggleswade





This is a small detached cottage built between 1850 and 1900. The edge of the property forms the boundary to the footpath. Property has been empty since 1994. Owner is known.

Property F Potton





This property is an end terrace built in around 1900. It has been empty since 2002 and has been boarded for most of that time. New owner since 2012.

Refurbishment cost in estimated between £40-50k

Property G Dunstable





Terraced property located near town centre. Neighbouring properties are recently refurbished and well kept which makes this property look more run down/obviously empty.

The property has been empty since 2007 and complaints regarding condition of property have been received.

Owner is in contact with the Council. The property has been inspected and estimated cost of refurbishment works is in excess of £20k

Property H Dunstable





The empty property is two storey flat located above commercial premises. It has been registered as empty since 2003.

Leaseholder has refused to communicate but contact has been made with the freeholder of the property. Estimated cost of refurbishment works is in excess of £20k

Property I Cranfield





Detached bungalow that has been empty since 2002

Property was in very poor condition but owners are now in contact and gardens have recently been cleared.

Estimated cost of refurbishment £10k

Property J Woodside





Mid terrace 2 bedroom flint cottage. A leaking roof to the rear extension and extensive interior works are required at a cost of around £20k.

Property has been empty since 2000. Owner is known

Property K Dunstable





This is a commercial premise situated above a betting shop. Until 2012 it was used as office space.

Permitted development rights allow the conversion to 4 residential flats. The owner would like to convert into 7 dwellings and is proposing to provide nomination rights to the Council to help meet housing need for single adult accommodation. Planning permission would, however, be required for this

Property L Dunstable





This consists of commercial and residential units. It is in poor condition and attracts damage and refuse. Several complaints have been made to the Council. Premises have been empty since 2007.

The property changed ownership in May 2013 and Housing Services have been working with the new owners to progress the return to the property to use.

Planning permission was submitted for 4 flats and 1 commercial unit in January 2014.

Property M Barton Le Clay



Terraced property, which has been empty since 2007.

Property appears to be in good condition and with no obvious signs of anti social behaviour.

Property N Stanbridge



Property has been empty since 2006

Owner is not local and has not responded to letters. Property looks run down but no signs of serious disrepair.

Property O Lower Stondon





Empty property next to a commercial building.

It is converted into two residential flats, one has been empty since 1998 and the other since 2000. Planning application submitted in August 2013. The owner intends refurbishing and renting on open market.