

HIGH PEAK BOROUGH COUNCIL

Report to Corporate Select Committee

4 December 2017

TITLE:	Empty Property Strategy
EXECUTIVE COUNCILLOR:	Councillor J McCabe – Executive Councillor for Housing and Communities
CONTACT OFFICER:	Mark Trillo – Executive Director (People) and Monitoring Officer
WARDS INVOLVED:	Non-Specific

Appendices Attached: Appendix A – Empty Property Strategy 2017

1. Reason for the Report

1.1 It is important to increase activity and strategic direction in relation to empty properties in order to maximise available housing stock; reduce the effects that empty properties may have; and realise the benefits of bringing empty properties back into use. The Alliance wide Empty Property Strategy sets out the national and local context, and strategic objectives to realise the potential benefits of bringing properties back into use.

2. Recommendation

2.1 That the Executive be recommended to approve the Empty Property Strategy and Implementation Plan.

3. Executive Summary

3.1 Empty homes can have a negative impact on the community and the Council representing a wasted resource when left vacant, but if tackled can present considerable opportunity.

3.2 The benefits that will be derived from the implementation of a co-ordinated strategic approach to empty properties are much wider than

increasing housing supply and generating income (in the form of an increase in Council Tax Base and New Homes Bonus received by the Council). The objectives of the proposed strategy are as follows:

- To bring empty private sector properties back into use to maximise housing stock;
- To raise awareness of empty property issues;
- To minimise the number of properties that become long-term empties at an early stage;
- To create accurate information in relation to empty properties;
- To promote the availability of information and services to empty property owners and private landlords;
- To provide sustainable development by reducing the need to build new properties, therefore, reducing the pressure to build in greenfield sites in the open countryside;
- To discourage -anti social behaviour, crime or fear of crime which can occur when a building is empty;
- To improve housing conditions, the vitality of the built environment and prevent the deterioration of the buildings.

4. How this report links to Corporate Priorities

- 4.1 The strategy contributes to the Corporate Plan 2015-19 aim of helping to create a safer and healthier environment for our residents to live and work.
- 4.2 A reduction in the number of empty properties will generate income (in the form of an increase in Council Tax Base and New Homes Bonus received by the Council).

5. Options and Analysis

- 5.1 Option 1- Proceed with the recommendations and approve the proposed Empty Property Strategy.
- 5.2 Option 2- Reject the recommendations and propose an alternative approach. Without a strategic co-ordinated direction the potential benefits of bringing properties back into use may not be realised (Not recommended).

6. Implications

- 6.1 Community Safety - (Crime and Disorder Act 1998)
A reduction of empty properties may have a positive impact and improve the quality of an area and assist in the reduction of vandalism and anti social behaviour.

- 6.2 Workforce
There are no specific implications with this report.
- 6.3 Equality and Diversity/Equality Impact Assessment
The report has been prepared in line with Council policies.
- 6.4 Financial Considerations
Any indicative financial information presented in the Empty Property Strategy will be subject to further discussions as part of the Councils medium term financial plan, capital programme and budgetary process.
- A reduction in empty properties will increase the Council tax base and generate income to the Council through New Homes Bonus received.
- 6.5 Legal
There are no specific implications to this report. There will be legal implications following review of enforcement powers and in respect of any specific action taken by the Council.
- 6.6 Sustainability
There are no specific implications to this report.
- 6.7 Internal and External Consultation
Consultation has been undertaken with the relevant internal Council service areas.
- 6.8 Risk Assessment
There are no specific implications to this report.

7. **Background and Detail**

- 7.1 Properties that are inactive in the housing market and have remained empty for over six months are classed as problematic vacancies and are targeted for action within the strategy proposed within this report. Also targeted are properties that have been highlighted through complaints, although these properties may not have been empty for over six months.
- 7.2 It should be recognised that the numbers of empty properties are continually fluctuating as properties become empty and are re-occupied on a daily basis, and therefore data can only identify a snapshot in time. As at 31.7.2017, 2.6% of domestic properties are empty within the Council's housing market area. A low proportion of properties are empty for a short, transitional period of time (under 3 months), with the majority empty for six months or more (64%). A significant proportion, 17%, are empty for over 2 years and incur 150% Council Tax charge.

	0-3m Empty and unfurnished 100% Discount	3-6m Empty and unfurnished 100% Charge	6-24m Empty & unfurnished 100% Charge	Over 2yrs Empty & unfurnished. 150% Charge	Uninhabitable. 50% discount up to 12m	Total properties banded for Council Tax purposes
SMDC	182	210	325	272	100	43,899
HPBC	248	238	281	180	95	41,552

Source: 31.7.2017 Alliance data

7.3 Within the High Peak area empty properties are found within the private sector. As at 1/4/2017 High Peak Borough Council owned 3989 properties, 39 properties were vacant, representing less than 1% of total stock. There is significant demand for affordable housing with 1835 registered households seeking housing in High Peak and during 2016/17 103 households were statutorily homeless.

7.4 The Strategy aims to develop understanding of the reasons why properties may be empty so that appropriate advice and assistance can be developed accordingly. Nationally the reasons are numerous and include:

- Lack of interest - the owner may not fully appreciate the business case for bringing their empty property back into use;
- Low demand or housing market collapse so severe that households become trapped in negative equity;
- Over-supply of certain property types;
- Area regeneration: a property may be empty pending renovation or demolition or a property could be awaiting planning consent;
- The property may have been acquired solely for speculative investment purposes and the owner is not concerned that the property is empty 'buy to leave';
- Fear of letting the property: some owners may be fearful of the perceived difficulties associated with managing a rented property and prefer to leave the property empty until the market improves and selling becomes a more attractive option;
- Property condition (owners may be unable to afford the works necessary to bring a property back into a habitable condition or experiencing ill health or await or lack planning consent);
- Lack of finances – ill health, redundancy etc, resulting in delay in renovations;
- Repossession (empty whilst finance company place on the market);
- Prohibition Orders made under the Housing Act 2004;
- Planning consent – waiting for or lack of;

- Unresolved ownership: following death protracted delays occur as the property is going through Probate or the owner died intestate and the legal title is in dispute;
- Family disputes/Divorce settlements – awaiting completion before decision to reoccupy or place on market;
- Owner hospitalised/ in institutional care.

7.5 From a local authority perspective, a key government policy with regard to empty homes is New Homes Bonus. This policy recognises the fact that empty homes returned to use provide additional accommodation in the same way that new build properties do. An empty home returned to use and occupied is rewarded in the same way as a new home delivered, via a payment of the equivalent Council Tax income to the local authority for six financial years following its return to use. This can generate an average of £9875 within High Peak. New Homes Bonus not only encourages local authorities to invest in empty property work to reduce the number of empty homes, it also ensures that this investment remains and that the problem of empty properties is contained. In the same way as a reduction in the number of empty homes attracts a bonus and rewards local authorities, an increase in the number of empty homes imposes a financial penalty, eating into any New Homes Bonus that may be payable on new build properties.

7.6 Following consultation several changes to New Homes Bonus were announced. From 2017 a national baseline for housing growth will apply of 0.4%, below this NHB will not be paid. The aim of this change is to ensure that “the money is used to reward additional housing rather than just normal growth”. The number of years for which payments are made will be reduced from six to five years in 2017-18 and reduced further to four years from 2018-19. Despite these changes it is very much in the interests of local authorities to not only reduce the number of properties left empty but also to ensure the number remains as low as possible.

7.7 The negative effects of empty property are now relatively well recognised and include:

- Wasted financial resources for the Local Authority and owners;
- Increased dereliction, boarded up windows, overgrown gardens and rubbish dumping;
- Squatting;
- Petty crime and anti-social behaviour ranging from graffiti, vandalism to, in extreme cases, serious criminal activity including arson;
- Reduced marketability and value in neighbouring properties and the wider area, encouraging homeowners to move away from the area before their equity is eroded and thereby contributing to a spiral of decline;
- An empty property may pose a direct risk to adjoining properties through structural defects, damp etc;

- Wider multiplier effects, such as impacts on local businesses through reduced demand for their goods and services and, in areas of low demand, knock on effects on the viability of public services, such as schools.

7.8 Local authorities have clear duties to maintain and enhance the health of the housing market across all tenures. Where owners cannot be identified or are unwilling to bring a property back into use, local authorities have a range of statutory enforcement powers (outlined in section 9 of the strategy) and can provide a range of guidance and financial support.

7.9 The objectives and potential benefits to the Alliance of the proposed strategy include:

- Support aims within the Councils' Corporate Plans;
- Raise awareness of empty property issues and minimises the number of properties that become long-term empties at an early stage;
- Create accurate information in relation to empty properties;
- Identify and maximise funding and income opportunities (including New Homes Bonus) ;
- Improve housing conditions and prevent the deterioration of the buildings;
- Maximise use of existing housing stock and provide additional good quality housing to meet housing and homelessness need (reduce temporary accommodation expenditure);
- Prevent empty properties becoming the focus of anti-social behaviour, fear of crime and attracting adverse comment from the wider community;
- Provide effective advice and assistance to bring empty properties back into use;
- Good for public relations as it gives greater visible evidence of a local authority's strategic policy and promotes the authority enabling role.

7.10 A variety of funding sources can be used to return empty properties into use (outlined in section 8 of the Strategy) and following greater understanding of the current position it will be possible to develop more specific targeted actions to target individual or groups of property for delivery using identified funding models and the development of business proposals. The Implementation Plan actions contained within the proposed Strategy will:

- Enable comprehensive understanding of the current position and improve knowledge base;
- Ensure effective communication of planned actions, empty property information, advice and services;
- Facilitate targeted actions and monitoring.

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**Web Links and
Background Papers**

General background information and research to support development of the Strategy.

Location

Buxton Town Hall

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