

Empty Property Strategy

Head of Service/Contact:	Rod Brown, Head of Housing & Community
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
Annexes/Appendices (attached):	Annex 1: List of available enforcement powers Annex 2: Empty Property Strategy Flow Diagram Annex 3: Empty Property Strategy

Other available papers (not attached):

Report summary

This report recommends the adoption of an Empty Property Strategy to further encourage owners of empty properties to bring their properties back into use.

Recommendation (s)

- (1) To agree the adoption of the Empty Property Strategy as set out in Annex 3 to this report.
- (2) To approve in principle the creation of an Empty Property Fund, the details of which will be subject to a further report to this committee.

1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

1.1 Achieving the aims of this strategy by reducing the number of empty properties within the borough would contribute to the borough's key priorities: Keeping our borough clean and green and supporting our community.

1.2 Bringing long term empty properties back into use is recognised in the Council's Corporate Plan as a key success measure.

2 Background

2.1 There is a substantial lack of housing with the borough with demand far outstripping supply. This increased demand places additional pressure on the limited housing stock available, driving up purchase costs and rents

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and placing further development pressure on valuable undeveloped areas of the borough.

- 2.2 Despite this high demand for housing, indications are that there remains over 200 empty properties within the borough. The types of property that remain empty reflect all housing styles and sizes. Some of these properties have been empty for many years and in some instances for over 10 years.
- 2.3 When properties are left untended and not maintained, they can attract pests and become over-grown and unsightly as well as bring unwanted attention through anti-social behaviour and fly-tipping which can reduce the sense of community safety. This negative impact on neighbouring properties and the wider neighbourhood, increases the demands on council services such as Customer Services, Environmental Health, Planning Enforcement and Legal Services.
- 2.4 There are many reasons why property owners do not occupy, sell or rent their empty properties. There are owners who intend to develop the property before either occupying it themselves or placing it on the market and may be in the process of obtaining the necessary planning permissions. However, where properties have been empty for a number of years, it is frequently a result of a dispute, either through the death of the homeowner or divorce.
- 2.5 Some owners may have inherited an empty property and lack funds to repair, maintain or develop their properties. In some circumstances they may be cash poor yet asset rich.
- 2.6 Others may be holding their properties on a speculative basis, hoping for a continued rising market or as a relatively fluid asset which they can hold with little risk.
- 2.7 There are almost as many reasons why, despite high property prices, some owners leave their property empty as there are properties themselves.

3 Current approaches to empty properties

- 3.1 The council monitors properties, including those that may be empty, for the purpose of ensuring the appropriate collection of council tax. The information collected is the most complete set of data on empty properties available and is used to identify and monitor the overall level of empty properties and long term empty properties (over 2 years) within the borough.

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- 3.2 The council already uses measures to discourage empty properties. This includes the application of the Council Tax Premium (currently 150% of Council Tax normally due) on properties that have been empty for more than 2 years. The government has announced plans to allow councils to charge an additional premium of 200% of normal council tax due on long term empty properties.
- 3.3 Where the council receives complaints about untidy front gardens or accumulations at empty properties, visits are made and in appropriate circumstances notices are served and action taken to address the concerns.
- 3.4 In order to co-ordinate the work around empty properties, an informal officer working group, the Empty Property Group, has been established chaired by the Head of Housing and Community and closely supported by representation from Legal, Council Tax, Environmental Health, Private Sector Leasing and Housing Strategy within the council.
- 3.5 The group have targeted those empty properties which are posing the most negative impact on their neighbours or those in ownership of a public body (e.g. councils, Police, NHS Trust etc.).
- 3.6 The group has also contacted all owners of long term empty property (2+ years) alerting them to the cost of keeping properties empty and the availability of alternative solutions such as the council's Private Sector Leasing Scheme for local households on the Housing Needs Register.
- 3.7 There have been a small number of empty properties brought back into use through the group's intervention, largely through persuasion and negotiation. There has been limited use of Housing Act and other legal notices to date.
- 3.8 Although some progress has been made, often this has been frustrated by the lack of willingness from the property owner to engage or the lack of sufficient funds of the property owner to bring the property up to a habitable standard.
- 3.9 There are clear economic and social benefits in overcoming the problems of empty properties by returning the empty homes back into occupation. The proposed Empty Property Strategy is intended to focus activities on reducing the number of empty properties and raising awareness. It also sets out a range of activities which bring a corporate focus on reducing further the waste that is empty properties.

4 Proposals

- 4.1 It is proposed that the council adopts the Empty Property Strategy as set out in Annex 3 to this report. The actions used to address empty properties and the process proposed is set out in the Empty Property Flow Diagram in Annex 2 to this report.

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- 4.2 The success of this strategy will make a contribution to the continued prosperity of the borough and an increase in the supply of homes for the many households in urgent need. This strategy sets out the range of initiatives the Council has to tackle the problem of empty properties.
- 4.3 As part of the strategy, it is proposed that the council will make available an Empty Property Fund to which owners of empty property can apply for relatively modest amounts to bring their properties back into use.
- 4.4 This report seeks the approval for the intention to create an Empty Property Fund. The size and mechanism of how the fund would function will be subject to a separate report to come before this committee. This will also detail the nature of this financial assistance, including whether the fund will be available as a loan or a grant and the terms and conditions of any assistance.
- 4.5 Epsom and Ewell Borough Council is committed to bringing more empty homes back into use across the borough. The aims of the strategy would be to:
 - a) Encourage homeowners and landlords to bring unoccupied homes back into use
 - b) Remove the negative impact from empty homes in poor condition
 - c) Consider all the options available for tackling the problems and make every effort to bring the home back to a good standard and into use as a dwelling
 - d) In agreed instances, where appropriate, seek to bring back empty properties through using existing Compulsory Purchase Order (CPO) powers or enforced sale.
 - e) Develop an Empty Property Fund to assist owners of residential property to bring their empty properties back into use.

5 Financial and Manpower Implications

- 5.1 Long term empty properties (2+ years) attract a premium council tax. This currently is 150% of normal council tax but will increase to 200%. Reducing the number of long term empty properties would reduce value of council tax premium which is collected, although collection rates may improve to offset this reduction.
- 5.2 The New Homes Bonus is a grant paid by central government to local councils to reflect and incentivise housing growth in their areas. It is based on the amount of extra Council Tax revenue raised for new-build homes, conversions and includes any long-term empty homes brought back into use.

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- 5.3 Although details of the Empty Property Fund and how it will operate will be subject to a separate report to committee, it is expected that the Loan To Value (LTV) for any transaction would typically be small.
- 5.4 Introducing this strategy does not rely on the creation of any additional staff resources within the council. Working together under one strategic approach does help co-ordinate staff resources in tackling the problems associated with empty properties and minimises the risk of duplication and ineffectiveness.
- 5.5 In responding to anti-social activities or conditions related to empty properties, the Empty Property Strategy will help ensure co-ordination of enforcement activity with the Council's recently established Enforcement & Community Safety Steering Group.
- 5.6 The threat of a CPO is often sufficient to bring about engagement. The decision to take formal legal action in connection with an empty property will not be taken lightly, as this can have considerable corporate implications both financially and for resources.
- 5.7 CPOs and forced sales will have particularly heavy implications on the council and would only be considered as options of last resort when negotiations fail.
- 5.8 Importantly this strategy does not alter existing decision making arrangements for such actions which would remain unaffected.
- 5.9 ***Chief Finance Officer's comments:*** *Bringing more empty homes back into use will improve the economic environment of the Borough. The financial implications of the Empty Property Fund will be detailed in a separate, future report to this committee.*

6 Legal Implications (including implications for matters relating to equality)

- 6.1 The report's recommendation to adopt the attached Empty Property Strategy, does not have significant legal implications, as many of these powers are already available to the council.
- 6.2 The creation of an Empty Property Fund will have legal implications which will depend on the mechanism under which the fund would operate and will be subject to a separate report to this committee.
- 6.3 ***Monitoring Officer's comments:*** *The Empty Property Strategy builds upon powers already available to the council and therefore there are no legal issues arising that have not been considered in this report. The Empty Property Fund will be the subject of a separate report and the legal implications will be considered at that time.*

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7 Sustainability Policy and Community Safety Implications

- 7.1 Community safety relies on those living in their communities to feel safe and able to respond to negative factors that threaten their safety. This report sets out proposals to strengthen the Council's contribution to community safety within the borough through developing a strategic approach to responding to empty properties within the borough.

8 Partnerships

- 8.1 The Council is part of the East Surrey Community Safety Partnership which has responsibility for managing community safety. This strategy will help the council to respond to the priorities of the Partnership, including tackling anti-social behaviour.

9 Risk Assessment

- 9.1 Given the acute shortage of affordable properties within the borough and the high number of families currently living in temporary accommodation, there could be reputational risk if the council did not agree an Empty Property Strategy.
- 9.2 Taking effective formal action against owners of empty properties is reliant on adequate resources dedicated to this purpose. With many other priorities facing the council, there is a risk that the council cannot be noticeably effective against empty properties despite the strategy.
- 9.3 There is a risk that taking action on multiple properties at any one time may stretch resources and threaten other priorities of the council. In such situations, the Council will proceed at the pace that resources allow.
- 9.4 There is always a reputational risk associated with any enforcement action and taking definitive action against empty properties may risk negative reputational towards the council.

10 Conclusion and Recommendations

- 10.1 In the current housing market, where there is an acute shortage of homes within the borough and greater pressure within the borough for new housing development, it is appropriate that the council seeks to minimise the number of empty properties.
- 10.2 The proposed Empty Property Strategy set out in Annex 3 will enable the Council to focus efforts on reducing the number of empty properties within the borough and the negative impact these building can have on their communities.
- 10.3 The recommendation is to agree the adoption of the Empty Property Strategy as set out in Annex 3 to this report and to approve in principle the creation of an Empty Property Fund, the details of which will be subject to a further report to this committee.

Ward(s) affected: (All Wards);