

HOMES POLICY DEVELOPMENT GROUP

12 MARCH 2019

EMPTY HOMES PLAN 2019-22

Cabinet Member: Cllr Ray Stanley
Responsible Officer: Simon Newcombe, Group Manager for Public Health and Regulatory Services

Reason for Report: To provide members with the revised Empty Homes Plan for 2019-22.

RECOMMENDATIONS: To note the updated Empty Homes Plan

Relationship to the Corporate Plan: Dealing with empty homes links directly to the aspirations of the corporate plan. In particular, Economy - Improving and regenerating our town centres by intervening in empty homes, and ensuring that flats over shops are safe for occupation; and Homes – Facilitating the housing growth that Mid Devon needs, including affordable homes by bringing empty homes back into use as housing across all tenure types including private rented, affordable rent and home ownership.

Financial Implications: There is a capital budget in place to support private sector housing enforcement activity which includes the empty homes plan delivery. This budget is available in the current year and has been included in the financial plan for the next 3 years to implement future interventions. Capital used for enforcement or works in default to improve property conditions, can be recovered in most cases.

There is revenue income available to the Council generated from the New Homes Bonus (NHB). All properties brought back into use may qualify for the NHB and are included in our annual out-turn figures.

During 2017/18 128 empty properties were brought back into use as a direct result of interventions by the Private Sector Housing team (Public Health) under the current Empty Homes Plan. We are on track to bring a further 140 back into use during 2018/19 and the business plan for 2019/20 sets a minimum target 72, with an ambition to deliver up to 100 (see 3.5 of this report).

Members will be aware that income generation from the NHB has become tighter with the NHB only being payable once a 0.4% baseline has been reached with the dowry period falling to 5-years and reducing again in 2018/19 to a 4-year dowry. The 0.4%/4-year thresholds have been retained for 2019/20. The NHB funding is used to deliver the Empty Homes Plan and the two are therefore directly linked.

NHB calculations depend on what Council Tax band the property is in – taking an average – bringing an estimated 140 empties back into use in 2018/19 would generate around £503k over the 4-year dowry period. If a minimum of 72 properties are brought back into use in 2019/20 then the resulting dowry for these would be around £259k. Therefore, an estimated gross income of £792k for 2018-20 combined, reduced to a net figure of £655k once the plan delivery costs for this

period are taken into account (assuming the baseline is met and no change to average Council Tax value).

Bringing empty properties back into use therefore makes a positive net financial contribution to the Council's revenue budget in addition to the wider beneficial social, housing and regeneration impacts.

Legal Implications: In those cases where it is appropriate to take formal action the relevant legislation must be followed. It is important to work with other services with enforcement powers, including Development Management, to ensure a coordinated and proportionate response. All decisions and actions must take account of all relevant considerations, including any applicable human rights (property) and equalities (public sector equality duty) issues which arise.

The use of certain council tax data for the purposes of identifying empty homes and communicating with the owners in order to bring properties back into occupation is expressly permitted by paragraph 18A of Schedule 2 to the Local Government Finance Act 1992 (as inserted by the Local Government Act 2003).

Risk Assessment: The risks associated with this activity are low. If the empty homes activity was not undertaken some properties may continue to come back into use naturally but the numbers would be significantly reduced and the time frame wholly dependent on property owners.

Equality Impact Assessment: A full assessment is not necessary for this report. This activity relates to empty properties and any action taken is based on the circumstances of the property therefore there are no adverse impacts on individuals with protected characteristics.

1.0 Introduction

- 1.1 The Empty Homes Plan has been revised to reflect the progress that has been made and the learning of the team in delivering the current plan.
- 1.2 As a result of the original plan (2016-19) and the continued development of this area of work; 295 homes have been brought back into use as at 31 January 2019. This is against a combined target for the three years of 112.
- 1.3 This is great progress but it is likely that these figures will begin to slow as we begin to deal with more complex cases. The Plan has been reviewed to ensure that we continue to take positive steps using the tools and resources available.

2.0 Progress since the last plan

- 2.1 The 2016 plan suggested some potential initiatives to consider. Below is a list of the suggestions and our progress with them:

Initiative from 2016 Plan	Progress
Consider the potential opportunity to provide an in house service to sell empty homes on behalf of the owners.	This has been discounted and a partnership agreement is now in place with Clive Emson Property Auctioneers
Review the scope of rent guarantee or bond schemes, Private Sector Leasing schemes and Partnership working schemes	This is still being considered as a possibility in the future
Consider potential partnerships with local Letting Agents, Estate Agents, and auction houses.	<p>A tendering exercise was undertaken in 2017 to procure an auction partner. Clive Emson Property Auctioneers were appointed to work with us to help owners of empty homes to sell their properties at a preferential rate.</p> <p>In addition local lettings, managing and estate agents are invited to the annual Landlord Networking Event to encourage and assist local landlords to bring empty homes back into use</p>
Consider potential for lease-repair schemes and/or purchase-repair schemes	As part of the assessment of empty homes we consider if the property would be appropriate for housing purposes. Details of suitable properties are sent to the Capital Strategy and Asset Management Group for consideration.
Land assembly to create viable development sites	This is led by the Capital Strategy and Asset Management Group. Any sites identified through empty home work are sent through to this group for consideration.
Use of the Councils Grounds Maintenance service to provide garden clearance for empty home owners.	This is not in place and has been superseded. The council has expanded the loan scheme to include empty homes work and the councils DLO are being used to provide works on behalf of private clients when requested.

2.2 The table below details additional initiatives that have been developed during the course of the current plan.

Grant scheme for empty units over shops	A project to help realise the potential of empty units above commercial premises for housing has been drafted
National Empty Homes Week	Promotion of the importance of dealing empty homes, whilst taking the opportunity to publicise the work we do. We have participated in two events and will continue to support this
Landlord Networking Event	Two events have taken place bringing landlords and property investors together to network and access advice and services to assist in bringing homes back into use and improving the rental market
Loans	The Home Improvement Loan product has been expanded to include the provision of loans to landlords and those looking for additional funding to bring an empty home back onto use either for owner occupation or for rent.

3.0 Empty Homes Plan 2019-22

- 3.1 The new plan provides a clearer link to the national and local strategies relating to empty homes including how this contributes to delivering homes to meet local housing need.
- 3.2 There is more detail on how we will investigate an empty home, how we will prioritise it for intervention and how we might progress any formal action that may be necessary.
- 3.3 It also outlines the initiatives we are working on the types of enforcement we will consider in order to bring empty homes back into use.
- 3.4 The plan can be found in Annex 1 to this report.
- 3.5 A conservative target of 72 properties brought back into use in 2019/20 has been set in the business plan to reflect the likely increased regulatory and enforcement activity required as we deal with more complex cases. This is a minimum target and there is an ambition within the service to achieve up to 100 properties if possible.
- 3.6 The target for 2020/21 and 2021/22 will be reviewed towards the end of each year as part of a mid-point review of the plan and when details of any changes to NHB going forward are known.

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Circulation of the Report:

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Members of the Homes PDG

Leadership Team

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Annex 1 – Empty Homes Plan 2019-22 (attached separately)