



URN: 22-113
Subject: Empty Homes Project Update
Report to: ELT 24 August 2022
Housing & Neighbourhoods Committee 15 September 2022
Report by: Sue Bolan - Enabling & Empty Homes Officer

SUBJECT MATTER

This report is to provide Housing & Neighbourhoods Committee with an update of current empty homes work, issues and next steps.

Recommendations

That Housing & Neighbourhoods Committee:

- Note the contents of the report and the next steps.

1. INTRODUCTION

1.1 Homes empty for more than 6 months are monitored for the purposes of the Council Tax base return (CTB1). The CTB1 return made in October 2021 demonstrated a return to pre-pandemic levels of empty homes. These figures are a slight improvement to the 2019 return, the table below shows the breakdown of empty properties by time empty.

Council Tax Charge	Oct 2019	Oct 2020	Oct 2021
C – empty for 6 months or more	416	557	428
Levy – empty for 2 years or more	170	95	100
Levy 5 – empty for 5 years or more		60	33
Levy 10 – empty for 10 years or more			13
Total number of properties empty for more than 6 months	586	712	574

The focus of empty homework is on properties which have been empty for at least 12 months, as some level of empty homes is a function of the housing market.

2. CURRENT EMPTY HOME WORK

- 2.1 The Council provides a range of options to support empty homeowners to bring their homes back into use. In addition, where the property has a negative impact on adjoining residents or the area, the Council can take enforcement action utilising the Council's powers to address issues and support properties being brought back into use, up to and including the use of Compulsory Purchase Orders.

The status of all empty homes which have been empty for 6 or months is monitored. When a property has been empty for 12 months the empty homeowner receives a first letter detailing the options available to bring the property back into use (listed below at 2.2), this is followed by a second letter explaining again why they are being contacted, re-stating the options available and the option of enforcement action by the Council. The property is then assessed as to whether enforcement action is necessary, recognising that owners have a right to leave their property empty, providing it is not causing a problem.

Where a complaint is made about a property, this is followed up with the relevant department and dealt with, if properties have several areas of concern or are particularly problematic they will be referred to the Operational Property Enforcement Group.

- 2.2 The options provided to empty home owners are:

- **Purchase**

Where a property meets specific criteria, the Council can purchase empty properties, making use of Retained Right to Buy Receipts or funding for a specific project. The Council is also aware of charities and organisations looking for properties and can make introductions. Funding for this option has been limited over the past 12 months due to the Council's own development aspirations, prior to this, 7 properties have been considered through this route with 3 being purchased in the past 2 years. A further 7 properties have been introduced to external organisations.

- **Investors**

Since the introduction of GDPR, the Council is unable to send lists of empty homes to those looking to purchase and renovate properties. A register of investors was created to keep that link and option open to empty homeowner. Investor details are held for 6 months, after which they are contacted to see if they wish to remain on the register. 7 registration forms have been requested in the past 12 months with details of 4 investors being registered.

- Website

The website provides information on options to help empty homeowners bring their home back into use, providing links to any external support as well as that provided by the Council.

2.3 Where a property is causing a problem, the Council have powers to force the owner to take action or carry out works in default of a notice. Planning, Environmental Health, Building Control, Conservation, Council Tax & Housing all have various powers which are used successfully in the Borough to either encourage the owner to complete works or provide an option to carry out works in default, resulting in a charge against the property. This can then lead onto an enforced sale or compulsory purchase.

The first enforced sale (through this route) is currently progressing. Compulsory purchases have also been carried out successfully in the Borough, 1 has recently completed with a further 3 in the early stages of the process. When a residential property is sold after a CPO, a covenant is used to ensure the works are completed and the property re-occupied within a certain time period. This is monitored by the Empty Homes Officer to ensure compliance.

2.4 Following amendments to the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018, Councils were permitted to increase the premium charged to empty homeowners, Great Yarmouth implemented these changes over 3 years as shown in the table below.

Levy	Effect	Introduction
Levy	Double the council tax payable on properties empty for 2years or more	April 2019
Levy 5	Triple the council tax payable on properties empty for 5 years or more	April 2020
Levy 10	Quadruple the council tax payable on properties empty for 10 years or more	April 2021

On reviewing the data and re-establishing the status of individual properties, it was noted that some of the very long-term, well known empty properties (where the Levy 5 & 10 had been introduced) were beginning to be actioned (works beginning to be carried out or being marketed for sale).

Following further examination of the data, the introduction of the 2-year levy appears to have had an initial impact (in 2019/20) but subsequently the impact has been less significant.

Year	Properties brought back into use			Levy Introduction
	Properties empty for more than 2 years	Properties empty for more than 5 years	Properties empty for more than 10 years	
2018/19	21	5	16	No levy
2019/20	17	8	19	2-year levy Introduced
2020/21	15	8	8	5-year levy introduced
2021/22	11	7	11	10-year levy introduced

Further work is ongoing to understand the impact of the 5- and 10-year levy and whether it is encouraging owners to bring their properties back into use. It is however, noted that these levies will have increased income to the Council, with homes empty for 10 years or more paying four times the normal Council Tax bill. It should be noted that 54 properties, empty for 10 years or more, have been brought back into use over the past 4 years.

3.0 EMPTY HOME LOANS

- 3.1 The loan scheme was launched on 22nd November 2019 but unfortunately has not been successful. Despite an initial mail shot to all those empty homeowners who disclosed a financial barrier to bringing their property back into use, and continued introduction of the scheme in all options letters and direct approaches for help up to December 2021, no applications proceeded past the initial discussions.
- 3.2 Feedback from those sent the information was negative, largely related to the up-front cost of £300 to survey and create a schedule of works for the property, and the requirement for themselves to manage the work, as a result no formal applications were received and therefore no loans were issued.
- 3.3 Reflecting the lack of applications, the loan scheme was put on hold in December 2021. Work is being carried out to identify how other authorities are making this option work and discussions are being held with external organisations to understand the support they could offer.

4.0 INVEST AND LEASE SCHEME

- 4.1 An Invest and Lease Scheme provides another option to offer empty homeowners, under this scheme the Council would take a 7-year lease with an owner, renovating the property and letting it for the period of the lease. The renovation costs are recovered

through the rental income generated by the property when let.

- 4.2 Modelling of the Invest and Lease Scheme has shown that it is unviable for the Council to run. The scheme requires the Council to invest in properties and this capital investment is funded by borrowing, however, the MRP element of the borrowing means the loan cannot be repaid in the 7-year period. Even if the Council allocated capital reserves to the project it would not repay within the 7-year period. Modelling identified that even if capital receipts were used to fund the loan scheme, to fully recover the Council's investment would require a lease of 11 years which is unlikely to be of interest to empty homeowners.
- 4.4 There are external organisations which offer invest and lease schemes whereby the organisation carries out the repairs and rents the property. The Council's role would only be to introduce the empty homeowners to the option. As the organisation requires no monetary support from the Council, NP Law have advised a 'concession agreement' could be used to enter into a relationship with such a scheme provider, work is being carried out to identify if this is an option for the Council.

5.0 NEXT STEPS

- 5.1 The table below details the next steps for empty homes work. Future reports to Housing & Neighbourhoods Committee will provide an update on these actions and on the empty homes figures.

Option	Action Needed	Timescale
Empty Home Loan	Revisit the offer, review best practice elsewhere, including externally hosted, to bring forward an offer which is less resource intensive for the Council and more attractive to the empty homeowner.	2022/23
Invest & Lease Scheme	Investigate the use of external organisations, to make a recommendation to Housing Growth group before taking to Committee.	2022/23

6. FINANCIAL IMPLICATIONS

- 6.1 The approved borrowing for empty homes is currently £510,447. There has been no expenditure over the last financial year or this year to date.

7. RISK IMPLICATIONS

- 7.1 Risk implications were considered during the creation of the Empty Homes Policy.

8. LEGAL IMPLICATIONS

- 8.1 Legal implications were considered during the creation of the Empty Homes Policy and NP Law have been consulted on the agreement and all paperwork associated with the project.

9. CONCLUSION

- 9.1 Empty homes figures have returned to pre-pandemic figures. Proactive work slowed significantly during 2020 because of redeployment and other workstreams taking priority. Proactive empty homes work started again in June 2021.

The introduction of the increased levy charges has created movement on some of the well-known longer-term empty properties but does not appear to have had an overall impact on properties being brought back into use, next steps is to review earlier data to confirm trends.

Ongoing actions have been identified at section 5.0, these actions and an update on empty homes figures will be provided to Housing & Neighbourhood Committee in the future.

10. BACKGROUND DOCUMENTS

Empty Homes Policy – Housing & Neighbourhoods Committee – 6th December 2018

Use of Retained Right to Buy Receipts Policy – Housing & Neighbourhoods Committee – 4th February 2021

Area for consideration	Comment
Monitoring Officer Consultation:	ELT
Section 151 Officer Consultation:	Yes
Existing Council Policies:	Empty Homes Policy Town Centre Masterplan
Financial Implications (including VAT and tax):	Section 5
Legal Implications (including human rights):	Section 7
Risk Implications:	Section 6
Equality Issues/EQIA assessment:	No
Crime & Disorder:	No
Every Child Matters:	No