



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**

Rural and Communities Overview and Scrutiny Committee

7 October 2021

Report of: Councillor Robert Reid

Cabinet Member for Housing and
Property



Empty Homes Strategy

This report seeks to provide the Committee with information on the issue of empty homes within the District and provides a draft Empty Homes Strategy with suggested aims, options and enforcement powers to bring empty homes back into use for discussion and comment.

Report Author

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Corporate Priority:	Decision type:	Wards:
Housing that meets the needs of all residents	N/A	All Wards

Reviewed by:	Andrew Cotton, Director of Housing and Property	22 September 2021
Approved by:	Alan Robinson, Deputy Chief Executive	28 September 2021
Signed off by:	Councillor Robert Reid, Cabinet Member for Housing and Property	28 September 2021

Recommendation (s) to the decision maker (s)

That Committee:

1. Notes and discusses the content of this report and the draft strategy;
2. Provides comment and suggestion in relation to the strategic approach;
3. Recommends further work is undertaken to submit an Empty Homes Strategy for Cabinet consideration.

1 The Background to the Report

The national context

- 1.1 Empty homes continue to be on the national political agenda: the 2011 Government strategy '*Laying the Foundations, A Housing Strategy for England*' identified long term empty homes as a priority. Within the 2017 Housing White Paper '*Fixing our Broken Housing Market*', there was the commitment to improve neighbourhoods by continuing to crack down on long term empty homes.
- 1.2 The National Planning Policy Framework (NPPF) 2019 states that planning policies and decisions should promote and support the development of under-utilised land and buildings. As part of this approach, plans and decisions should support efforts to identify and bring back into use long term empty homes and other buildings, supported using compulsory purchase powers where appropriate.
- 1.3 Empty homes brought back into use can provide additional housing; empty homes can fall into disrepair and attract vandalism, anti-social behaviour and vermin. They can also affect the appearance of an area, which negatively impacts property prices.
- 1.4 The Ministry for Housing, Communities and Local Government (MHCLG) continues to support Homes England, which is responsible for, amongst many other matters, bringing long term empty homes back into use as affordable housing. The MHCLG classes problematic empty properties as those that are inactive in the housing market and have been empty for more than 6 months. Homes that have been recorded as empty for more than 6 months are classified as long-term empty by South Kesteven District Council.

The South Kesteven Context

- 1.5 On 30 June 2021, South Kesteven had 396 properties empty for between six months and two years, and 130 empty for two years or more (a total of 526 empty properties for six or more months). This is due to various reasons but, most commonly, it is because the occupant has deceased, and the property is going through probate.
- 1.6 To compare this figure with the previous year, the total number of empty properties, which have been empty for 6 or more months, as at 31 March 2020 was 609, whereas, as at 31 March 2021, it was 567 properties. This shows an improved situation with a reduction of 42 empty properties.
- 1.7 In comparison to other Lincolnshire areas for 2020, apart from North Kesteven, who have a rate of 0.84% of total dwellings as empty, South Kesteven has the lowest amount at 1.04% of total homes. The rate for South Kesteven in 2020 is below the East Midlands rate, which is 1.45% of total dwellings and similar to the England rate of 1.05%.
- 1.8 Most empty properties are privately owned. Some of the most common barriers that exist for owners of long-term empty properties that are preventing them from returning their property back into use include:
 - issues with inheritance and/or delays with probate;
 - lack of finance to carry out necessary repairs and/or refurbishment;
 - perceived problems associated with letting of properties; and/or
 - owner unwilling to bring the property back into use.

- 1.9 The Council's Private Sector Housing Enforcement Policy (2018) has a section on empty properties. This states that owners of long term (6+ months) empty residential properties are encouraged to bring them back into use through a range of informal action including guidance and advice and also that formal enforcement action may be taken.
- 1.10 South Kesteven has an unmet housing need. Although South Kesteven does not have an extensive empty homes problem, the lack of a formally adopted strategy can constrain making decisions on the best course of action to take.

The draft Empty Homes Strategy

- 1.11 The Empty Homes Strategy aims to address one of the challenges identified in the South Kesteven Housing Strategy 2020-2024: "*As well as building more homes, it is important that we maximise the use of existing homes by working with landlords to bring empty homes back into use*". It also plays a role in delivering the Corporate Plan priority: "*Housing that meets the needs of all residents*" and the Key Action: "*Bring private sector empty properties back in to use*".
- 1.12 This Empty Homes Strategy identifies how the Council will reduce the number of empty properties within South Kesteven by adopting a proactive approach in bringing them back into use. The proposed priorities for the strategy are:
- Priority 1: The Council will identify and work with owners of long-term empty properties to bring them back into use for re-occupation.
- Priority 2: Develop effective partnerships with key stakeholders to bring empty properties back into use.
- Priority 3: Improve our neighbourhoods by addressing long term empty homes that have become the focus of anti-social behaviour and neglect.
- Priority 4: Provide advice and information to help raise awareness around empty properties.

Delivery of the Strategy

- 1.13 For the implementation and delivery of the strategy, an officer from either the Council Tax; Environmental Health or Housing teams will engage with the owners of any long-term empty properties, offering informal advice and assistance. Given the current low numbers of empty homes, the lack of a dedicated Officer resource is not felt to impede any future delivery, especially given the context that the introduction of a dedicated resource would provide a financial pressure on the Council. The management team will however continue to monitor any workload pressures and ameliorate within existing resources as appropriate.
- 1.14 At the two years empty stage or from 6 months empty, if complaints are received that an empty home is causing problems, the officer will refer the matter to a proposed new Empty Property Working Group, once initial options have been explored. The working group will include officers from different departments across the Council such as Environmental Health, Council Tax and Housing. They will work jointly in identifying problematic empty properties and finding solutions to bring them back into use. The working group will meet quarterly and will determine the most appropriate way forward to bring back to use each long-term empty home. The decision might be enforcement measures such as Compulsory Purchase, Empty Dwelling Management Orders or Enforced Sales.

- 1.15 Engagement with owners of long-term empty homes and any related enforcement action can be time consuming and additional officer resources may be needed. Committee may recommend that work is undertaken to consider the cost/benefit of an Empty Homes Officer on a part-time basis or as a shared resource with another Council. If this is supported in principle, the financial impact this will have on the Council will be calculated.
- 1.16 The number of empty homes brought back into use is a corporate performance measure. Performance will be reported through the usual corporate governance arrangements. An annual report on the impact of empty properties and the successful interventions can be submitted to Committee if required.

Financial Considerations

- 1.17 In terms of incentives, the issue of grants or loans can be considered. South Kesteven District Council used to issue grants to the owners of empty homes to bring them back into use and they were felt to be not effective. The grants were originally for £3,000 and this was raised to £5,000 to create more interest. The availability of these grants was in place for 11 years but came to an end in 2018/19 due to a lack of interest. This was mainly because owners of properties can get bank loans with a low interest and the conditions in place as part of the loan (the property needing to be rented out at the Local Housing Allowance rate and to applicants on the Council housing register) were felt to be onerous. The grants were administered by Council officers but not a specific Empty Homes Officer, and they were funded through monies received from the New Homes Bonus.
- 1.18 A further option is for the Council to buy or long lease properties. However, the purchase and/or long lease of properties pepper potted across the District are unlikely to be commercially viable and difficult to manage. Billing authorities in England have the power to increase council tax in respect of dwellings which have been 'unoccupied and substantially unfurnished' for a long period of time. This is known as the 'empty homes premium'. It is for the billing authority to decide whether to levy an empty homes premium. This power is contained in the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018. The legislation made changes to the premium levels for empty properties in the following way:
- 100% premium (i.e. extra) for substantially unfurnished dwellings empty for 2-5 Years introduced from 2019/20
 - 200% premium (i.e. extra) for substantially unfurnished dwellings empty for 5-years introduced from 2020/21
 - 300% premium (i.e. extra) for substantially unfurnished dwellings empty for 10+ years introduced from 2021/22

The Council introduced these premium increases over the legislative approved period with the most increase introduced on 1 April 2021. Analysis demonstrates that the introduction of the premium has had a positive impact on the reduction of empty homes across the district. This is shown in the following table:

	100%	200%	300%	Assumption/Comment
May 2019	144			
May 2020	107	50		<ul style="list-style-type: none"> Of the 144 properties attracting 100% in May 2019, 50 moved into the next premium – meaning 94 or 65.28% came back into use within 12 months
May 2021	81	27	24	<ul style="list-style-type: none"> Of the 107 properties attracting 100% in May 2020, 27 moved into the next premium – meaning 80 or 74.77% came back in to use within 12 months Of the 50 properties attracting 200% in May 2020, only 24 moved into the next premium – meaning 26 or 52%% came back in to use within 12 months

1.19 This high-level analysis demonstrates that the premium charge is having a positive impact on reducing the number of empty properties which is in line with the Government’s objective. This reduction has been over the same period that the Council tax base has increased by 996 properties (or 2.1%) thus demonstrating that the reduction in the empty properties is proportionally greater. However, it is important the use of the premium charge is kept under review to ensure it does not create or encourage adverse behaviours from the taxpayers’ perspective.

1.20 An option that could be considered is the removal of the Council Tax premium charge for a limited period, e.g.3 months (to be considered on a case by case basis using discretion) to allow ownership to be transferred to a new owner. This would give the new owner the opportunity to get the property back on the market. Conditions and expectations for when the premium can be removed would be set out e.g. once the property is occupied. If this was intended to be introduced, we would need to:

- Include it as part of Council Tax Support scheme or budget consultation.
- Consult with Lincolnshire County Council and the Police Crime Commissioner as it will have a direct impact on their income as major preceptors.
- Have consideration for the potential loss of additional income raised through the premium.

2 Consultation and Feedback Received, Including Overview and Scrutiny

2.1 This is the first time this strategy has been brought to the Rural and Communities Overview and Scrutiny Committee for discussion.

2.2 Consultation has taken place with relevant officers across the Council Tax, Environmental Health and Housing teams.

3 Options Considered

3.1 Option 1 – continue with no adopted strategy.

3.2 Option 2 – undertake further work to:

- a) Understand the costs/benefits of the financial considerations as detailed above, including benchmarking;
- b) Consult with relevant bodies in terms of the approach; and
- c) Submit a report for Cabinet’s consideration to formally adopt an Empty Homes Strategy.

4 Preferred Option

4.1 Option 2.

5 Reasons for the Recommendation (s)

5.1 Across the Council Tax, Environmental Health and Housing teams, this is considered to be the most proactive and pragmatic approach to bringing empty homes back into use.

6 Next Steps – Communication and Implementation of the Decision

6.1 N/A as a decision is not permitted by the Overview and Scrutiny Committee.

7 Financial Implications

7.1 The financial analysis demonstrates that there has been a positive impact on reducing the number of long-term empty properties following the introduction of the empty homes premium charge from 2019/20. The introduction of the financial charge is therefore fulfilling the objective of bringing empty homes back into use. Members are reminded that the Council receives 9% (or £9) for every £100 Council tax income received.

Financial Implications reviewed by: Richard Wyles, Assistant Director of Finance and s151 Officer

8 Legal and Governance Implications

8.1 Whilst there is no requirement to hold an ‘empty homes strategy’, the Council does retain strategic housing responsibilities and this document helps towards continued delivery of its statutory duties.

8.2 The Council’s powers and duties in relation to enforcement are contained within various statutes including the Housing Act 1985, the Housing Act 2004, the Law of Property Act 1925 and the Acquisition of Land Act 1981. In cases where enforcement action is required, advice and input from Legal Services is always sought.

Legal Implications reviewed by: Mandy Braithwaite, Legal Executive

9 Equality and Safeguarding Implications

9.1 This strategy will not have any negative implications on the protected characteristics of the Equality Act, 2010. A full Equality Impact Assessment will be presented to Cabinet.

10 Risk and Mitigation

- 10.1 Risk to decreased income from the Council Tax premium charge. This will be mitigated via a cap on the length of time the premium charge can be removed. If this results in a property being brought back into use, this will reduce the amount of long-term empty properties used to calculate the reduction in the New Homes Bonus paid.

11 Community Safety Implications

- 11.1 There will be positive community safety implications because empty properties brought back into use will reduce likely associated anti-social behaviour and vandalism at or near the properties.

12 How will the recommendations support South Kesteven District Council's declaration of a climate emergency?

- 12.1 Carbon neutral – no identified issues found.

13 Other Implications (where significant)

- 13.1 None identified.

14 Background Papers

- 14.1 None

15 Appendices

- 15.1 Appendix 1 – draft Empty Homes Strategy.