



Empty Homes Update

For consideration by: Housing Scrutiny Commission

Date: 29 November 2021

Lead Director: Chris Burgin

Useful information

- Ward(s) affected: Citywide
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- Report version number: V.1

1. Purpose of report

To update members of the Housing Scrutiny commission on the work that the Empty Homes Team are doing to bring long term private sector homes back into use.

General overview:

The Empty Homes Team are a small specialist team that consist of 1 Team Leader, 4 Empty Homes Officers and 2 admin support post.

At the start of the pandemic the service was temporarily closed to enable the council to concentrate on its response to the pandemic but as soon as it was deemed safe the team re started their work albeit with the appropriate precautions in place. The impact of this was that the team's active caseload increased to 394 but by the end of the financial year it had reduced to 359, and the trajectory is now downwards.

The team's focus is to bring long term private sector residential properties back into use that have been empty for in excess of 18 months. 18 months was chosen as it was felt that this gives the owners adequate time to have done this themselves, for example a sale of house should be completed in this time or any issues with probate etc resolved. so, if it's been empty for longer than 18 month we intervene.

We get most of our information from our colleagues in council tax, they send us the details of all the homes that are listed as empty for 18 months. We also get referrals from members of the public, mainly the neighbours of empty homes who are suffering as a result and have turned to the council for help.

Once we receive the information we physically go out to the property to check that the information is correct and that the property is actually empty, if it is we add it to the caseload and if it isn't we class it as miss information and let council tax know that their records are wrong and help them correct them. We do this so that we are sure the figures we report are a true and accurate representation of the work the team does.

This is when we start work on the 20-stage process to bring the property back into use. Fortunately, a lot of homeowners work with us and we are able to bring many homes back into use by helping and assisting (more information below) but sometimes this isn't possible. In these cases, we have to follow the process to the end which can ultimately lead to us compulsory purchasing (CPO) the property. Whist we try to avoid this if we cannot reach an agreement, we will use CPO powers.

Rightly the CPO process is very thorough and takes time, we have to make sure everything is carried out correctly and that there is no cause for recompense from the owners, getting this wrong could cause reputational damage to the council.

We report on empty properties that have been empty for 18 months, 5 years and 10 years.

2. Supporting evidence

- Continue to maximise our efforts to reduce the total number of private sector properties empty over 18 months 5 and 10 years.
- Where we are unable to negotiate terms for the purchase of properties by agreement or are unable to locate owners, we will continue to use Compulsory Purchase Powers (CPO) to bring long term empty properties back into use.

Team Structure

See Appendix A – flow chart

2.1 Working Smarter

Empty homes officers are all highly experienced with good skills and local knowledge which is shared within the team. We are flexible and negotiate with owners on a wide range of individual and varied property situations, no matter what each empty property presents. We are committed to continually working with each owner to ensure properties are returned into occupation.

This involves:

- contacting all owners at an early stage.
- providing advice & support and information about their options.
- further information is available on the empty homes' website at: <https://www.leicester.gov.uk/your-community/housing/privately-owned-empty-homes/>
- owners can also complete the on-line statement of intentions e-form.
- agreeing Undertakings with timescales to bring properties back into occupation.
- practical assistance through leasing schemes.

2.2 Leasing options include:

- HomeCome/lease
- LeicesterLet or
- Renting through private agents

2.3 Over 5 Years Empty Letter

Once a property has been empty for 5 years and the owners have not acted on any of our previous help and advice we give them formal notice that if the property remains empty in a further 6 months we will seek Executive approval to take CPO action. This measure has proved successful in reducing the over 5-year empties currently down to 39. Many of these properties have works in progress, an owner in care or the property is at Probate. All our cases are continually monitored for change of circumstance or moved to the next stage on an ongoing basis as set out in the Empty Homes procedure.

2.4 Over 10 Year Empty Letter

Many of our properties empty over 10 years change owners' multiple times. Every time there is a new owner the process must start again at stage 1. This is because the CPO is against the owner not the property. Most owners are sent our "10-Year Empty Letter" (like the 5-year empty letter) giving them 6 months to improve and occupy these properties. This is an ongoing process. We have also had great success in reducing the number of over 10-year empties, currently at 10.

See Appendix E

2.5 Total Over 5 Year & 10 Year Empties from Apr 2020 to Mar 21:

The target for reducing total over 5-year empties is set at 45. Within the last year we have managed to reduce total 5-year empties from 47 down to 39 properties.

The 10-year total empties were 9 and is now 10.

This progress has only been achieved with continual concerted effort from the team.

See Appendices B, C & D tables 2-9.

2.6 CPOs Approved by the Executive:

During the last year the Executive have approved 1 CPO.

As at 31st March 2021 a total of 121 cases have been approved for Compulsory Purchase Orders to date. See Appendix F

2.7 CPO Forum:

Bi-monthly forums are held with Legal Services and Estates and Building Services to review and progress compulsory purchase cases and those undergoing negotiated purchase and sale at auction. The empty homes team also receives advice on CPO cases with complex or individual issues. The forum has proved to be invaluable for joined up thinking, deciding ways forward for complex cases and for sharing information.

2.8 Cases currently with Legal Services:

There is a total of 5 properties with Legal Services at various stages of compulsory purchase.

2.9 CPO Compensation as at 31/03/21:

Compensation has not yet been settled for 1 owner and is still outstanding.

2.10 Negotiated Purchase:

There were no negotiated purchases completed during the year.

Valuations for negotiated purchases by the council tend to be lower than the purchase price paid. Generally, when the property is sold at auction the council does not lose money.

2.11 Council Tax Data Source:

The Council Tax database is our prime data source for newly vacant properties.

Each month more houses become vacant whilst some are brought back into use. We identify those unsuitable for residential use (non-priority housing), misreported (misinformation - MI) or second homes (2nd homes).

2.12 Data Analysis (Empty Homes)

Data analysis is carried out on a monthly and quarterly basis for misinformation (MI), second homes (2nd Homes) and non-priority housing (NPH). If the original reason is no longer valid and properties have become empty again, these are added back onto our caseload. This exercise ensures the quality of data held by the empty homes team is as accurate as possible with only genuinely empty properties being added to our active caseload.

2.13 Council Tax Liability:

From April 2019 councils have new powers to increase council tax premiums on homes left empty over 2 years. In November 2018 the Council approved the following increases to take effect from April 2020:

FROM	EMPTY DURATION	PREMIUM
April 2019	Empty over 2 years	200%
April 2020	Empty over 5 years	300%
April 2021	Empty over 10 years	400%

2.14 Keeping Council Tax Informed

Following site visits the empty homes officers provide evidence confirming whether properties are found to be empty or occupied. This enables Council Tax to update their records. Our contribution ensures the information held on the

Council Tax database is up-to-date, accurate and meets General Data Protection Regulation (GDPR).

2.15 Council Tax Charging Orders

Council Tax now have a system in place to recover council tax arrears by using Enforced Sale or a Bankruptcy Orders. Empty Homes liaise closely with Council Tax, so once an empty property reaches the stage where we are considering CPO, if there are council tax arrears, a management decision will be made on who is best to pursue the case.

2.16 Second Homes (2nd Homes):

Second Homes are outside of the Empty Homes strategy and our remit for the following reasons:

A second home is considered to be “in use” as a 2nd home so there is no need for legislation to bring it into use as it is not “empty”. There is also no need to exclude or include it from Local Authority powers and legislation because taking action is not relevant.

Local Authorities have powers around the amount of Council Tax charged and the normal powers that apply to the condition of “in use” housing such as dangerous structures, overgrown gardens etc but there are no powers to intervene with “use” as a second home as mentioned before. The legislation around abandonment would not apply either unless there were clear or stated evidence of abandonment should owners walk away from any interest in their property.

Nationally and locally there is an ongoing concern that second homes often mask genuinely empty properties.

Council tax regulations split unoccupied properties into:

- “vacant” (unoccupied and unfurnished) and
- unoccupied and furnished (including second homes)

2.17 Council Tax’s Definition of Second Homes:

- Furnished property that is no-one’s main residence because they live elsewhere.
- Furnished and unfurnished homes ie a property is substantially unfurnished or furnished with a bed, chair furniture in situ like a holiday home.

If a property is classed as a second home on Council Tax and presents as boarded-up, inaccessible, overgrown gardens with numerous complaints, such properties are the cause of much frustration to all concerned as they can bear all the hallmarks of an empty property but will be outside our remit once Council Tax have classified them as furnished and no-one’s main home. Even if they are problematic Empty Homes Team cannot add them to our caseload.

3. Details of Scrutiny

This report is seeking The Housing Scrutiny Commissions comments and recommendations on the work of the team and the progress made over the last 12 months to bring long term empty private sector properties back into use.

4. Financial, legal and other implications

4.1 Financial implications

By bringing properties back into use, the Council benefits financially through increased collection of Council Tax and additional income through the New Homes Bonus.

Stuart McAvoy – Principal Accountant (37 4004)

4.2 Legal implications

The Council is entitled to acquire land and property for the purpose of providing housing in accordance with Sections 9 and 17 of the Housing Act 1985 (as amended). This includes acquisition by or if considered appropriate by the use of compulsory purchase powers. As explained in this Report the Council will need to ensure that any acquisition or other action (including use of Compulsory Purchase powers) is in accordance with the Council's adopted Empty Homes Strategy and is compliance with both the legal basis and criteria for compulsory purchase (including published guidance), namely the Guidance of Compulsory Purchase issued by the Department for Communities, Local Government and Housing). In contemplating action to acquire by way of a CPO the Council must ensure that it is able to demonstrate a compelling case in the public interest to acquire the property in accordance with the guidance, and to also ensure that it has the necessary resources (including financial resources) to proceed with a compulsory purchase.

John McIvor, Principal Lawyer, ext. 37-1409

4.3 Climate change and carbon reduction implications

Homes are responsible for a third of Leicester's carbon emissions and tackling these emissions is a vital following the council's declaration of a climate emergency in 2019 and it's ambition to reach carbon neutrality. Where refurbishment work is carried out to bring empty properties back into use, this may provide opportunities to improve their energy efficiency and reduce their carbon emissions. For example this could include fitting insulation, draught proofing, low energy lighting and new heating systems, including low carbon options such as heat pumps. By reducing the need for new housing to be built, the service also helps to reduce the carbon emissions from the building of new homes, including the 'embodied' emissions of construction materials.

Aidan Davis, Sustainability, Officer, Ext 37 2284

4.4 Equalities implications

In carrying out its duties the Council must comply with the Public Sector Equality Duty (PSED) (Equality Act 2010) by paying due regard, when carrying out their functions, to the need to eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act, to advance equality of opportunity and foster good relations between people who share a 'protected

characteristic' and those who do not. In doing so, the council must consider the possible impact on those who are likely to be affected by the recommendation and their protected characteristics.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

There are no direct equality implications arising from the report as it is to provide an update. However, it is important to remember that bringing empty homes back into use can help to meet demand for affordable housing in the city and potentially households on the housing register and provide housing for people in need of a home. Empty homes brought back into use can help to meet the diverse housing needs of all sections of our communities

The benefits of returning an empty home into use can impact on the wider community, homes that are lived in help to support safer communities.

The impacts of returning empty homes into use would be positive on people from across all protected characteristics.

Surinder Singh Equalities Officer 37 4148

5. Background information and other papers:

Department for Communities & Local Government website

LCC Empty Homes Team e-files

LCC Citywide Empty Homes strategy

6. Summary of appendices:

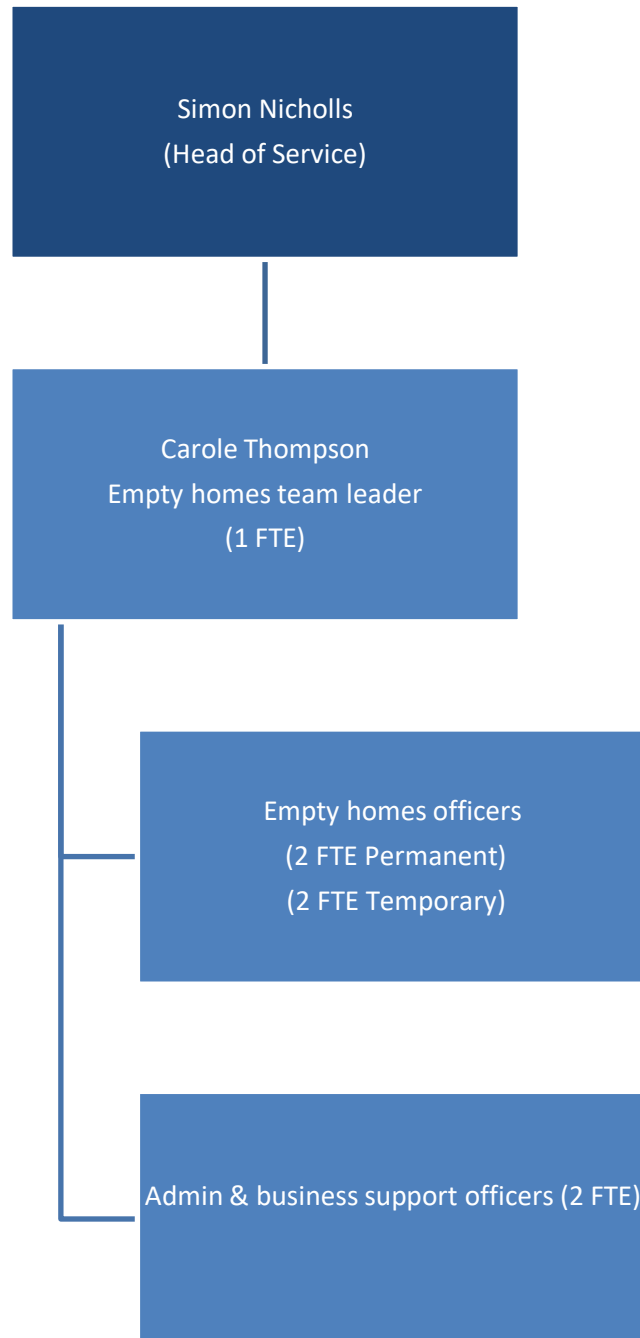
Appendix A	Empty homes team structure as at 31.03.21
Appendix B	Analysis of total empties showing current trend
Appendix C	Analysis of average totals showing current trend
Appendix D	Quarterly comparison of total vacant as at 31.03.21
Appendix E	Yearly comparison of vacant properties from 2017 to 2021
Appendix F	Outcome of CPOs annual progress

7. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)? No

8. Is this a “key decision”? No

Appendix A

EMPTY HOMES TEAM STRUCTURE CHART AS AT 31.03.21



Appendix B

Analysis of Empty Properties showing trend from 31.03.18 to 31.03.21

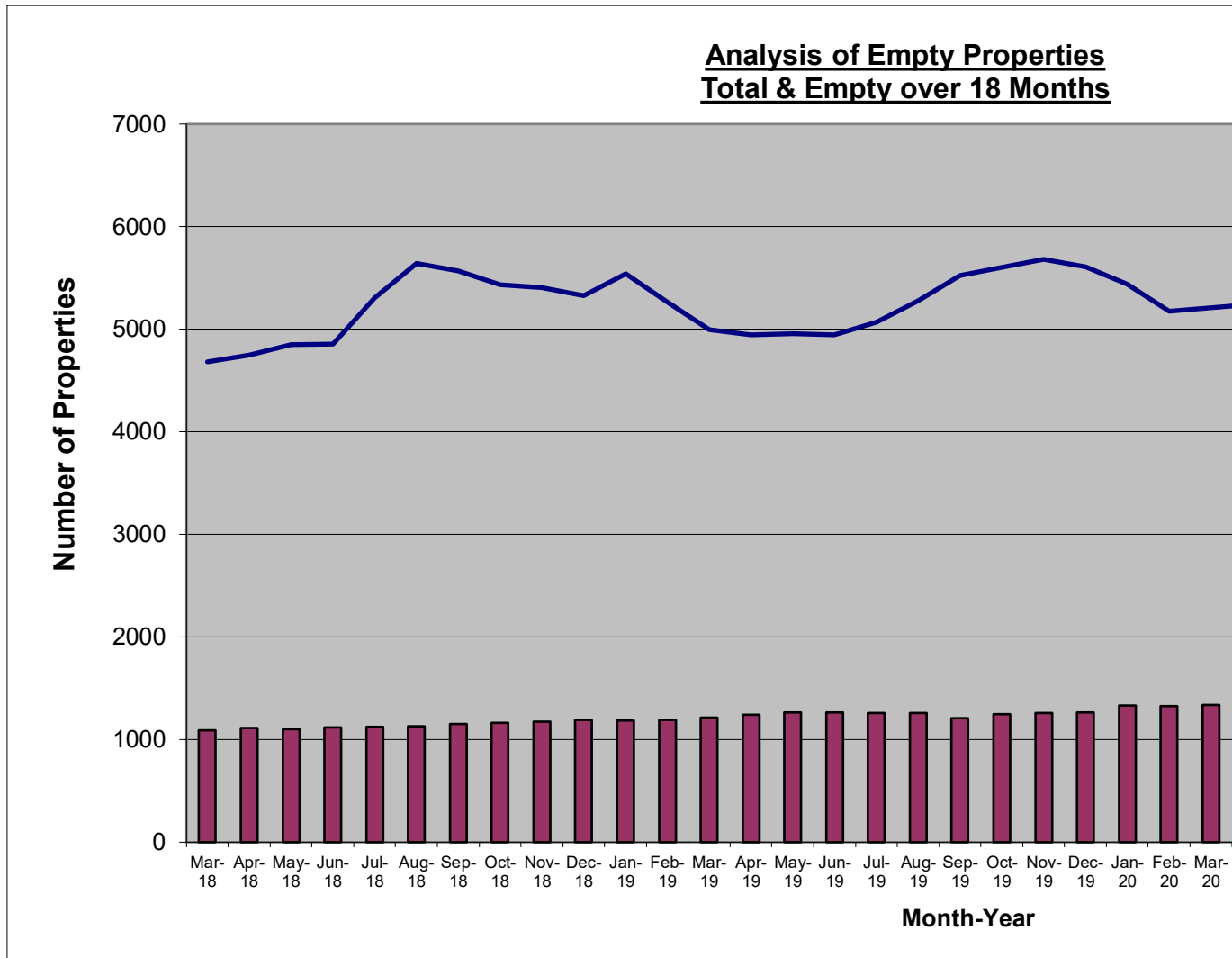


Table 2

Appendix C

Analysis of Empty Properties showing what is happening

2017-2018

Average Total Empty (up by 179)	4606
Average vacant over 18 months – up 23	1130

2018-2019

Average Total Empty (up by 596)	5202
Average vacant over 18 months (up by 20)	1150

2019-2020

Average Total Empty (up by 62)	5264
Average vacant over 18 months (up by 116)	1266

2020-2021

Average Total Empty (up by 295)	5559
Average vacant over 18 months (up by 175)	1441

The increase in total number of empty properties may be due to uncertainty in the housing market due to Brexit and COVID19.

Appendix D

	QUARTERLY COMPARISON OF TOTAL VACANTS AS AT 31/03/21						
Description	Baseline as at 31.03.20	Q.1 as at 30.06.20	Q.2 as at 30.09.20	Q.3 as at 31.12.20	Q.4 as at 31.03.21	Trend since last Quarter	Cumulative Trend
Active Caseload	307	307	248	306	328	Up by 22	Up by 21
Total Vacant over 18 Months	330	394	385	344	359	Up by 15	Up by 29
Sub Total Vacant over 5 Years	47	53	56	46	39	Down by 7	Down by 8
Sub Total Vacant over 10 Years	9	10	11	10	10	Unchanged	Up by 1

Baseline Comparison

Workstream Empty	31/03/17 Baseline	31/03/18	31/03/19	31/12/19	31/03/20	31/03/21	2017-21 %
18 Months	345	292	319	313	330	359	4%
5 Years	66	52	50	53	47	39	-41%
10 Years	15	7	7	8	9	10	-33%

Appendix E

Comparison of Vacant Properties From 2017-2021 for Stage 0s, 18 Months, 5 and 10 Years

Quarterly	JUN 17	SEP 17	DEC 17	MAR 18	JUN 18	SEP 18	DEC 18	MAR 19	JUN 19	Sep 19	Dec 19	Mar 20	JUN 20	SEP 20	DEC 20	MAR 21
Total Vacant over 18 months	354	348	338	292	313	307	329	319	324	314	313	330	394	385	344	359
Stage 0 only – Number where contact yet to be made with owner.	56	56	48	4	24	21	31	32	26	17	14	23	87	137	38	31
Number vacant over 10 years	16	13	12	7	6	6	8	7	7	8	8	9	10	11	10	10
Number vacant over 5 years (including those over 10 years).	64	58	56	52	50	51	54	50	54	51	53	47	53	56	46	39
Cumulative total brought back into use by City Council action since April 2017	42	91	144	213	255	310	360	418	460	519	563	599	599	655	723	764
Number of CPO's Approved by Executive	0	1	1	0	1	0	2	0	2	1	0	0	0	0	0	1

* Note: The majority of Stage 0 properties have had scheme referral letters so first contact has been made

Appendix F

ANNUAL PROGRESS REPORT

Outcome of all CPOs agreed by Executive as at 31.03.20

	Pre-April 2020	Apr – June 2020	July – Sept 2020	Oct – Dec 2020	Jan – Mar 2021	Total
Total Number of CPOs agreed by the Executive.	120				1	121
Withdrawn before Public Inquiry ie Occupied	56	1			1	58
Withdrawn before Public Inquiry ie Restarted, Misinformation, 2 nd Hm	20					20
Public Inquiry held - Order Confirmed by DCLG/LCC	8					8
Public Inquiry held - Order Not Confirmed by DCLG/LCC	3					3
Written Representation - Order Confirmed by DCLG/LCC	6					6
Written Representation - Order Not Confirmed by DCLG/LCC	4					4
Non contested CPO's Confirmed by DCLG/LCC	13					13
Non contested CPO's Not confirmed by DCLG/LCC						