

Housing Scrutiny Commission

Empty Homes Update

Housing Scrutiny Commission :

Date: 30th October 2023

Assistant Mayor for Housing: Councillor Elly Cutkelvin

Lead director: Chris Burgin

Useful information

- Ward(s) affected: City Wide
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- Report version number: V.6

1. Purpose of report

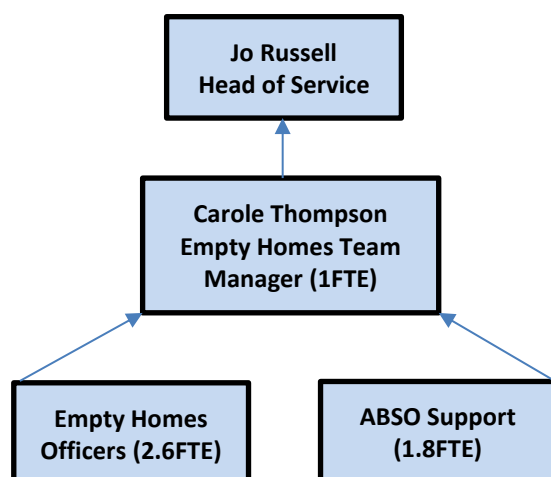
- 1.1 To update members of the Housing Scrutiny commission on the work that the Empty Homes Team are doing to bring long term private sector homes back into use.

2. Background

2.1 The purpose of the Empty Homes Team is to reduce the total number of private sector properties empty for over 18 months to prevent them becoming empty for the long term. This team brings empty properties back into use focussing on collaborating with Landlords and owners to bring family size properties back to a decent standard so that people can have access to decent homes in which to live.

2.2 Where the team are unable to obtain commitment from owners to bring properties back into use, they will negotiate terms for the purchase of properties by agreement or when unable to locate owners, we will continue to use Compulsory Purchase Powers (CPO) to bring long term empty properties back into use.

2.3 Team Structure:



2.4 Working Smarter

2.5 Empty homes officers are all experienced with good skills and local knowledge. They are flexible able to negotiate with owners on a wide range of situations, no matter what each empty property presents. The team are committed to continually working with each owner to ensure properties are returned into occupation.

2.6 The process of bringing a property back into use:

Informal stage:

- a. Contacting all owners at an early stage, giving first notification of the Empty Homes strategy, and opening dialogue enquiring of their plans to bring properties back into use.
- b. 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/>)
- c. Sending standard letters to all properties that have been vacant for 18 months, 5 years and 10 years which become incrementally more formal making the consequences of inaction clear including the potential use of a CPO.
- d. The offer of practical assistance to use leasing schemes such as renting through private agents, HomeCome or LeicesterLet.
- e. The regular contact with Empty Homes Officers is a key part of managing owners be that by letter, phone, or face to face so that we are actively supporting and encouraging them to bring their properties back into use.

Formal Stage:

- f. Requesting owners complete an on-line statement of intentions e-form and agreeing Undertakings with timescales to bring properties back into occupation. Once a plan of action with timescales is agreed, each case is regularly reviewed and if no reasonable progress is made it will progress to the legal stage of the process for consideration of a Compulsory Purchase Order (CPO).

Legal stage

- g. Formal consideration of a Compulsory Purchase Order and a report is prepared for the Executive for approval.
- h. For those 11.7% of cases proceeding to CPO, usually involving complex cases, for example a dispute with a building contractor, a planning appeal or sibling dispute we work closely with Building Control, Planning or the owner's solicitor, therefore a lengthy legal process is inevitable and necessary as these cases will only be resolved with council intervention.

2.7 The success of the Empty Homes process

2.8 The Empty Homes process, when broken down, has a number of stages. We focus on early intervention which is hugely successful and therefore only 11.7% of cases end up with legal action. See 2.9 table below.

2.9 Analysis of Properties at each Stage as at 31/03/23 and those brought back into use.

Per Month	Total	Stage 1-3 Successfully brought back into use	Stage 1-3 (%)	Stage 4-21 Successfully brought back into use	Stage 4-21 (%)
April 2022	10	10	100.0	-	0.0
May 2022	29	24	82.8	5	17.2
June 2022	11	10	90.9	1	9.1
July 2022	15	13	86.7	2	13.3
August 2022	11	11	100.0	-	0.0
September 2022	11	9	81.8	2	18.2
October 2022	20	19	95.0	1	5.0
November 2022	13	13	100.0	-	0.0
December 2022	17	13	76.5	4	23.5
January 2023	20	19	95.0	1	5.0
February 2023	20	16	80.0	4	20.0
March 2023	20	17	85.0	3	15.0
Year to Date: Apr 2022 to Mar 2023	197	174	88.3%	23	11.7%

2.10 Most cases are brought back into use by sending letters, actively monitoring, and evaluating progress, conducting regular visits, and consulting with owners. Our experience has shown that face to face contact with owners is essential and allows the team to collaborate with the owners to get the property back into use.

2.11 Number of properties brought back into use for financial year 22/23

The Empty Homes Team brought **197** properties back in to use in 22/23 using their incremental approach.

2.12 Workflow in the team/numbers of empty properties for financial year 22/23:

The total active caseload in the Empty Homes Team has increased slightly due to new properties becoming empty. It was **368 in 2022** and by March 2023 had increased by **61 to 424**. We believe the increase is linked to COVID and the ability of owners to carry out works during this time. For example, we heard from owners that due to COVID restrictions they were unable to travel to Leicester from other cities to carry out works, they were classed as vulnerable and having to self-isolate or they were unable to source contactors during the pandemic. We also traditionally see an increase in empty properties when there is an issue with cost of living as people do not have funds available to undertake works.

2.13 Workflow Comparison from 2018-23:

Time empty	2018 baseline	2019 End of FY	2020 End of FY	2021 End of FY	2022 End of FY	2023 End of FY	Baseline Difference
18 months	292	319	330	359	368	424	+132 (45%)
5 years	52	50	47	39	41	42	-10 (-19%)
10 years	7	7	9	10	11	12	+5 (71%)

2.14 Summary of CPOs Agreed by the Executive as at 31/03/23.

During the last year we did not need to send any CPOs for approval of Executive.

Description	Apr 2011 to Mar '22	Q.1 '22	Q.2 '22	Q.3 '22	Q.4 '23	Sub Total
CPOs with Legal Services	-					2
CPOs Withdrawn before Public Inquiry as ceased to be empty	60	1			1	62
CPOs Withdrawn before Public Inquiry as status changed*	22				2	24
Public Inquiry Held CPO Confirmed	8					8
Public Inquiry Held CPO Not Confirmed	3					3
Written Representation CPO Confirmed	6					6
Written Representation CPO Not Confirmed	4					4
Non-Contested CPO's Confirmed	13				1	14
Non-Contested CPO's Not Confirmed	-					-
Total CPOs agreed by the Executive.	116					123

Note: *Status changed due to restart, misinformation, non-priority housing or second home

2.15 The team consider it is a successful outcome to have no CPO applications as this is a mark of the success of their intervention programme and this legal remedy should always be one of last resort.

2.16 **CPO Forum:** Bi-monthly forums are held with Legal Services and Estates and Building Services (EBS) 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 is good practice and has proved to be invaluable for joined up thinking, deciding ways forward for complex cases and for sharing information.

2.17 Payment to the property owner (CPO Compensation):

2.18 When the Council uses a CPO to purchase a property, we then quickly sell it at auction on terms that the purchaser renovates and brings the property back into use within two years. If payment to the property owner has failed, the Court then

holds the purchase funds from the sale. The owner then has 6 years to claim the funds from the sale of the property from the Court.

2.19 Negotiated Purchases:

2.20 Negotiated purchase can be instigated by owners or by the Council equally. The Council negotiate with interested owners to purchase their long vacant properties rather than using CPOs. This can be a quicker and cost-effective way of finding a resolution. The process has strict criteria which must not place the Council at unreasonable financial risk.

2.21 There were no negotiated purchases completed during the financial year 2022/23.

2.22 Empty Homes Team Data:

2.23 The Council Tax database is the prime data source for newly empty properties and is used to locate empty properties that meet our criteria that we can target to bring back into use. Each month more houses become vacant whilst some are brought back into use.

2.24 **Data Analysis:** The data is filtered and analysed monthly which ensures the quality of data held by the empty homes team is as accurate as possible with only genuinely empty properties being added to the active caseload.

2.25 Corporate working - Council Tax:

2.26 The Empty Homes Team collaborate closely with the Council Tax teams on our shared goals. Empty Homes Officers share information on whether properties are found to be empty or occupied. This enables Council Tax to update their records.

2.27 From April 2019, homes empty for more than two years are charged 200% council tax of occupied homes to encourage that they are brought back into use.

2.28 From April 2020, homes empty for more than five years are charged 300% council tax of occupied homes.

2.29 From April 2021, homes empty for more than 10 years are charged four times the council tax of occupied homes.

2.30 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 consult 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.

2.32 Empty Homes snapshot as at 31/03/23.

General Empty Homes (Have been empty from 1 day to 17 months. These are properties that we do not intervene on due to being outside our remit)	2,681
Empty Homes Team active cases/properties (Family sized homes empty for 18 months or more)	424
Empty properties not on the team active case load (Small properties/properties within commercial units/commercial units)	397
Second Homes (Cannot legally be tackled using CPO because they currently fall outside our remit)	1,398
Total empty homes in Leicester City	4,900

2.33 The number of second homes in the city is notable, but they cannot be progressed by the Empty Homes Team because:

- a. If a property is defined as a second home under Council Tax legislation, then it is not considered legally “empty” and so the team are unable to use their Legal powers.
- b. Local Authorities have other 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.
- c. Nationally and locally, there is an ongoing concern that second homes often mask genuinely empty properties.
- d. Council tax regulations split unoccupied properties into:
 - i. “vacant” (unoccupied and unfurnished) and
 - ii. unoccupied and furnished (including second homes)

2.34 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 can be the cause of much frustration to all concerned. They can bear all the hallmarks of an empty property but if classified as a second home by Council Tax the Empty Homes team are unable to proceed but as you can see from the above, we have regular dialogue to ensure we are tackling any issues in a joined-up way.

2.35 **Legal position on Second Homes:** This position has been challenged at Public Inquiry without success and the Secretary of State and Department for Levelling Up (DLUHC) have confirmed this remains the case.

2.36 The Empty Homes Team are scheduled to review this position in partnership with the Council Tax shortly and will look to introduce a Complex Property Management Meeting (CPMM) to look at the nuisance that these properties cause holistically.

2.37 **The Housing Crisis:**

The Empty Homes team are key to supporting the declared Housing Crisis by bringing Empty Homes back in to use and focussing their efforts of family sized accommodation. The work of the team not only brings properties back into use, but where compensation under the CPO legislation is not claimed, these funds are returned to the General Fund to support Council services.

2.38 The Empty Homes Team have reviewed their criteria to consider introducing properties under two bedrooms or those within commercial premises into their portfolio. At this time, given the properties most in demand in the City are for family sized accommodation the review concluded that family sized properties should continue to be the priority of the team.

2.39 Publicity – The Empty Homes Team Manager took part in an East Midlands Today report on the Housing Crisis in January 2023 which highlighted some of the key work of the team to those within the East Midlands. This was well received by the public.

3. Details of Scrutiny

Report prepared for Housing Scrutiny Commission.

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.

Richard Hawkins, Capital Accountant, Ext 37 1791

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 using 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.

Zoe Iliffe, Principal Lawyer, Ext 37 2180

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 its 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 towards meeting the demand for affordable housing in the city and potentially households on the housing register and provide a suitable and safe home for a local

individual or family 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. Empty homes cannot solve housing supply issues alone, but they can be part of a holistic solution to provide local affordable housing and to regenerate communities. Homes become empty for a number of reasons. A home that is left empty may cause problems if it is left unattended and not secure. It can attract vandalism, tipping of rubbish, fly posting and anti-social behaviour, and soon become an eyesore. 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. It is important that communications around CPO are accessible.

Surinder Singh Equalities Officer 37 4148

5. Background information and other papers:

LCC Citywide Empty Homes strategy

Council Tax statistics

Empty Homes statistics

6. Summary of appendices: N/A

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