

# Housing Scrutiny Commission

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## **Empty Homes Update**

Assistant Mayor for Housing: Councillor Andy Connelly

Date: 26<sup>th</sup>. November 2018

Lead director: Chris Burgin

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## Useful information

- Ward(s) affected: potentially all
- Report author: Simon Nicholls/Carole Thompson
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- Report version number: V.2

### 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.

### 2. Supporting evidence

#### How do we monitor long term empty homes and how many are there at the moment?

The Empty Homes strategy was agreed by the Executive

The Empty Homes strategy comes into effect once a property has been empty for 18 months. A list of potentially empty properties is supplied by Council Tax team. On receipt of this list the team visits properties to confirm whether they are empty, if not then the Council Tax team is informed, if so they are added to the caseload.

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

The table below shows the number of properties empty now compared to the same time last year:

	June 2017				October 2018			
	C/Tax Total	EHT Total	*EHT Active	EHT Stage 0	C/Tax Total	EHT Total	*EHT Active	EHT Stage 0
18 months	1136	354	298	56	1163	348	286	62
5 years	386	64	63	1	419	52	52	0
10 years	171	16	16	0	173	6	6	0

#### Note: (EHT Active Caseload)

\*Difference between CTax total and EHT total is the exclusion of 2<sup>nd</sup> homes, NPH and misinformation properties

Key: Empty Homes Team (EHT), Non-priority housing (NPH), Council Tax (CTax)

#### What do we do to bring empty homes back into use?

- We contact all owners, where possible, at an early stage;
- We provide advice and support and give them options they may want to follow;

- We offer an online portal, so they can keep in touch with us, advising us of progress;
- We can offer practical assistance through leasing schemes such as HomeComeLease, LeicesterLet;
- If they intend to improve the property, provide the Housing Divisions List of Builders if requested;
- If the property is undergoing renovation and refurbishment work to reduce VAT from 20% to 5% we provide certification that the property has been empty over 2 years, if requested;
- Negotiate reasonable timescales and enter into Undertakings with owners who decide to carry out renovation/refurbishment works prior to moving in themselves, letting to tenants or selling.

**Keeping Council Tax Informed:** After we have received the monthly list of properties that have been empty for 18 months from the Council Tax team we verify this information. If we establish that the property is occupied we tell the Council Tax team so they can pursue any outstanding monies with the occupiers, if the property is confirmed as empty it is added to the caseload. If a property remains empty by the time it reaches Stage 5, when costings are requested, and the property is valued, we advise the Council Tax team so they can raise a charging order to recover any outstanding council tax arrears.

**New Homes Bonus:** Even though the Secretary of State for Communities announced in December 2016 that the time that you can claim new homes bonus for had reduced from 6 to 5 years for 2017-18 and to 4 years from 2018-19 it is still a significant amount of money and income for the council.

**Compulsory Purchase of Empty Properties:** As a last resort the Empty Homes strategy allows us to Compulsory Purchase (CPO) where owners are non-compliant, and properties remain unimproved and unoccupied. In October 2018 we currently have 9 properties will Legal Services that are in process of CPO including 4 on "Hold" because owners have made progress to bring their property back into occupation, so we are actively working with them. It must be stressed that CPO is always used as a last resort.

These cases tend to be complex, often dealing with absent owners, owners that may be terminally ill, in residential care or there is an ongoing legal dispute. We work closely with Legal Services and host bi quarterly forums with Legal and Property Services to ensure we share information and the cases are progressed.

We have encountered an issue with some properties where a local company is seeking to claim ownership and title to properties subject to CPO action, putting up notices at several of the empty properties approved by the Executive where the decision is in the public domain. The Empty Homes Team – with the support of Legal Services – are investigating these and the legal basis of these claims. We are continuing to proceed with the Compulsory Purchase process in all cases unless evidence relating to a change in ownership or title to a particular case is provided.

**Negotiated Purchase:** If a property has been empty in excess of 5 years and the owner has engaged with us we will consider purchasing the property from them. We then sell the property at auction on the open market. The buyer has to enter into an Undertaking to bring the property back into use within 2 years of purchase. We are considering this option for 3 properties currently.

**10-Year Empty Letter:** We often get asked why we have properties empty over 10 years. One of the main reasons is because owners change and when this happens the process must start again. This is because the CPO is against the owner not the property.

We have taken a more robust stance since November 2015 and this has proved very successful and has contributed to the ongoing reduction in the 10-year empty figures which was 24 then and is now down to 6.

**Data Analysis:** We want our information to be correct and meaningful so we analyse our data on a monthly basis, for example some properties maybe classed as second homes/non-priority and misinformation initially but this can change and if it does it is added back to the caseload.

**Bid to the Transformation Fund:** We submitted a bid to the transformation fund with the intention of increasing the number of empty homes officers and funding additional legal support to help with the CPO process. This has proved to be a huge success and has contributed significantly to the success of the team.

**Flood risk properties:** The empty homes team now have a process for dealing with empty properties that fall within a flood plain and require a Flood Risk Assessment. This means the empty homes team are now able to progress these types of empty properties right through to CPO if necessary.

### 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.

Stuart McAvoy – Principal Accountant (Housing)

## 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).

John McIvor, Principal Lawyer, ext. 37-1409

## 4.3 Climate Change and Carbon Reduction implications

By bringing empty homes back into use the council is making a small but significant contribution to minimising Leicester's carbon emissions by reducing the need for new homes to be built. Construction of new homes generates carbon emissions during the construction activity, and construction materials can have substantial 'embodied emissions' and other environmental impacts arising from the extraction of raw materials, product manufacture and transport.

Duncan Bell, Corporate Environmental Consultant. Ext. 37 2249

## 4.4 Equalities Implications

In carrying out its duties, the council must comply with the public sector equality duty (Equality Act 2010) by paying due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations.

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:**

N/A

**6. Summary of appendices:**

**Appendix A – summary of homes empty for more than 18 months**

**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)?**

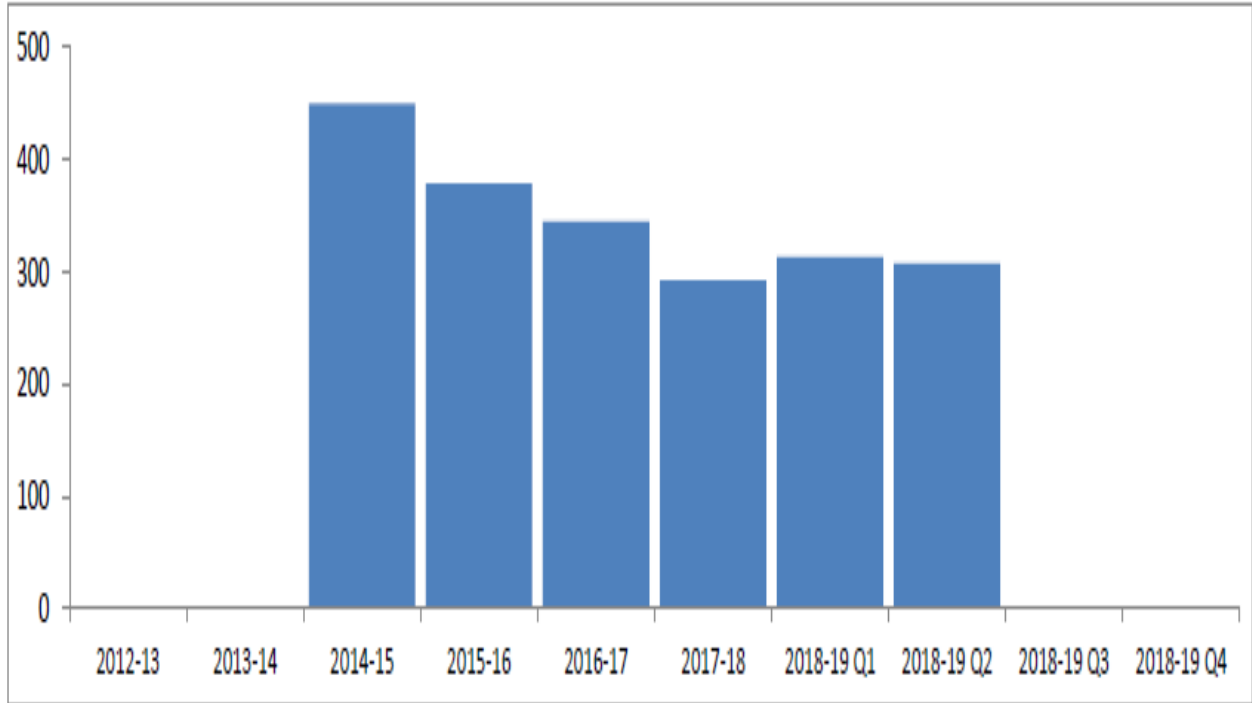
No

**8. Is this a “key decision”?**

No

Appendix 1

### NUMBER OF HOMES EMPTY FOR MORE THAN 18 MONTHS



#### LATEST LEICESTER DATA

Number of homes empty for more than 18 months	
2012-13	
2013-14	
2014-15	450
2015-16	378
2016-17	345
2017-18	292
2018-19 Q1	313
2018-19 Q2	307
2018-19 Q3	
2018-19 Q4	

Comparator figures for other authorities are not widely available as this data is not submitted as part of any statutory collection.