

Southend-on-Sea Borough Council

Report of Deputy Chief Executive & Executive Director
Growth & Housing

To

Cabinet

On

14th January 2021

Agenda
Item No.

Report prepared by:

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Draft Empty Homes Strategy 2021 – 2026

Relevant Scrutiny Committee: Policy and Resources Scrutiny Committee

Cabinet Member: The Leader of the Council, Councillor Ian Gilbert

Part 1 Public Agenda Item

1. Purpose of Report

- 1.1 The purpose of this report is to present the Empty Homes Strategy 2021 - 2026 for approval and provide an analysis of consultation findings.

2. Recommendations

- 2.1 The draft Empty Homes Strategy 2021-2026 is considered and agreed for implementation.
- 2.2 The incentives to reduce the amount of the empty homes contained within the draft strategy are agreed and the associated capital budget is noted.

3. Background

- 3.1 The number of long term empty homes in England has risen by 5.3% to 216,186 in the last 12 months to October 2019¹. Government statistics outline, there are now over 216,000 long-term empty homes in England².
- 3.2 The Action on Empty Homes report '*empty homes in England 2019*³' highlights rises in London (up 11%), the South East (up 9%) and the East (up 11%). They report the highest regional occurrence of empty homes is in the North East where one in every 72 homes is long-term empty.

¹ Table 615: vacant dwellings by local authority district: England from 2004

<https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants>

² Ibid.

³ <https://www.actiononemptyhomes.org/publications-and-research>

3.3 According to Council Tax records, the amount of ‘vacant’ (neither resided in nor furnished) empty homes in Southend over the last five years are recorded as below. This includes an empty home ‘vacant’ for a period of 6 months or more.

Year	Number	Percentage +/- from previous year
2015	593	-28%
2016	701	+18%
2017	615	-12%
2018	596	-3%
2019	630	+6%
2020	724	+15%

3.4 Empty homes are categorised differently for Council Tax and enforcement and intervention purposes. Council Tax classify an empty home as one that has been unoccupied and unfurnished for a period of 6 months or more. For the Empty Homes Team, enforcement and intervention action against owners of empty homes can only take place once a property has been empty for a period of 2 years or more.

3.5 The strategy, among other approaches, proposes to engage owners prior to a 2 year empty duration and seeks earlier intervention such that enforcement actions can be avoided as much as possible or, where necessary, enforcement action can be swift and informed by earlier engagement once the 2 year threshold is reached. Added to this, 86.4% of consultation respondents (see **Appendix 2** and section 11.1) were in agreement to use legislative frameworks to the fullest, including enforcement action.

3.6 Of the 724 Council Tax categorised empty homes:

- 99 are charged a 100% Council Tax premium (those empty for 2 years or more).
- 73 are charged a 200% Council Tax premium (those empty for 5 years or more).
- 426 Class F Council Tax exemptions are in place.
- 198 Class F Council Tax exemptions have been in place for 6 months or more (although further investigation would be necessary to establish the volume of which have received Grant of Probate 6 months earlier).

3.7 Of note is that Class F exemptions are not included within Council Tax vacant listings as the exemption is applied while the property is furnished.

3.8 Empty homes cases opened during the lifecycle of the last strategy to date are 233, of which 81.5% were closed during the same period. Service requests for empty homes during 2020 (January to date) are 41. Of which, 24

new empty homes cases were opened. During the same period, 35 empty homes cases were closed. At the time of this report, there were 105 open empty homes cases with the Empty Homes Team.

3.9 Homes become empty for a variety of reasons which may include:

- The property is difficult to sell or let.
- The property is undergoing renovation.
- The owner is finding it difficult to manage the property.
- The property has been repossessed.
- A lengthy probate process.
- The owner is being cared for elsewhere/is in hospital.
- The property is classified as a second home.

4. Draft Empty Homes Strategy 2021 – 2026

4.1 Bringing empty homes back into use in the borough contributes to the Southend 2050 Safe and Well and Active and Involved outcomes of “people in all parts of the borough feel safe and secure at all times”, “we are well on our way to ensuring that everyone has a home that meets their needs”, “a range of initiatives help communities come together to enhance their neighbourhood and environment”.

4.2 Southend’s Housing, Homelessness and Rough Sleeping Strategy aims to provide “decent high quality, affordable and secure homes for the people of Southend” and “encourage good quality housing design, management and maintenance” and the draft Empty Homes Strategy contributes to this aim.

4.3 It is known that empty homes often have detrimental impacts on the local area such as through anti-social behaviour, over-grown or unkempt gardens, structural issues, pest control issues and can also negatively impact the local housing market. For these reasons, the draft Empty Homes Strategy 2021 – 2026 sought a renewed approach with three key aims as:

- **Aim 1:** Reduce the amount of long-term (those empty for two years or more) empty homes in the borough.
- **Aim 2:** Work with owners early on to prevent properties becoming empty for a prolonged period.
- **Aim 3:** Utilise legislative tools to bring long-term empty homes back into use in a timely and effective manner.

4.4 The draft strategy includes an Empty Homes Action Plan (see **Appendix 1**) offering further details of how aims will be achieved, including timescales and outcome measures. This includes implementation of an updated RAG system to rate properties to correctly identify and priorities action as appropriate, introduction of a revised ‘empty homes database’ to track and forward plan appropriate action and updated standard templates of correspondence to owners to enhance engagement and support priority rating.

- 4.5 By engaging empty home owners early on, the draft strategy is intended to bring empty homes back into use and prevent properties empty for six months or more falling into a state of deterioration or long-term vacancy. While properties that have been empty for six months or more are classified and long-term empty homes for Council Tax purposes, it is important to note that enforcement action powers are designed to come into effect where a home has been empty for two years or more.
- 4.6 As part of an enhanced approach to engage owners of empty homes early on, a range of services and incentives are proposed as:
1. An enhanced advice and guidance service to home owners, borough residents and multi-agency professionals to help bring empty homes back into use.
 2. A new empty homes website offering a comprehensive suite of advice and information to complement the range of advice and guidance available, offering a 24 hour information hub, signposting to wider resources where possible.
 3. Proposed incentives:
 - Interest free loans to rent and sell – available to individuals and companies (not owner occupiers) of £25,000 per unit of accommodation and, in exceptional circumstances, the Council will consider higher amounts (subject to funds being available).
Loan conditions include:
 - Loan to sell – repayable either, immediately upon sale of the property, or within 2 years of the dated Loan Facility Agreement (whichever is the sooner).
 - Loan to let – repayable within 3 years of the dated Loan Facility Agreement, or upon the future sale of the property (whichever is the sooner).
 - Properties must be brought back into use within the agreed project timescales and made available to rent within 12 weeks after the project has been completed (or marketed for sale).
 - Nomination rights for applicants on the Council's Homeseekers' Register linked to loans to rent.
 - Advice and guidance to support owners to achieve the Decent Homes Standard.
- 4.7 Nomination rights can be used to 'nominate' applicants on the Council's Homeseekers' Register as tenants for empty (rental) homes brought back into use, allowing guaranteed rent and property maintenance for the owner, with rent charged at Local Housing Allowance rate. As part of the interest free loans to rent, we are considering attaching nomination rights. While this supports provision of homes for those on the Homeseekers' Register, it is important to highlight this as not a long-term housing solution for those housed within nominated properties is not guaranteed.

- 4.8 Partnership working continues to be an integral aspect to the effectiveness of empty homes actions within the borough, including (but not limited to):
- Council Tax
 - Community Safety
 - Strategic Housing
 - Regulatory Services
 - Trading Standards
 - Private Sector Housing
 - South Essex Homes
 - Waste Management
- 4.9 The Council's Acquisitions Programme may be able to purchase empty dwellings subject to investigation to determine value for money (purchase and ongoing management costs), subject to funds being available.
- 4.10 The Council may also wish to consider initiatives from other local authorities. For example, the London Borough of Croydon received the empty homes innovation award in 2018 and, while the work was not intended to bring empty homes back into use, it resulted in £200k in uncollected council tax by focusing on empty properties with a Class F exemption. This applies to properties where the owner has died and Probate has not been obtained. Upon investigation, it was apparent that 146 of the 183 class F properties had received their Grant of Probate 6 months earlier.

5. Commercial Properties

- 5.1 Whilst the draft strategy does not include empty commercial properties, the partnership approach at the heart of the strategy ensures that appropriate agencies are made aware of any empty commercial properties where necessary.
- 5.2 Within the Southend Town Centre Intervention Project (STCIP), £400k is allocated from the Local Growth Fund to provide interest free loans to bring empty properties back into use, either as alternative commercial or mixed use (residential/commercial). The project has a focus to bring upper floor commercial space back into use as residential property.
- 5.3 The South Essex No Use Empty project has £1.2m allocated from the Getting Building Fund (GBF) to be made available as interest free loans. The purpose of the loans is to bring long-term empty commercial premises back into use as alternative commercial or mixed use. The fund is available across the ASELA area (Basildon, Brentwood, Castle Point, Rochford, Southend and Thurrock). This is anticipated to fund 10-15 projects in Southend to ensure an equal split of funding between ASELA, with all authorities requested to identify potential projects ahead of the launch. There is also £100k of match funding available, contributed on a per project basis. In addition, the project is looking to secure another £1.2m of funding, bringing the potential total to £2.4m. Loan details include:

- The property must have been empty for more than 6 months.
- Loans are interest free subject to conditions.
- Loans will help landlords, owners and developers to meet the cost of repairs and improvements to bring their property back into use.
- Loans are awarded in units of £25,000 to a maximum of £175,000 per applicant.
- Loans to let – repayment period currently up to 3 years.
- Loans to sell – repayment period is on the sale of the first unit.
- Properties must be brought back into use within the agreed project timescales.

6. Reasons for Recommendations

- 6.1 The previous Empty Homes Strategy has now come to the end of its lifecycle and given that bringing empty homes back into use continues to be a priority for the Council, a renewed strategy is required to govern the Council's approach to undertaking this work.

7. Corporate Implications

- 7.1 The draft Empty Homes Strategy contributes to Southend 2050 outcomes as highlighted in sections 4.1 and 4.2.

8. Financial Implications

- 8.1 There is a capital budget for the Empty Homes Team which has been earmarked for the proposed incentives for owners of empty homes or those wishing to purchase an empty home to bring back into use. The 3 year capital budget is detailed below:

2021/22 Budget	2022/23 Budget	2023/24 Budget
£262,000	£261,000	£262,000

- 8.2 It is intended that this capital budget is a revolving fund for the purpose of bringing empty homes back into use thus when loans are repaid to the Council the funds will be reinvested back into the Empty Homes Capital budget.
- 8.3 The necessary Loan Facility Agreements and Legal Charge documents have been drafted for the purpose of the proposed loan processes. This agreement has been drafted in partnership with the Council's Legal team and will need sign off by the Council's Finance Team prior to implementation.
- 8.4 It should be noted that Local Authorities have been able to charge a premium of 100% of the standard rate of council tax on long-term empty properties (those empty for two years or more). The maximum premium local authorities can charge is 200% for properties empty for five years or more. From 1 April

2021, the amount a local authority can charge will increase to 300% if a property has been empty for 10 years or more.

- 8.5 The New Homes Bonus is calculated either positively or negatively based upon the amount of long-term empty properties (those empty for 6 months or more) in comparison to the previous financial year. As such, long-term empty homes are deducted from any subsequent New Homes Bonus.

9. Legal Implications

- 9.1 The Council's Legal team and Essex Legal Services have been fully engaged in the process of the drafting the necessary legal agreements and work will be ongoing to finalise these documents prior to implementation.

10. Property Implications

- 10.1 This draft strategy looks to bring empty homes in the borough back in the use. Empty homes often have detrimental impacts on the local area such as anti-social behaviour, over-grown or unkempt gardens, structural issues, pest control issues and can also negatively impact the local housing market.

11. Consultation

- 11.1 The draft Empty Homes Strategy 2021 – 2026 consultation was live from 2nd November 2020 to 30th November 2020. A total of 44 responses were received. A full overview of findings can be found in the Consultation Report (**Appendix 2**). Key findings include:

- Almost 60% of respondents felt that the Council wasn't achieving the right balance of assisting owners of empty homes and taking enforcement action. However, 61% of respondents were not aware of the current empty homes process or strategy.
- 86.4% of respondents felt the Council should be taking more enforcement action against owners of empty homes where the property is negatively affecting others and/or in poor condition.
- Empty Dwelling Management Orders, Compulsory Purchase Orders and Enforced Sale Procedures were the top 3 enforcement actions selected by respondents.
- 75% of respondents were in agreement to attach nomination rights to interest free loans to rent, although interest free loans to rent were the third lowest incentive selected by respondents.

12. Equality and Diversity Implications

- 12.1 An Equality Impact Assessment has been carried out and is detailed in **Appendix 3**.

13. Risk Assessment

13.1 The necessary risk assessments have been undertaken in regards to the implementation of this strategy and will continue to be monitored throughout the process.

14. Value for Money

14.1 Value for money exercises will be undertaken in regards to the Empty Homes loans and will need to be accompanied by the necessary budget monitoring reports. Value for money will also be considered should the empty homes be considered for the Council's Acquisitions Programme.

15. Community Safety Implications

15.1 Bringing empty homes back into use will look to improve community safety as research has seen that empty homes can increase levels of anti-social behaviour, over-grown or unkempt gardens, structural issues, pest control issues.

16. Environmental Impact

16.1 Empty homes brought back into use will include energy efficiency works such as improving boiler standards wherever possible.

17. Appendices

Appendix 1 – Draft Empty Homes Strategy 2021 – 2026



Appendix 1- Empty
Homes Strategy 202

Appendix 2 – Consultation Findings Report



Appendix 2- Empty
Homes Strategy 202

Appendix 3 – Equality Impact Assessment



Appendix 3- Empty
Homes Strategy 202