

Subject: Empty properties in the private sector – an information report to be presented to the Housing Scrutiny Panel on 15 September 2005

Background

1. The Housing Scrutiny Panel has expressed a desire to undertake a scrutiny exercise in relation to empty properties in the private sector and to be actively involved in the development of a working Empty Properties Strategy.
2. The purpose of this report is to set out proposals for the development of an empty property strategy, taking into account the work carried out to date, the importance of the issue in relation to other statutory private housing obligations and the resources available.

The Current Situation

3. The following documents are included at the end of this report for general information:
 - The Housing Service Strategy on Empty Properties 2003
 - The Private Sector Housing Strategy chapter 5 which is part of the Housing Strategy 2004-2007
 - A Position Statement for Environmental Services on empty properties at 2003
4. The Housing Service Strategy on Empty Properties 2003 sets out the broad objective of minimising the number of dwellings standing empty at any one time. Whilst it concentrates mainly on the Council's own housing stock, the document also identifies the importance in monitoring private sector empty properties and the provision of advice and information to enable people to maximise the use of their property. Paragraphs 8.13, 8.14 and 8.15 of the Strategy outline the role of Environmental Services in addressing private sector empty properties as part of that overall objective.
5. The Private Sector Housing Strategy is an intrinsic part of the Housing Strategy and is the basis of Environmental Services' activities when dealing with private sector empty properties. The strategy confirms a commitment to minimise the number of empty homes in the district and sets a target to establish the number of such properties by January 2005. Recent amendments to data protection legislation has allowed Council Tax departments to disclose details on home owners with properties that have remained empty for at least 6 months. This has allowed Environmental Services to collate valuable information which can be monitored and updated and will provide a basis upon which long term empty properties can be targeted.
6. In 2003, a position statement was produced by Environmental Services dealing specifically with the issue of empty homes. The statement identifies a range of initiatives that have been tried such as relaxing the qualifying period in the case of renovation grants for empties; producing an empty property leaflet to owners and local residents; and raising awareness through articles published in The Forester magazine. It then puts forward recommendations. In this respect, some progress has been made in relation to the provision of reliable data as mentioned earlier. Also, an officer is now involved in the Suffolk, Norfolk and Essex Empty Homes Forum that is organised as a

discussion group to share information, look at new initiatives and review legislation. Similarly, we will be represented in the London Commuter Belt (LCB) Empty Homes Meetings, beginning in September 2005, which are being set up as part of the LCB action plan. However, due to a lack of staff resources and other private sector housing priorities the development towards an effective empty property strategy has not progressed as we would have wished.

Legislative Powers

7. Below is a brief outline of the legislative powers that are available to enforcement officers in dealing with empty properties.

Compulsory Purchase Orders

Section 17 of the Housing Act 1985 and Section 226 of the Town and Country Planning Act 1990 as amended by the Planning and Compulsory Purchase Act 2004 gives the Local Authority the power to acquire buildings and land through compulsory purchase. This allows a CPO to be made for the purpose of providing housing accommodation or facilities connected with housing accommodation

The powers of compulsory purchase are very strong in that an owner is ultimately dispossessed of his property and the Local Authority goes on to sell it on the open market to a developer or Registered Social Landlord (RSL) to renovate and bring back into use. The process is lengthy; time consuming; it requires Secretary of State approval and can be costly.

As a result, a CPO is considered to be an important tool but used as the 'final sanction' available to Local Authorities to improve substandard private sector housing, where persuasion or statutory notices have failed and the owner has been given every opportunity to carry out improvements

Enforced Sale

This procedure allows a Local Authority to force the sale of a property where they have incurred a debt that is recorded as a local land charge. Certain specific pieces of legislation can be used in which an enforcement notice has been served and, when it has not been complied with, the works have been carried out in default at the Local Authorities expense. The Local Authority then takes proceedings to force the sale of the property and recover their monies owed. In the same way as a CPO, Enforced Sale is a very powerful tool available to the Local Authority and as such should be used appropriately and with discretion. It is argued that its advantages over compulsory purchase are that

- It is a speedier process
- It is a cheaper process in terms of time and resources
- There is less risk involved
- There is no need to pay compensation to the owner as is the case of CPOs

Empty Dwelling Management Orders

Empty Dwelling Management Orders (EDMO) are new provisions that have been introduced in the new Housing Act 2004 specifically to assist Local Authorities in tackling empty properties. They are likely to be available for use in the autumn of this year or early 2006. An EDMO will enable a Local Authority to take management control of a property that has been empty at least 6 months so that they can secure occupation of it. The owner retains legal ownership and the Local Authority is responsible for the letting and management of the property for a period of up to 7 years. The legislation will operate alongside existing procedures for securing occupation of empty homes. It is intended to provide a back up to voluntary leasing arrangements operated by many Local Housing Authorities and RSL's and an alternative to enforcement under other legislation.

Our Empty Property Problem

8. Detailed below are the number of private sector properties that have remained empty for at least 6 months in the period 2001 to 2005. The data for years 2002, 2004 and 2005 is from Council Tax records; for 2001 from the private sector house condition survey carried out that year. There is no data for 2003 as we did not request it during that year and only current data is available from Council Tax information.

2001	2002	2003	2004	2005
785	792	NA	790	839

9. The Private Sector House Condition Survey for 2001 estimated that 1.8% of private sector dwellings were vacant i.e. around 785. This is low compared with the national average of 3.9%. Indeed the Empty Homes Agency recognises that the housing market relies on a small amount of “slack” – usually between 1% and 2% of the housing stock, and properties will always be empty for refurbishment and between lets.
10. BVPI 64 requires the Local Authority to report the number of private sector vacant dwellings that are returned into occupation or demolished during the financial year as a direct result of action by the Local Authority. Our return for 2002 – 2003 and 2003 – 2004 was 0. Whilst this is a matter for concern, it should be seen in the context of the overall numbers of empty properties and the comments of the Empty Homes Agency.
11. A new Private Sector House Condition Survey is to be carried out in the next few months. Information will be provided on the number of empty properties within the district. This will prove valuable in providing up to date information upon which to base a working strategy balanced against other private sector housing priorities.

Scope of an Empty Property Strategy

12. In addressing the issue of empty homes generally and in the development of an effective, realistic working strategy consideration must be given to
- Both private and public sector empty properties
 - The legal powers available, together with incentives and advice measures - a carrot and stick approach
 - An understanding of why particular properties are kept empty and attitudes of owners towards bringing them back into use so that incentives are targeted effectively

- Resource implications in respect of personnel and the nature of any financial incentive offered
- An appreciation as to the importance of bringing empty properties back into use against other housing issues, as it impacts on personnel and financial resources

An Indicative Programme

13. In view of the above, it is suggested that a more detailed report be produced for the Panel to consider at the next Housing Scrutiny Panel. This will include:
1. A detailed report on the legal powers available, when they can be used and how they can best be applied in the context of an empty property strategy;
 2. An outline of informal measures- the provision of incentives, information and advice to the public, that may be considered practical and effective;
 3. An outline of what should be included in an empty property strategy e.g. a political commitment, a long term aim, action plan, resources; and
 4. A review of the existing measures carried out within Environmental Services and comment on how they may be improved and incorporated into the strategy.
14. A comprehensive survey is currently being carried out over the south east of England by MORI. It is expected to produce a detailed analysis of why properties are left empty in this area of the country and attitudes of owners towards bringing them back to use etc. The general view of the Empty Homes Agency is that this information should be relevant and accurate for Local Authorities in the South East to make informed decisions when considering their own empty property strategies and that a local survey is unnecessary. The survey results and analysis are expected towards the end of this year and it is therefore suggested that they are reviewed and considered at that time.

Resource Implications

Budget provision: no specific budget has been set aside

Personnel: Environmental Services are committed to tackling the issue of empty homes. However, this needs to be balanced against the staff resources available and where the issue of empty properties sits amongst the other private sector housing priorities. There are 1.4 FTE officers dealing with all private sector housing issues which includes:

- The implementation and management of the whole renovation grant process with a budget of £500,000 covering renovation grants, disabled facilities grants and home repairs assistance
- Inspection and enforcement of legislation associated with houses in multiple occupation (HMO)- including a new requirement brought in with the Housing Act 2004 to licence all 3 storey HMO's
- Licensing of, and issues associated with licensed park homes of which we have 55 over the district
- Private tenant complaints associated with disrepair and harassment
- Filthy and verminous premises and other issues of a nuisance or public health nature
- Empty properties
- Decent Homes

