

## **Report to the Cabinet**



**Report reference:** C-015-2011/12  
**Date of meeting:** 12 September 2011

**Epping Forest  
District Council**

**Portfolio:** Housing

**Subject:** Progress Report on the Work of the Temporary Part-Time  
Technical Officer - Private Sector Housing (Technical) Team

**Responsible Officer:** Sally Devine (01992 564149)

**Democratic Services Officer:** Gary Woodhall (01992 564470)

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### **Recommendations/Decisions Required:**

- (1) That, following the Cabinet decision in November 2009, the work carried out by the temporary part-time Technical Officer post in the Private Sector Housing (Technical) Team since July 2010 be noted;
- (2) That, in order to maximise the significant potential income to the Council from the New Homes Bonus through bringing long-term empty properties back into use (estimated to be £210,000 over the next 6 years for 2010/2011) the hours of the Technical Officer post be increased from 28 to 36 hours a week. This will represent an additional cost of approximately £6,500 per annum until April 2013 which will be funded by savings on the salaries budget and approximately £32,610 thereafter to be funded from an addition to the CSB growth list;
- (3) That, in order to sustain the potential high level of income to the Council through the New Homes Bonus, the position be made permanent; and,
- (4) That, in the light of the recent resignation of the current post-holder, agreement is given to advertising the post externally, if an internal appointment cannot be made.

### **Executive Summary:**

In November 2009, Cabinet agreed the addition of a part-time, temporary post in the Private Sector Housing (Technical) team to assist with bringing empty properties back to use and to help with the licensing of the District's park home sites (C-052-2009/10). This was with the proviso that a report was made annually to the Cabinet on the work undertaken by the post, which is the reason for this report.

The Government has recently introduced the New Homes Bonus (NHB) which was paid for the first time in April 2011 and is a means of rewarding local authorities for increasing housing supply. The net gain in housing supply includes empty homes brought back into use through Council intervention. It is estimated that the Council will receive a reward of around £210,000 over 6 years, directly attributable to the number of empty properties brought back into use between just October 2010 and October 2011 alone. Further reward will be received for each year thereafter.

As a significant proportion of the empty properties recorded as having been brought back into

use since 2010 can be directly attributable to the appointment of the Technical Officer, and in order to maximise the NHB received on a continuing basis, it is recommended that the hours of the post are increased from 28 to 36 hours a week and that the current three year contract is made permanent. This will cost approximately £6,500 per annum (including on costs) for the remainder of the existing three year contract (until July 2013), to be met from savings on the Housing Directorate's salaries budget and that an addition is made to the CSB growth list of approximately £32,610 per annum to fund it thereafter.

Furthermore, in the light of the recent resignation of the Officer and the likelihood that it will not be possible to find someone with suitable experience and qualifications within EFDC to continue this work, it is recommended that permission is granted to advertise the post externally if necessary.

The additional income received from sustaining NHB income through these proposals, will be far in excess of the cost of the post.

### **Reasons for Proposed Decision:**

Cabinet have requested a report on the work of the new Technical Officer post following a review of the Private Sector Housing Team in November 2009.

The introduction of the New Homes Bonus by Government provides a real financial incentive to councils to target resources into bringing empty properties back into use. In the light of this it is recommended that the hours of the Technical Officer post are increased and the post is made permanent to maximise the reward the Council will receive. In addition, as the post is shortly to become vacant and it is unlikely that a suitable candidate will be found with EFDC to fill it, it is recommended that Officers are given permission to advertise the post externally, if necessary.

### **Other Options for Action:**

- Continue the existing Technical Officer post at 28 hours a week for the remainder of the three year contact that will end in July 2013. However, this will not fully maximise the potential financial gain to the Council through the New Homes Bonus.
- Do not make the post permanent – However, this will not enable the potential income from the New Homes Bonus to be maximised on an ongoing basis.
- Do not advertise externally if necessary – However, this will result in the post not being filled if an internal appointment cannot be made, resulting in a significant loss of potential income from the New Homes Bonus.

### **Report:**

1. In November 2009 the Cabinet considered a Report on the Review of the Private Sector Housing Team. This highlighted the fact that it was not possible for the existing staff within the Private Sector Housing Team to effectively deliver the Private Sector Housing Renewal Strategy 2007-09 and the Empty Property Strategy 2007-09, particularly with regard to bringing empty properties back into use. This area of work is of increased relevance in the current economic climate when the provision of an adequate supply of suitable housing is of paramount importance.

2. The report also addressed the issue that the Council had not re-issued licences for the mobile home sites in the District for a number of years. The introduction of the

Government's 'Model Standards 2008 for Caravan Sites in England' means that the conditions attached to current licences were out of step with current regulations and this would be an ideal time, therefore, to issue new licences to take into account the new Model Standards. The report highlighted the additional staffing resource that would be required to ensure that new standards are met in the first instance and are then maintained in the long term.

3. The Cabinet agreed that a District Development Fund (DDF) bid should be made to fund the cost of a part-time Technical Officer for 28 hours a week for three years to meet the legislative requirements of the Caravan Sites and Control of Development Act 1960 and reduce the number of empty properties in the District. The DDF bid was successful and a Technical Officer was appointed in July 2010. The Cabinet also required that a report be provided to the Cabinet on the work undertaken by the post holder annually. This is given below.

### Empty Homes

4. With the introduction of the new Technical Officer post a systematic procedure has been established for dealing with empty properties in the private sector. This begins with tracing and communicating with property owners or other interested parties to establish why the property in question has been left empty. Once communication has been established, the Technical Officer determines how best the Council can assist the owner in bringing the property back into use. This can be time consuming, as a successful outcome is often as a result of gentle but persistent pressure towards letting or selling. The Council can also offer financial incentives under the PLACE (Private Lease Agreements Converting Empties) Scheme or a Council Empty Homes Grant. Both of these provide significant funding to bring properties up to the Decent Homes Standard and, afterwards to provide affordable accommodation for tenants or owner occupiers. As each property is brought back into use, the Council Tax data is updated and the property is removed from the long-term empty property list.

5. The PLACE Scheme is funded by money originally received as a result of a consortium bid to the East of England Regional Assembly. The Scheme runs at no cost to the Council other than the administering process by the Technical Officer. It currently offers high level grants of up to £50,000 to an owner in return for leasing the property for 3 years to the Consortium's preferred partner, Genesis (formerly Pathmeads Housing Association), during which time they receive no rental income. However, the Portfolio Holder for Housing has recently agreed to the PLACE Scheme being extended to offer smaller grants and loans to owners of empty properties. This will allow an owner to take out a smaller grant to renovate their home and then lease it for an agreed period of time, dependant on the amount of grant, but also receiving some rent themselves during the lease period. Interest free loans will be available up to a maximum of £25,000 per unit on either a 'loan-to-sell' or 'loan-to-let' agreement. The loans are repayable and will be recycled back into the PLACE Scheme funds.

6. Where a solution to bring an empty property back into use is not immediately apparent, however, such as where an owner cannot be found or is uncooperative, Officers carry out an Environmental Impact Assessment. This takes into account a number of factors such as how long the property has been empty; issues regarding vermin, rubbish, unsightliness or public health; security and access to squatters. This information is then used to assess the most appropriate action to take and to prioritise each case for action. The action to be taken will range from monitoring the property on a periodic basis to enforcement such as Enforced Sale, Compulsory Purchase (CPO) or making an Empty Dwelling Management Order (EDMO). Officers follow the Private Sector Housing Enforcement Policy in such cases, seeking Member approval where appropriate.

7. In addition to the PLACE Scheme now being made available to provide financial assistance to owners of empty properties, the Portfolio Holder has also agreed that PLACE funding can be used to support enforcement action where necessary. It is this funding, therefore, that that will be used to meet the initial expenditure in issuing an EDMO. This is a very useful facility newly available to the Technical Officer to tackle problematic empty properties and is expected to act as a real deterrent to uncooperative owners who may not have previously taken the threat of enforcement action seriously.

8. The new Technical Officer has spent half his time, or approximately 14 hours a week, dealing with empty properties for which there is a target in the Private Sector Housing Business Plan 2011-2013 of 30 per annum. The table below indicates the number of long term empty properties that have been brought back into use through Council intervention in recent years, clearly showing the contribution that the post has made towards meeting, and exceeding the Performance Indicator target, since the time it was filled in July 2010:

	2006/07	2007/08	2008/09	2009/10	2010/2011	Quarter 1 - 2011/12
Number of empty properties returned to use	0	4	4	3	45	8

9. With an established working procedure in place for dealing with empty properties, together with more versatile financial incentives available to owners and also financial support for enforcement action by Officers when needed, it is anticipated that recent successes in bringing empty properties back to use will be sustained and has the potential to increase if there are sufficient staff resources.

10. It also seems reasonable to assume that, with the increase in empty property work undertaken, there will be a greater awareness by owners of the role the Council can play in helping to bring their property back into use and also the enforcement measures that may be taken if necessary. As a result there may also be an increased demand for the service and, therefore, an additional call on the post to provide this assistance.

#### New Homes Bonus

11. The New Homes Bonus (NHB) was introduced by the Government in April 2011 to create an effective fiscal incentive to encourage local authorities to facilitate housing growth. However, the NHB also applies to long-term empty properties that are brought back into use, as well as new homes built. For the purposes of the NHB, empty properties are considered to be those that have been empty for 6 months and according to this definition there are currently approximately 800 empty properties in the District. The Bonus is calculated by comparing the number of dwellings for which Council Tax is collected in a local authority area from October in one year to October in the following year and 'rewarding' any net increase. The number of long-term empty properties is deducted from the total number of dwellings on the Council Tax list. This 'netting off' of long-term empty properties means that any reductions in the number has the same effect as building new homes and, conversely, any increases in the number of long-term empty properties will have the effect of reducing the reward that might otherwise have been paid.

12. The NHB was paid for the first time in April 2011 and is based on the difference in numbers of 'new homes' between October 2009 and October 2010. The Bonus is intended to be a permanent feature of the local government finance system. The amount of Bonus

received is based on the national average Council Tax band of the 'new homes' each year and the amount represented is paid in the following six consecutive years. Generally, district councils receive 80% of the NHB (with county councils receiving 20%). On this basis it has been calculated that in April 2012, the Council would receive around £210,000 over the following 6 years, if 30 empty properties are back into use, which is not an unreasonable estimate based on the fact that 45 empty properties were brought back into use in 2010/11. If a further 40 properties can be brought back into use between 2011 and 2012, this would result in an additional income of around £280,000 over the following 6 years, beginning April 2013.

13. While there is no effective ceiling on the number of new homes that may be built in an area, there is likely to be a limit on how many empty homes can be reduced and it may be that this level cannot be sustained after a period of time. However, it will continue to be important to reduce the numbers as far as practical and maintain them at that level, because an increase in the number of long term empty properties will have a direct negative impact on the NHB that might otherwise have been paid on new build properties.

14. In view of the income to be received by the Council through the NHB that is directly attributable to the number of empty properties brought back into use, it is essential that the Council maximises the numbers. It is therefore recommended that that the Technical Officer's hours are increased in order to help maximise the numbers. The Technical Officer post is currently for 28 hours a week, at a cost to the Council of £26,110 per annum including on-costs, with its responsibilities shared equally between empty homes work and park homes licensing (see below). Increasing the weekly hours to 36 hours would allow an additional day (50% more time) to be dedicated to bringing empty properties back to use. Funding a full time Technical Officer post will cost £32,610 per annum including on costs, or an increase of just £6,500 per annum. As it is unlikely that the post will be filled for at least 2-3 months, the cost of this could be funded by the savings represented on the salaries budget. In terms of the NHB, even if the post returns 30 empty properties back to use in one year alone, it will cover the whole cost of the post - for both park homes and empty homes work - for the following 6 years.

15. Regrettably, given the demonstrated successes in bringing empty properties back into use and the significant additional income generated through the NHB as a result, the Officer currently in post has resigned to take up permanent employment elsewhere. One of the reasons for his resignation was the temporary nature of the Technical Officer post, and the insecure nature of the post, with less than 2 years remaining. Under the terms of the recruitment freeze it is currently only possible to advertise the post internally. However, it appears unlikely that existing members of EFDC's work-force will have the necessary experience and/or interest to apply for the post for the remaining 21 months of its term. It is also recommended, therefore, that in order to maximise the amount of NHB the Council receives on an ongoing basis, the post is made permanent and permission is granted to advertise it externally. Even if an appointment can be made, if the post remains temporary, it is highly likely that the new postholder will seek new employment elsewhere before the end of the contract period, which will reduce the number of empty homes that can be brought back into use and therefore reduce the NHB on an ongoing basis.

### Park Home Site Licensing

16. It is a statutory requirement for local authorities to issue licences on all their park homes sites and to decide what conditions to attach. In 2008, the Government produced new standards for permanent residential park homes sites, providing a framework upon which councils can base the conditions they attach when re-licensing sites.

17. The existing site licence conditions for park home sites in Epping Forest District had

not been reviewed for many years. New proposed standard park home site licence conditions for permanent residential sites were produced to ensure conditions are relevant, consistent and will adequately protect the health and safety of people residing at, or visiting, sites within the District. These were agreed by Cabinet in April 2011 following a second consultation exercise with residents and site owners (C-069-2010/11).

18. The Technical Officer spends approximately 14 hours a week on park home licensing issues. He was actively involved in the consultation exercise with residents and site owners prior to the Cabinet's decision in April 2011 and is now in the process of carrying out detailed inspections of all the permanent residential sites in the District before issuing new site licences. It is expected that all sites will have been issued with a new site licence by November 2011.

19. The Cabinet's decision also includes a requirement that, following a further consultation exercise, site licence conditions are also agreed for the Gypsy and Traveller sites that have planning permission as permanent residential sites and that holiday caravan sites are also licensed in accordance with the relevant model standards. The Technical Officer will be involved in both these areas of work and it is proposed that the focus is towards ensuring the holiday sites are up to a satisfactory standard in preparation for the likely high demand for camping accommodation during the period of the summer Olympics in 2012.

20. Once the sites have been issued with the appropriate licences, it will be necessary to monitor them to ensure compliance with the site licence conditions and deal with any matters from residents or site owners relating to the licence or management of the site. It is anticipated that this will continue to require two days a week of an Officer's time on an ongoing basis.

#### **Resource Implications:**

A difference of approximately £6,500 per annum (including on costs) for the remainder of the existing three year contract (until July 2013), to be met from savings on the Housing Directorate's salaries budget until April 2013 and that an addition is made to the CSB growth list of approximately £32,610 per annum to fund it thereafter.

Financial reward to the Council through the New Homes Bonus, estimated to be £210,000 for 2010/2011 over the next 6 years.

#### **Legal and Governance Implications:**

Housing Act 2004  
Caravan Sites and Control of Development Act 1960

#### **Safer, Cleaner and Greener Implications:**

Dealing with empty properties removes blight and issues of nuisance and recycles properties providing valuable housing for residents which is in accordance with the Council's 'Safer, Cleaner, Greener' Strategy.

#### **Consultation Undertaken:**

None.

## Background Papers:

The New Homes Bonus: Empty Homes Practitioner Briefing: December 2010 :  
CLG The New Homes Bonus Final Scheme Design February 2011  
The Private Sector Housing Business Plan 2011/13  
Epping Forest District Council Empty Property Strategy

## Impact Assessments:

### Risk Management

There is a risk that once the 'easy wins' with regard to bringing empty properties back into use have been achieved, the increase in NHB will not be sufficient to meet the additional costs of the Technical Officer's salary going forwards. However, the Technical Officer will play an increasing role in preventing properties becoming long-term empties which will continue to have a positive financial benefit, as this would reduce the NHB received.

### Equality and Diversity

*Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications?* No

*Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken?* N/A

*What equality implications were identified through the Equality Impact Assessment process?*  
N/A.

*How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?*  
N/A.