

Report to Housing Scrutiny Standing Panel

Date of meeting: 27 July 2006

Subject: Draft Empty Property Strategy

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Committee Secretary: A Hendry (ext 4246)



Recommendations/Decision Required:

- (1) The Panel agrees to recommend to Cabinet that the attached draft Empty Property Strategy should be adopted as Council policy;**
- (2) The Panel recommends to Cabinet to increase the establishment by 0.5 FTE in order to deliver this Strategy at a cost of £20,657; and**
- (3) The Panel recommends to Cabinet that a CSB growth of £5000 for 2007/8 be made to fund the Finders Fee Scheme for five properties per annum.**

Purpose of Report

1. The purpose of this report is to seek the approval in principle of the Panel to the draft of the Empty Property Strategy. The draft Strategy sets out the action the Council intends to take to bring long term empty homes back into use. It also sets targets and timescales.

Background

2. The Panel received a report on the 30 January 2006, which set out the findings of the Vacant Properties Report and made a number of recommendations as to the components of an Empty Property Strategy. The Panel agreed then in principle to the following:
 - (i) Raising awareness of empty properties issues through the Council website and Forester Magazine;
 - (ii) Promotion of the use of letting agents;
 - (iii) That the recent increase in the Fresh START private sector leasing to 20 properties per year be maintained pending the outcome of a £3.5 million bid to GO-East in partnership with 4 other London Commuter Belt authorities to renovate substantial empty properties;
 - (iv) 50% Council Tax discount for properties left empty for more than 6 months with full Council Tax payable for properties left empty for more than a year;
 - (v) The introduction of a Finder's Fee Scheme with one off payments of £1,000 to the owners of empty homes when such properties are let to a person(s) from the Housing Register for a minimum period of 12 months. Initially the scheme is to be limited to five properties per year;
 - (vi) The introduction of grant aid to encourage empty properties being brought back into use, subject to this being consistent with the new Private Sector Housing Strategy;
 - (vii) The use, in appropriate circumstances, of a range of enforcement powers including, in exceptional circumstances, the use of Empty Dwelling Management Orders and compulsory purchase.

Draft Empty Property Strategy

3. The draft Strategy sets out the reasons why it is important for local authorities to intervene in long problem vacant properties and the benefits of bringing such properties back into use:
 - Increasing the supply of affordable housing (especially rented housing);
 - Reducing the need for new build and encroachment on the green belt;
 - Enhancing local neighbourhoods and helping to maintain the value of other homes;
 - Helping to prevent fly tipping, vandalism and other anti social behaviour;
 - Improving overall housing standards; and
 - Helping to tackle homelessness.

4. The draft Strategy incorporates the points outlined in 2(i) – (vii). However, it is important that the Panel are aware of two developments since the previous report:
Bid to GO-East

5. Officers are pleased to report that the bid for capital funding to renovate substandard empty homes was successful. The total bid was for £3.5m to renovate 100 properties in the five partner Authorities over a 2 year period (this means potentially, 20 properties in our district.). No capital payback is required and on completion of the renovation works, individual properties will be let to nominated tenants on the same basis as the existing private sector leasing scheme.
Additional Capital Grant - Decent Homes

6. The Panel agreed in principle to financial assistance being offered to owners to bring empty properties back into use. Since the last report, the Council has received confirmation from GO-East of an additional capital grant for 2006/07 of £447,000 to improve non decent properties. Again, there is no capital repayment requirement.

7. A separate report on the revised Private Sector Housing Strategy recommends a substantial number of policy changes including a move in the next two years towards equity release as the main form of financial assistance in relation to the repair and improvement of substandard private sector homes. However, the draft report also sets out revised arrangements for offering grant aid in the interim period, including the introduction of Empty Homes Grants.

8. The conditions for offering such grants are as follows:
 - (i) The property must have been vacant for a minimum period of one year before the application is submitted;
 - (ii) There must be a significant hazard within the property rated at Band D or above, or disrepair which amounts to a breach of the Decent Homes Standard;
 - (iii) Eligible works are as for Decent Homes Assistance;
 - (iv) Landlords or persons having inherited the property are eligible to apply;
 - (v) The maximum eligible expense is £10,000;
 - (vi) Future owner occupiers and long leaseholders will be subject to a test of resources which will also determine the appropriate percentage. The appropriate percentage for landlord applications is 50%;
 - (vii) Owner occupiers or long leaseholders will be required to give a Certificate Of Owner Occupation for 10 years post completion.

Landlords will be required to give a Certificate Of Availability for letting as permanent residential accommodation for 5 years post completion;

(viii) The Council reserves the right to apply nomination rights to accommodation available for renting.

9. These grant conditions are intended to encourage the renovation of long term empty properties in poor condition where normal market forces have failed to do so. Once the equity release mechanisms are in place, it is intended that the Officers will recommend a move to loans rather than grants.

General Conclusion

10. The draft Empty Property Strategy builds on existing practice and sets out clear actions for the Council to follow in dealing with long term problem empty properties. Returning long term empty properties to effective use has clear benefits in terms of helping to create affordable housing, tackling homelessness, protecting both the general environment and local neighbourhoods and in limiting anti social behaviour.

Options for action:

Members may wish to adopt the proposed Strategy as drafted or may wish to remove, add or amend its provisions.

Consultation undertaken:

Housing Scrutiny Standing Panel – 30 January 2006
Financial Services

Resource/Budget implications:

Budget provision: £20,657 CSB staffing costs
£5000 CSB growth for 2007/8 to fund the finders fee scheme for five properties per annum.

Personnel: It is considered that a 0.5 FTE Environmental Health Practitioner will be required to set up and implement the Empty Property Strategy.

Land: Nil

Community Plan/BVPP reference: BVPI 64

Relevant Statutory powers: Housing Act 2004

Background papers: House Condition Survey 2005, Vacant Property Survey 2005 and reports to Housing Scrutiny Standing Panel.

Environmental/Human Rights Act/Crime and Disorder Implications: N/A

Key Decision reference (if required):