

Selby District Council

REPORT

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Item 6 - Public



To: The Executive
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Executive Member: Councillor Richard Musgrave, Executive Lead Member for Housing, Leisure, Health and Culture
Lead Officer: Julie Slatter, Director of Corporate Services and Commissioning

Title: Empty Homes Strategy and Action Plan

Summary:

The Selby District Corporate Plan priority to enjoy life identified the need to improve the supply of housing through a range of actions, including bringing empty homes back into use.

This report sets out the Councils proposed Empty Property Strategy and Action Plan to bring more properties back into use.

Recommendations:

- i. **Adopt the North Yorkshire Empty Property Strategy**
- ii. **Approve the local Selby District Action Plan**
- iii. **Approve the method for assessing and prioritising empty properties**
- iv. **Delegate the authority to purchase properties to the Director for Corporate Services and Commissioning in consultation with the Section 151 Officer and the Lead Member for Housing, Leisure, Health and Culture (subject to meeting the assessment criteria and financial appraisal)**
- v. **Approve the submission of the bid for HCA funding to deliver the Action Plan.**

Reasons for recommendations:

Reducing the number of privately owned empty homes is a corporate priority of the council. The council believes that the North Yorkshire Empty Property Strategy, supported by a local Action Plan is the best way to bring Selby district's empty homes back into habitable use.

The Council is working with the North Yorkshire Housing Board to provide an overarching vision for the sub-region. The North Yorkshire Empty Property Strategy aims to reduce the number of long-term empty homes through a co-ordinated approach.

The local Action Plan lays out how we will target empty homes across the district, and how we will encourage, support or enforce owners to bring Empty Homes back into use.

1. Introduction and background

High levels of empty properties are recognised as having a serious impact on the viability of communities. As the numbers within an area increase so can the incidence of vandalism which acts as a further disincentive to occupation. Tackling empty homes can assist in meeting housing need; improve housing conditions and regenerate blighted areas, thereby supporting the growth agenda.

Some empty properties will be on the market for sale or to rent and will soon be occupied again and therefore our focus is on long-term empty homes, empty homes that have not become re-occupied within six months. At this stage by working to understand what is happening with the property and what the prospects of re-occupation are, a view can be taken as whether we need to intervene and if so, how best to use our resources and powers to ensure that it does not remain empty.

Bringing Empty Properties back into use supports the York, North Yorkshire and East Riding Housing Strategy priorities:

- ✓ Housing Priority 1: Increase the supply of good quality new housing across all tenures and locations
- ✓ Housing Priority 5: Make best use of our existing stock and ensure that it is of a decent quality to meet the needs of our communities.
- ✓ Housing Priority 7: Reduce homelessness

It also links to the council's own priorities within the Selby District Corporate Plan 2015-2020:

- ✓ Priority 1: Making Selby district a great place to do business by working with people and businesses to help Selby, Tadcaster and Sherburn reach their potential

- ✓ Priority 2: Making Selby district a great place to enjoy life by improving the supply of housing

The previous Selby District Empty Homes Strategy ran from 2013 to 2016 and aimed to define our approach to dealing with empty homes across the district. Whilst the strategy offered clear outcomes, the lack of dedicated staff resource made delivery difficult and, whilst progress was made on understanding the districts empty homes issues, tangible results were often lacking.

This report presents the 2017-2021 North Yorkshire Empty Property Strategy and Action Plan (appendix i) and the proposed Local Action Plan (appendix ii) to ensure delivery.

2. The Report

2.1 Current Position

Empty Properties are identified using data gathered as part of the Council Tax billing process and through reports from members of the public. A long term empty is a property that has been empty for 6 months or more. Any empty property that has been empty for two years or more is liable to pay the 150% empty homes premium council tax charge.

On 1 April there were 151 long-term empty homes in Selby District that had been empty for two years or longer. By the end of the 2nd quarter 10 of those empty homes had been re-occupied and a further 4 demolished to support regeneration.

Dedicated resource is now available to tackle empty properties and in April 2017 the Empty Homes Officer post was introduced. This post is funded through Programme for Growth until March 2020. The work of this officer specifically supported the re-occupation of 8 properties that had been empty for 6 months or longer. The target for 2017/18 is to bring 12 empty properties back into use.

At the end of the 2nd quarter there were 409 properties across the district that had been empty for 6 months or longer and of those 409, 145 had been empty for 2 years or longer. At the end of the 2nd quarter 87 of the 409 properties were in Selby Town, an area that has a high demand for housing. Approximately half of those empty properties in Selby had been empty for two or more years and of the 87, 59 are owned by an individual and 28 are owned by private businesses.

Empty property assessments allow us to analyse the reason's properties are empty and then target resources effectively to bring them back into use.

If a property is classed as a long term empty home the Empty Homes Officer will carry out an assessment to determine:

- The length of time the property has been empty
- The type of property and the location
- The condition of the property
- The reason it is empty
- Who the owner is and what their intentions are.

2.2 The North Yorkshire Empty Property Strategy and Action Plan

The North Yorkshire Empty Property Strategy 2017-2021 and action plan has been developed to provide an overarching vision for the area and aims to reduce the number of long-term empty homes through a co-ordinated approach.

The strategy highlights the importance of bringing empty properties back into use to meet housing need; to take advantage of any financial rewards such as the new homes bonus and to prevent anti-social behaviour and the blight empty homes can have on a neighbourhood.

The strategic aim of the strategy is 'To reduce the number of long-term empty homes across the sub-region through a co-ordinated approach'.

A small working group of officers chaired by Cllr Metcalfe, was tasked with developing a local Empty Homes Action Plan specifically for Selby that would meet the aims and objectives of the strategy.

There is an empty homes key performance indicator and progress against this indicator is reported quarterly. If the action plan is agreed a new indicator will be introduced to report progress against the action plan. This would also be reported on a quarterly basis.

2.3 The Local Action Plan for Selby

In addition to developing a local Empty Homes Action Plan for Selby the working group also considered how Empty Homes would be targeted in the district, how owners would be encouraged and supported to bring Empty Homes back into use and when enforcement action should be considered.

A Property Assessment Flow Chart (appendix iii) and Risk Assessment Matrix (appendix iv) have been developed. This will provide the Empty Homes Officer with a priority case load of key properties that if brought back into use would help meet housing need. Properties that impact detrimentally on a neighbourhood will also be prioritised for action.

The actions available to bring empty properties back in to use include:

- **Contact, encouragement and advice**

The Empty Homes Officer can offer advice and assistance to owners of empty homes on bringing their empty property back into use. The reason a property

is empty maybe related to the owners very specific personal or financial circumstances and through working closely with owners the Empty Homes Officer can tailor the advice and assistance as appropriate. This can include sign posting owners to more specialist assistance. If a property owner is keen to sell, we can link them up with a Valuation company who can assist them to bring their property to market. In some cases owners can hold on to a property hoping for a rise in its market value and a corresponding capital gain before trying to sell it. Advice highlighting the local market conditions can provide an owner with realistic expectations.

Where owners wish to rent out their homes we can direct them to our Housing Options Tenant Find Scheme. This scheme continues to offer support to property owners willing to let a property after they have brought it back into use. The tenant find scheme offers advice and assistance to the owner, ensures the property standards meet relevant requirements and provides support to the tenant to help them maintain the tenancy and thereby preventing homelessness. If an owner, or joint owners, inherited a property it may take some time to sort out and/or decide what to do with it. The Housing Options Development Officer runs the scheme and works to support landlords to understand their responsibilities. This role is funded using the Homeless Prevention Grant and therefore there are no further financial implications.

- **Offering grants and loans**

A number of empty properties can be empty because they need substantial repairs before it can be re-let and the work could be delayed if there are money constraints. Financial support can be offered to owners of empty properties to help them undertake repairs to allow them to bring them back into use. Grant and Loan products have been developed to offer the most suitable solution for the individual circumstances and any offer of financial assistance will be considered and offered in line with the Private Sector Assistance Policy (PSAP). The Private Sector Assistance Policy has been reviewed and a new policy is also being presented to Executive for approval.

Subject to approval the PSAP will offer a discretionary loan of up to £15,000 for owners to use and bring up their property to a standard for sale or let and if they are willing to commit to letting their property at an affordable rent then a grant will be considered. Any loan or grant is issued with conditions and a legal land charge added to protect the repayment. Some Empty Homes would qualify for financial support through other funding streams for example for energy efficiency works. This would build financial flexibility in our financial support offer.

In the right circumstances, grants and loans can be an effective support tool for bringing empty properties back into use. We have currently identified 4 empty homes where the owners have expressed in receiving, and where the property would benefit from, a loan. Grants/loans would predominantly be offered to suitable properties in high demand areas to ensure a contribution to housing choice. The decision to offer a grant or a loan and the subsequent approval would be made by the Private Sector Housing Officer.

- **Direct purchase (voluntary)**

The Council can purchase suitable properties where the owner is willing to sell and bring these back into use. Any purchase would require a property valuation, a repairs valuation, negotiation of the sale, property conveyancing. It is anticipated that the properties would be retained and let by the council through the Housing revenue Account. Individual business cases would consider the future repair and maintenance costs and the rental valuation to assess viability of each potential acquisition.

A Property Assessment Flow Chart (appendix iii) and Risk Assessment Matrix (appendix iv) have been developed. Decisions to purchase properties will be based on meeting the criteria set out in the Flow Chart and Risk Assessment Matrix. Property type and location will be taken into account based on the need for properties in addition to the community impact of the empty property and length of time a property has been empty and a financial appraisal. This will include on the on-going revenue and capital consequences of any units retained for HRA stock.

The Homes and Communities Agency (HCA) Affordable Homes Programme could contribute up to £30,000 per unit towards the purchase and renovation costs provided it is retained as affordable housing.

- **A range of Enforcement Options, including Compulsory Purchase**

The Housing Acts of 1985 and 2004 provide the Council with a range of powers to enforce property owners bring empty homes back into use. The council would seek to use these powers (including Compulsory Purchase Orders and Enforced Sale) as a last resort and with the sole purpose of returning an empty home to use in order to meet identified housing need. Many of these powers are covered by lengthy and thereby, costly processes and therefore decisions to pursue such action would be subject to robust business cases. Officers have already identified 2 properties that may require CPO/Enforced Sale consideration. We are currently investigating options and are liaising closely with our legal team in both instances.

A number of powers are available to improve the amenity of an empty property or to improve the health and safety of a property or prevent unauthorised access and anti-social behaviour. These powers have been used to board properties up and thereby preventing unauthorised access and if a property has been identified through the risk matrix as a priority and the owner is unwilling to engage with us, proportionate enforcement action will be used.

In order to encourage property owners to bring their properties back into use the Council currently charges an Empty Home premium of 50% for properties which have been empty for more than 2 years.

In the recent budget announcement the government has taken further measures to encourage owners of empty homes to bring their properties back into use. To help achieve this, local authorities will be able to increase the empty property council tax premium from 50% to 100%.

There are currently 153 properties charged the empty homes premium. The current value of the premium to Selby District Council is approximately £13k p.a. Should Council resolve to extend the premium to 200% as part of the annual budget and council tax setting, the value of the premium could increase to £26k p.a. although the aim of the premium is to incentivise property owners to bring homes back into use. Should this prove successful the value of the premium would reduce.

3. Legal/Financial Controls and other Policy matters

Legal Issues

- 3.1 The options open to the Council are set above are governed by various legislation. In terms of the purchase of empty dwellings, The Housing Act 1985 empowers local authorities to acquire land, houses or other properties from private individuals, for the provision of housing accommodation. Any purchase would be subject to an individual business case.
- 3.2 Compulsory Purchase Orders are subject to confirmation by the Secretary of State and The Office of the Deputy Prime Minister. Circular 06/2004 requires an acquiring authority to have a clear idea of how it intends to use the land or interest which it is proposing to acquire under a Compulsory Purchase Order. In the event that officers are considering a prospective compulsory purchase of a property, a Report will be brought to the Executive for approval, which will set out in detail the legislation and legal implications concerning the same.

Financial Issues

- 3.3 Funding will be needed support the delivery of the Empty Homes Programme to enable the Council to bring empty homes back in to use, either through voluntary sale, compulsory purchase or through grants and loans.
- 3.4 The Executive's draft budget for 2018/19 includes a growth bid to extend the Repair Assistance Loans Fund with a budget of £30k p.a. from 2018/19 to 2020/21. The Repair Assistance Scheme offers urgent/emergency repairs up to a maximum of £6,000. All repair assistance loans are approved by Selby District Council and registered as a local land charge thereby repayable at the point of sale.
- 3.5 The Council has previously approved (Executive report 5 November 2015) use of s106 commuted sums funding for grants to enable empty homes to be brought back into use - £990k at £99k p.a. has been earmarked for this purpose with a limit of £30k per property. To date no grants have been awarded.

- 3.6 The grants and loan scheme is included in the review of the Private Sector Assistance Policy which is the subject of a separate report on the Executive's agenda.
- 3.7 The Executive's draft budget for 2018/19 also includes a growth bid to fund a programme of empty home purchase (voluntary or CPO) and repair using s106 commuted sums, supplemented by capital receipts and HCA funding:

Purchase and Repair Growth Bid	2018/19	2019/20	2020/21	Total
Number of Units	6	7	7	20
S106 Affordable Housing funding	180,000	210,000	210,000	600,000
HCA Grant	180,000	210,000	210,000	600,000
Capital receipts	240,000	280,000	280,000	800,000
Total Capital Cost	600,000	700,000	700,000	2,000,000

- 3.6 The programme assumes 20 properties would be purchased over the next 3 years based on average capital cost of £100k per unit. Rent of approximately £120,000 p.a. would be generated from the 20 properties. Individual acquisitions would be subject to a business case similar to that required for new build properties and the financial case would need to meet the Council's Internal Rate of Return and 30 year payback benchmarks in order to proceed.
- 3.7 This report seeks approval to submit a funding bid to the HCA to support the proposed purchase and repair scheme. The bid would be subject to Council approving the s106 funds and capital receipts as part of the 2018/19 – 2020/21 capital programme when the budget is set on 23 February 2018. Should the HCA bid be unsuccessful the proposals would be reviewed and if necessary an amended proposal would be submitted to Council for consideration.

Impact Assessment

- 3.8 Implementation of the Strategy and Action Plan will have benefits to the wider public by increasing the overall supply of housing and reducing the negative impact that neglected empty homes can have on communities.
- 3.9 There is a shortage of affordable homes in the district. The Action Plan aims to bring empty homes back into use in areas where the demand for housing is at its highest.
- 3.10 The Empty Homes Strategy and Action Plan is inclusive of the relevant protected characteristics of age; disability; gender reassignment: pregnancy

and maternity; race; religion or belief; sex and sexual orientation. Neither document has a specific positive or negative impact on any one characteristic.

Where the council takes enforcement action to bring empty homes back into use, it will do so without discriminating against any person who shares a relevant protected characteristic as listed above.

4. Conclusion

The adoption of the North Yorkshire Empty Property Strategy and the local Action Plan will enable us to bring empty homes across Selby district back into habitable use. Homes remain empty for a number of reasons and the approach proposed in the action plan to bring them back into use will vary according to the individual circumstances. The action plan highlights how we will target empty homes across the district to ensure our empty homes work is proactive and outcome focused.

5. Background Documents

York, North Yorkshire, East Riding Housing Strategy

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Appendices:

Appendix I – York, North Yorkshire and East Riding Empty Homes Strategy
Appendix II – Selby Empty Homes Action Plan
Appendix III – Property Assessment Flow Chart
Appendix IV - Property Assessment Matrix