

TONBRIDGE & MALLING BOROUGH COUNCIL**OVERVIEW AND SCRUTINY REVIEW GROUP****10 September 2014****Report of the Chief Executive****1 REVIEW OF THE ACTIONS UNDERTAKEN TO RETURN EMPTY HOMES TO ACTIVE USE****1.1 Background**

1.1.1 The aim of this review is to assess the scale of the number of empty homes in the Borough, the success of the interventions currently in place in tackling the problem and identify the scope to review and improve the current approaches. This report sets out an overview of the subject and current areas of activity and puts forward some options.

1.2 Empty Homes

1.2.1 The problem of empty homes is widely acknowledged nationally. The first ever National Empty Homes Strategy was published as part of the Government's wider Housing Strategy in 2011. The Government sees the occupation of empty homes as, "*a sustainable way of increasing the overall supply of housing*".

1.2.2 At a time when the demand and need for housing of all types continues to rise, it is important that the best use is made of the existing stock. In this context bringing empty homes back into use is a valuable and important role for the Council to focus on, in partnership with other agencies.

1.2.3 Long term empty homes restrict the supply of housing as well as having an adverse impact on the local community, especially those living next door to a long term empty property. Often empty homes are associated with problems if they become untidy, dilapidated or are not adequately secured against unauthorised entry. The Royal Institution of Chartered Surveyors estimates that homes adjoining poorly maintained empty properties can be devalued by up to 18 per cent.

1.2.4 Empty homes is a cross cutting issue and impacts on all of the Council's key corporate priorities:

- Continued delivery of priority services and a financially viable Council.
- A clean, smart, well maintained and sustainable Borough.
- Healthy living opportunities and community well-being.
- Children and young people who are safe, involved and able to access positive activities.
- Low levels of crime, anti-social behaviour and fear of crime.
- A continuing supply of homes, including affordable housing to buy and rent, and prevention of homelessness.
- Sustainable regeneration of Tonbridge town centre and economic development in communities across the Borough.

1.2.5 The Council distinguishes between 'empty homes' and 'long-term empty homes'. Empty homes are those not currently occupied and these become long-term empty if they remain unoccupied for longer than 6 months. There are, however, other empty homes which have been empty for longer than 6 months which are exempt for Council Tax purposes and therefore not included within the definition of long term empty properties. This can be for a variety of reasons, for example, because they are uninhabitable, left empty by a deceased persons estate or person receiving care. Some of these may be less suitable for empty homes intervention.

1.3 Reasons for Empty Homes

1.3.1 There are a number of reasons why homes become empty and the most common include:

- The property is difficult to sell or let, particularly if it is in a poor state of repair
- It is being renovated
- The owner does not have the finances/time/skills to manage and maintain the property
- The property has been repossessed
- Probate/inheritance issues
- The owner is being cared for elsewhere or is in hospital

1.3.2 It is important that the Council understands why individual properties become and/or remain empty so we can work with the owners in the most appropriate way. Empty homes can cause a variety of problems which tend to increase in severity the longer they remain empty. What starts off as minor disrepair and an eyesore can quickly deteriorate into serious disrepair, and an attraction for crime. Problems associated with empty homes include:

- A wasted housing resource
- An eyesore and detrimental to amenity of a neighbourhood
- Potential for fly tipping and rodent activity
- A reduction in house prices locally
- Lost revenue to the Council
- An attraction for vandals and graffiti
- An attraction for squatters
- Owners lose out on rental income or capital value
- Difficulty in obtaining buildings insurance
- Enhanced maintenance costs due to neglect

1.4 Benefits of bringing Empty Homes back into Use

1.4.1 Bringing empty homes back into use can positively impact and address social, economic and wider public health issues. The benefits of re-occupation are many, and can be broken down as follows:

For the owner:

- A rental income or realisation of capital through sale
- A maintained and occupied home will deter unauthorised access and anti social behaviour
- Burden of Council Tax liability passes to tenant or new owner
- Reduce the potential of the property falling into serious disrepair

For the community:

- Reduction in vandalism and crime
- The built environment will be improved helping to maintain safe, attractive and sustainable neighbourhoods.
- Increase in value of properties
- Increased choice of housing for rent and purchase
- Removing the negative impact of empty properties helps to boost the well-being of communities

For the Council:

- Increased availability of housing for local people both rented and for sale
- Reduction in the use of temporary accommodation and prevention of homelessness through increased housing supply
- Improved stock condition which assists in meeting Decent Homes Standard across all tenures
- Reduced drain on resources to deal with anti- social behaviour, fly tipping, nuisance and rodents

- Reduced demand on services such as the Fire and Rescue Service, the Police and Council Services means that resources can be used more effectively elsewhere
- Regeneration of streets and neighbourhoods
- Potential financial gain in terms of Council Tax revenue and New Homes Bonus

1.5 The Council's Approach to Tackling Empty Homes

- 1.5.1 Currently the main focus of the Council's empty homes work is private residential dwellings which have been un-occupied for a period of at least 6 months or more. Dwellings can include any form of residential property intended for habitation. This will include accommodation over commercial property, provided it is banded as a dwelling for Council Tax purposes.
- 1.5.2 The Council Tax database is one of our main sources of information when identifying empty homes. Other key sources of intelligence on homes becoming empty are reports from local residents, staff and ward Councillors.
- 1.5.3 First and foremost our approach is to work with owners and encourage them to return their empty properties into use. We will provide information and offer advice and support to enable them to make progress towards an outcome that is satisfactory to themselves, the Council and the community. Where available we will offer financial assistance directly from the Council and in some instances signpost owners to other schemes that may be running through our partner organisations such as Kent County Council's "No Use Empty Initiative" (NUE)
- 1.5.4 The Council aims to bring all empty homes back into use with the cooperation of the owners. However, where they are unwilling and the property is creating a specific problem within its locality, the use of enforcement powers will be considered.
- 1.5.5 In February 2012 the Council adopted an Empty Homes Protocol, which provided a reference document for all Council services who are involved in empty property work. The Empty Homes Protocol, included at **Annex 1**, identifies a re-active workflow (**Annex 1A**) approach when dealing with empty property enquiries and identifies an enforcement toolkit. This toolkit is used as a guide when considering the most appropriate enforcement action and team for dealing with the empty homes enquiry.
- 1.5.6 If a resident complains about an overgrown garden and unkempt empty property for example, the enquiry would be referred to the Planning Enforcement team, who would investigate the complaint. Any immediate issues are dealt with by the appropriate enforcement team and the Private Sector Housing team will provide advice and information to the empty home

owner to enable the property to be brought back into use. This may include signposting owners to the “NUE” initiative and advising of the financial assistance available under the Council’s Housing Assistance policy. A No Use Empty visit undertaken by an officer from the Private Sector Housing team is offered if appropriate following contact from an empty property owner.

- 1.5.7 The Private Sector Housing team determine if the empty property is to be added to a prioritised list of empty properties that are to go through the complete process to return the property to use. The most problematic empty properties on the list are tackled first, as often these have the most damaging impact on the local community.
- 1.5.8 It is important to note that tackling empty homes can be very resource intensive and costly. Tracing owners of homes can take time and once identified negotiations can often be difficult and time consuming, as can taking enforcement action. This combined with the level of staff resource that is currently allocated to addressing the issue results in only a few properties being focussed on at any one time.
- 1.5.9 Furthermore, while the 2012 Protocol was introduced with the aim of the Council taking a more corporate approach to tackling empty homes, there remains a need to be clear about the leadership and overall ownership of the process to ensure best coordination and efficiency.

1.6 Support for Homeowners

- 1.6.1 The NUE loan scheme offers an interest free loan of up to a maximum of £25,000 on the empty property, which can be increased up to £50,000 if the property is to be converted into more than one unit of self-contained accommodation. This loan is available to bring the property up to the Decent Homes Standard and where the owner is renovating the property to let or sell. The loan is repayable on sale of the property or within 2 years of approval; or after 3 years if rented.
- 1.6.2 Members will recall that the financial aspects involved in this topic were covered by a previous review undertaken by Overview and Scrutiny Committee relating to Housing Assistance budgets. The Committee agreed a new set of priorities for this budget, including work to return empty homes into active use and recommended a revised capital funding programme to ensure this remained sustainable in the longer term. Through this assistance funding of up to £10,000 is available to bring a long term empty property up to a Decent Homes Standard where the owner is renovating the property to live in it themselves. The assistance is repayable when the property is sold in the future.

1.6.3 The NUE visit offers advice and information on

- The NUE loan
- Housing assistance
- Renovating the property
- Empty property VAT information
- Details of the auction process
- Referral for NUE discount offer
- Information on renting and the Local Housing Allowance rate for the area
- Referral to Housing Options for landlord advice and availability of the rent deposit schemes for prospective tenants.

1.6.4 Empty home owners are also referred to the Home Improvement Agency if they would like help organising and managing any works where appropriate.

1.7 Enforcement Powers

1.7.1 There are a range of powers available to the Council for tackling empty homes depending on the issues that need addressing. These are detailed in **Annex 1B** and include:

- Empty Dwelling Management Orders (Housing Act 2004)
- Enforced Sale
- Compulsory Purchase Orders
- Ruinous and dilapidated Buildings (Building Act 1984)
- Town and Country Planning Act 1990
- Local Government (Miscellaneous Provisions) Act 1982

1.8 The Number of Empty Homes in Tonbridge & Malling

1.8.1 Table 1 – Total Number of Empty Homes in Kent

Local Authority Name	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Ashford	1,096	1,262	1,443	1,431	1,306	1,228	1,246	1,221	1,163	997
Cantebury	1,819	2,041	2,079	1,995	1,962	1,879	1,941	1,955	2,091	1,678
Dartford	1,083	970	1,007	1,041	1,136	1,152	993	1,086	1,033	814
Dover	1,696	1,749	1,881	1,853	2,001	2,070	2,014	2,087	1,873	1,490
Gravesham	1,181	1,091	1,231	1,026	829	1,048	998	892	862	682
Maidstone	1,344	1,454	1,516	1,524	1,647	1,511	1,554	1,583	1,401	1,239
Sevenoaks	1,154	1,354	1,274	1,352	1,371	1,373	1,364	1,409	1,304	1,258
Shepway	1,700	1,793	1,908	1,967	2,025	2,045	2,001	2,003	2,004	1,939
Swale	3,912	4,062	3,800	3,774	1,910	1,932	1,845	1,784	1,845	1,633
Thanet	2,956	2,496	2,733	3,188	3,482	3,628	3,340	3,377	3,065	2,452
Tonbridge & Malling	1,058	1,099	1,205	981	1,269	1,127	1,035	1,016	1,030	1,258
Tunbridge Wells	1,053	1,190	1,429	1,284	1,258	1,314	1,142	1,208	1,341	1,200
Kent	20,052	20,561	21,506	21,416	20,196	20,307	19,473	19,621	19,012	16,640
Medway	3,312	3,435	3,549	3,632	3,588	3,561	3,587	3,710	3,478	3,375
Kent & Medway	23,364	23,996	25,055	25,048	23,784	23,868	23,060	23,331	22,490	20,015
England	710,935	723,509	744,931	763,319	783,119	770,496	737,147	719,352	704,357	635,127

Source: Council Tax Return

1.8.2 Table 1 illustrates that the number of empty homes has been increasing in the Borough since 2011, against a regional and national picture which has seen the number of empty homes fall.

1.8.3 Table 2 – Total Number of Long Term Empty Homes

Local Authority Name	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Ashford	416	559	498	567	617	533	484	504	449	307
Cantebury	577	735	678	635	722	642	679	640	733	489
Dartford	386	306	339	296	389	353	294	336	250	179
Dover	733	750	743	748	808	952	908	878	725	510
Gravesham	603	603	671	443	258	311	318	282	212	175
Maidstone	515	480	515	544	602	525	533	530	422	414
Sevenoaks	382	474	386	418	460	465	455	483	444	362
Shepway	635	675	678	71	806	740	771	767	766	766
Swale	805	889	688	671	742	712	639	619	617	491
Thanet	1,528	1,121	921	1,311	1,429	1,406	1,331	1,322	1,138	786
Tonbridge & Malling	255	325	309	269	317	308	252	247	246	272
Tunbridge Wells	337	432	488	489	489	531	430	449	426	396
Kent	7,172	7,349	6,914	7,112	7,639	7,478	7,094	7,057	6,428	5,147
Medway	1,649	1,361	1,359	1,607	1,606	1,332	1,478	1,455	1,417	938
Kent & Medway	8,821	8,710	8,273	8,719	9,245	8,810	8,572	8,512	7,845	6,085
England	318,642	313,616	314,719	314,285	326,954	316,251	299,999	277,529	254,059	216,050

- 1.8.4 Table 2 highlights the number of long term empty homes (6 months plus), the majority of which are in the private sector. Although the numbers have not altered significantly in the last few years, it does illustrate an increase since 2012. Again this is in contrast to regional and national trends. A snapshot at 1 July 2014, indicated there were circa 1,250 empty properties in the Borough of which 377 had been empty for longer than 6 months.
- 1.8.5 It is difficult to pinpoint exact reasons for this. Explanations could include longer void periods for properties undergoing regeneration work such as Marvillion Court, the impact of the downturn in the property market on sales, the impact of the floods of late 2013 early 2014 and possibly because unlike some other authorities in Kent, Tonbridge and Malling does not currently charge a Council Tax premium on properties that have been empty for longer than 2 years. As a result there is less financial incentive for some owners to bring empty homes back into use.
- 1.8.6 In 2012 the Council resolved that the value of some discounts should be reduced but the value of others should not be changed in respect of properties unoccupied for longer than two years. The Council is currently considering its position with regards to Council Tax discounts. The Financial and Innovation Property Advisory Board agreed at its meeting of 23 July 2014 to reconsider its position and consult on the following proposals:
- a) Changing discounts on properties that are empty and unfurnished (reduce the current discount period from 3 to 2 months);
 - b) Changing discounts on properties that are uninhabitable, because they are undergoing major repair or structural alteration; (reduce discount level from 100 per cent to 50 per cent);
 - c) Charging a premium on properties that have been empty longer than two years (owners would effectively have a council tax liability of 150 per cent as opposed to the current 100 per cent charge). .
- 1.8.7 Making such changes would mean that there are very limited financial benefits, in terms of Council Tax, to owners of properties in leaving the properties empty and in some cases owners would begin to be penalised for leaving properties empty long term thus hopefully discouraging the practice.

1.9 Achievements

1.9.1 Table 3 – Number of Empty Homes Bought back into use since 2009 by Intervention

Action	2009/10	2010/11	2011/12	2012/13	2013/14	Total
Empty Property advice	2	1			2	5
Empty Property referrals						0
Bond/Rent in Advance		1	1	2	1	5
Enforcement or NUE visit		1		5	4	10
Housing Assistance	6	1	6	1	1	15
Enforced Sale C/Tax	1		1	1		3
Enforced Sale Housing			1			1
No Use Empty Loan				2	1	3
Enforcement notice				1		1
RHP HCA funding					4	4
Total	9	4	9	12	13	47

1.9.2 Considering the resource intensive nature of empty homes work and the reactive approach we currently use to address the issue, the Council has successfully brought 47 empty properties back into use since 2009. This has been through a range of measures from support and financial assistance to taking enforcement action. Housing assistance has included financial assistance such as Warm Homes and Empty Homes loans and repayable grants

1.9.3 For the current financial year, 9 properties have been brought back into use with the majority through advice and assistance to owners. The Private Sector Housing Team is currently working on 5 properties that it is trying to bring back into use.

2 Review Options

2.1 The Review Group is invited to consider the following options:

- 2.2 Make no change to the current process. This would mean the issue of tackling empty homes would continue on a reactive basis. Although inroads are being made into reducing the number of empty homes in the Borough and notwithstanding the fact that tackling empty homes is a resource intensive issue, the current reactive method means that progress is not as quick as it could be. The number of service areas involved in this subject has resulted in a relatively fragmented process which can lead to a loss in momentum when trying to maintain engagement with reluctant property owners. It also impacts on the revenue the Council receives through Council Tax and the New Homes Bonus.
- 2.3 Review the existing protocol with a view to:
- Identifying one service with overall responsibility for leading and coordinating the issue of empty homes, with other services acting as internal consultants in the process and meetings convened on a regular basis
 - Identify best practice in tackling empty homes
 - Improved information sharing across services
 - Introduce a systematic way of prioritising empty homes
 - Earlier identification of empty properties to enable action to be taken before properties fall into the long term empty category
 - Explore opportunities of working with Registered Providers and Private partners in bringing forward private sector leasing schemes. For example, if interventions such as Empty Dwelling Management Orders are used arrangements are in place for these properties to be managed and let to homeless households and those threatened with homelessness. This would help reduce the pressure on the housing waiting list; reduce the use of temporary accommodation and help secure suitable housing more quickly than otherwise would have been the case
 - Financial benefits from bringing more properties back into use through Council Tax and the New Homes Bonus
 - Raise awareness of empty homes issues in the Borough
 - Maintain and improve the accuracy of empty homes data
- 2.4 The review group supports the decision that the Council reconsiders its position in respect of Council Tax discounts.
- 2.5 If members agree to proceed with option 2.3 above, a further report will be presented to this review group at a future date to be agreed.

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