



CABINET

Tuesday, 05 April 2022

Subject	Tackling Long Term Empty Homes
Report by	Councillor Richard Kerry Cabinet Member with responsibility for Housing
Supporting Officer	Teresa Howarth Principal Environmental Health Officer Teresa.howarth@eastsoffolk.gov.uk 07990848926

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	Not applicable.
Wards Affected:	All Wards

Purpose and high-level overview

Purpose of Report:

To set out the business case for additional resources to tackle the problem of long term empty homes (LTEH).

To seek Cabinet approval for the revenue resources required to deliver a three-year trial programme.

Options:

Do nothing to encourage the re-occupation of long-term empty homes, other than continue to charge the permitted Council Tax Premium.

Continue to deal with problematic long term empty homes on an ad hoc basis as resources are available.

Employ additional resources to tackle problematic long term empty homes in a co-ordinated and effective manner.

Recommendation:

That Cabinet approve the revenue funding to deliver a three year long term empty homes programme.

Corporate Impact Assessment

Governance:

The Council is the Strategic Housing Authority for East Suffolk. One housing challenge within the district is that presented by long term empty homes. A long-term empty property is defined as a residential property that has been empty for more than two years. The challenge presented by these properties is managed within the Private Sector Housing team with oversight by the Head of Housing.

ESC policies and strategies that directly apply to the proposal:

[We are East Suffolk Strategic Plan 2020-24](#)

The approach in dealing with empty homes proactively contributes towards the Councils Strategic Plan with primary and secondary priorities in 3 of the 5 key theme areas including Growing our Economy, Enabling our Communities and Caring for the Environment.

[East Suffolk Housing Strategy 2017-23](#)

Empty homes are a wasted resource at a time of housing crisis and can cause blight on neighbourhoods: attracting anti-social behaviour, vandalism and fly-tipping.

Each year the councils review all those properties that are identified by Council Tax data as having been empty for more than 6 months. We will continue to prioritise within the list of long term empty properties so that the service focuses on those where re-occupation would bring most benefit in housing and community terms.

Private Sector Housing Strategy

“There is recognition of the value of bringing an empty home back into the housing stock when compared to building a new house. During the life of this strategy a case will be made, along with other housing priorities, to bring in more resources to address the empty home problem, which at a time of housing shortage is not acceptable.

The solutions need to be tailored to each case and owner. They often require an empathetic approach and time to explore all options and present comprehensive arguments. Owners who have left properties vacant for years do not tend to be swayed by one letter or telephone call! Options considered may include encouraged or forced sale, private sector leasing, renovation plans and compulsory purchase.”

This report delivers the above strategy action.

Acquisitions policy

This policy sets out the principles of when a property may be purchased which includes, on occasions, an empty home:

“The Council will on occasions seek to purchase a property, either to meet a need or take an opportunity that assists us meeting a wider strategic objective. The Council may seek to purchase units where there is a wish to extend its housing stock to meet the demand for affordable housing within the district. When the financial opportunity permits, the Council will seek properties that meet our stated criteria (which is reviewed annually).”

Environmental:

Empty homes represent a wasted resource. Where there are opportunities to renovate and return to use, the end result will be a modernised, more energy efficiency home utilising fewer resources than a new build. The solutions are often in the private sector, but the council can have a key role in opening up the opportunity for investment and restoration where this has stalled.

Equalities and Diversity:

ESC has declared Deprivation and Disadvantage as a 10th 'characteristic' for the purpose of assuring Equality in our District. Many of the private sector housing initiatives seek to assist those on low incomes who are suffering from poverty. There are opportunities in working to bring back into use long term empty homes (LTEH), to develop housing units offered at affordable rents, thereby supporting those on low incomes.

Some empty homes may become part of the Council’s own stock and provide affordable accommodation, whilst also addressing much needed regeneration. Examples of this include 87 The High Street, Lowestoft, 560 London Road, Lowestoft – converted to a House in Multiple Occupation, and 98 Park Road, Lowestoft now occupied as a five bed Council house. Other interventions have led to properties having private sector leasing schemes with housing associations or private landlords as partners.

Financial:

Funding to support the development of a long-term empty homes programme is available within reserves created from the New Homes Bonus that East Suffolk Council has been able to claim from Central Government in recent years. The New Homes Bonus (NHB) was

introduced in 2011 to provide an incentive for local authorities to encourage housing growth in their areas. The aim of the bonus was to provide a financial incentive to reward and encourage local authorities to help facilitate housing growth.

The estimated costs of the proposed service are summarised below:

Resource required	Annual cost	3 year costs
Salary (Band 8 with oncosts)	£57,941	£173,958
Car allowance	£1,000	£3,000
Mileage	£2,000	£6,000
Training	£1,500	£2,000
Legal fees/ consultants reports (structural engineers etc)	£5,000	£15,000
*CPO legal costs estimated by specialist (NP LAW) 2 per year	£7,000	£21,000
Basic loss payment due to owners at 7.5% of valuation or £75,000	£20,000	£60,000
Publicity and marketing - website	£1,000	£1,000.00
Total	£95,441	£281,958.

* Disputed CPOs could incur an additional charge of £10 – 15 K

Property Purchase – Capital

Property purchases would initially use the £250k empty property reserve as a source of funding with capital receipts providing a replenishment to this reserve when properties are sold. The Capital Programme will be updated in the next budget setting process in quarter 3 of 2022/23 to provide a £400k capital budget for these purchases. In the event of a suitable property being identified prior to the capital budget being updated and approved by Council in January 2023 a report will be submitted on an individual basis to Cabinet for approval.

The revenue cost of the service is estimated at £281,958 for three years.

Appendix A details the example of 98 Park Road Lowestoft which was a LTEH that was purchased by agreement and brought into the Housing Revenue Account. This property did not require a CPO to secure its return to use but did require extensive renovations after years of neglect. The table below illustrates the cost of this empty home action versus the cost of a new build property of similar size.

Cost element	HRA	General Fund
<u>Empty home purchased and refurbished (98 Park Road)</u>		
Purchase price	£130,000	
Basic Loss Payment (7.5% of value)		£9,750
Legal and agents fees		£6,800
Renovation costs	£145,150	
	£275,150	£16,550
Total	£291,700	
<u>New build</u>		
Land acquisition (based on current plots for sale with planning consent)	£110,000	

Build costs 4 bed (based on 140sq m @£1563) (range £952 - £5824 per m2)	£218,820	
Total	£328,820	

This scenario does not include the additional savings attributable to reduced anti-social behaviour, supporting families in temporary accommodation and a range of other issues linked to LTEH which are difficult to cost.

The financial case for bringing empty homes back into use vs new build has been set out in this example, however many LTEH are brought back into use through simpler engagement and support and the costs associated with these successes are much less. Compulsory purchase will be an exceptional circumstance.

Human Resources:

An additional full time Environmental Health Officer / Environmental Health Technical Officer role (Band 8) has been identified to deliver this project.

Finance Year	Pay Band	Scale Point	Hours	Salary (Inc on costs)
2022/23	Band 8	SCP 33	37 hrs	£55,301.00
2023/24	Band 8	SCP 34	37 hrs	£57,941.00
2024/25	Band 8	SCP 35	37 hrs	£60,716.00
			3 Year cost	£173,958.00

ICT:

No issues identified

Legal:

There are few legal provisions that specifically relate to empty homes, but there are a number that can be applied to empty homes in the same way as to occupied housing. Legal interventions tend to be implemented when the condition of the property deteriorates to the extent that it impacts on the community. Options to act in various situations are listed below:

- Rodent infestations can be dealt with under the Prevention of Damage by Pests Act 1949 where action can be taken in an owner's default to clear land and property of pests.
- Properties that are in such a condition as to be seriously detrimental to the amenity of the neighbourhood, often badly overgrown gardens, can be dealt with under Town and Country Planning Act 1990.
- Dangerous structures can be dealt with under the Building Act 1984.
- Vandalised buildings can be boarded up to prevent unauthorised entry under Local Government (Miscellaneous Provisions) Act 1982
- Buildings causing damage or disrepair to neighbouring ones can be dealt with under the Environmental Protection Act 1990 as a statutory nuisance.

None of these options by themselves are likely to bring a home back into use but they do enable acute issues to be tackled. It is the next steps that need additional resource to deliver a reoccupied, renovated home.

Most LTEH need a change of owner to bring them back into occupation. This can sometimes be achieved by persuasion and support but sometimes needs a more forceful approach.

- Where there are debts on the property, which can arise from action under the above provisions, or Council tax debts linked to additional premiums, there are options to force sale to recover debts.
- Empty Dwelling Management Orders (EDMOs) can also be used whereby the Council takes over the role of landlord for a property, initially on a 12 month interim basis and then on further application to a First Tier Tribunal for up to seven years. The provision is not widely used but may be appropriate in some cases.
- The most complex option is Compulsory Purchase under the Housing Act 1985 where such an approach can be demonstrated to be in the public interest. Government guidance states that Compulsory Purchase Orders (CPO) for housing may be justified as a last resort in situations where there appears to be no other prospect of a suitable property being brought back into residential use. CPOs have to be approved by Secretary of State who will normally wish to know: how long the property has been vacant; what steps the authority has taken to encourage the owner to bring it into acceptable use and the outcome; and what works have been carried out by the owner towards its reuse for housing purposes. Appendix B shows the process as a flow diagram.

All of the legal options above are complex and the proposal to tackle LTEH includes the involvement of specialist legal firms, particularly with CPO's, where efficiency savings are achievable through utilising expertise.

Risk:

There are risks of not acting on LTEH including the deterioration of the property resulting in damage and nuisance to adjoining property, antisocial behaviour and decline in the area resulting in detriment to local amenities.

External Consultees:	See body of report
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Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: <i>(Select only one primary and as many secondary as appropriate)</i>		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>

P04	Business partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input checked="" type="checkbox"/>
T02	Enabling our Communities		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input checked="" type="checkbox"/>	<input type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input checked="" type="checkbox"/>
T03	Maintaining Financial Sustainability		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input type="checkbox"/>
T04	Delivering Digital Transformation		
P15	Digital by default	<input type="checkbox"/>	<input type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T05	Caring for our Environment		
P20	Lead by example	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input type="checkbox"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input type="checkbox"/>	<input checked="" type="checkbox"/>

How does this proposal support the priorities selected?

Ensuring there are sufficient homes for our residents and these homes are safe, secure and suitable is a key priority that sits within the priority for maximising well-being and health. Empty homes can also attract anti-social behaviour. (P08/P09) Empty homes are a wasted resource and can be brought back into use at a fraction of the cost and material used on new builds (P21). Renovation and reoccupation addresses supporting infrastructure (P05), tackling what matters most to communities by addressing an eyesore and restoring a home (P07). The opportunity to utilise external funding to deliver the proposal makes good use of the rewards available. (P13) By tackling Empty Homes in a proactive and positive manner we will be leading by example (P20)

Background and Justification for Recommendation

1 Background facts	
1.1	There is no statutory requirement on Councils to deal with empty homes and only if their condition impacts significantly on the community or neighbours (rodent infestation, squatters, antisocial behaviour, dangerous structures) can action be taken. This means that Long Term Empty Homes (LTEH) do not take priority over other statutory work and with the limited resources available in the Private Sector Housing Team only a handful of properties are ever able to be tackled each year.
1.2	In September 2021 the Scrutiny Committee considered a report on empty homes (which can be found by following this hyperlink to the Council's CMIS system) and recommended that a report considering introducing a programme to deal with LTEH was considered by Cabinet. This report sets out to provide information to inform a decision on how LTEH might be tackled more effectively with additional resources.
1.3	A survey carried out on behalf of the charity Empty Homes, in October 2016, found that around three quarters (76%) of adults surveyed believed their local authority should place a higher priority on tackling empty homes.

2 Current position											
2.1	<p>East Suffolk figures for long term empty homes as at 1 March 2022 are set out below. There are approximately 117,000 homes in East Suffolk. The number of LTEH represents less than 0.25%.</p> <table border="1"> <thead> <tr> <th><u>Empty homes 1 March 2022</u></th> <th><u>Number</u></th> </tr> </thead> <tbody> <tr> <td>Empty between 2 and 5 years</td> <td>187</td> </tr> <tr> <td>Empty between 5 and 10 years</td> <td>51</td> </tr> <tr> <td>Empty 10+ years</td> <td>42</td> </tr> <tr> <td>TOTAL</td> <td>280</td> </tr> </tbody> </table> <p>On the same date, the total number of homes identified as empty across the District, including those empty between 6 months and two years, were 1681. This total empty homes number is the figure often quoted in the media. Most of these properties are not a concern as they are empty due to normal flux in the housing market. The number has reduced by approximately 300, when compared to 2019/20. Numbers increased due to the impact of the pandemic when there were delays in disposals, probate, renovations and general sales of empty homes.</p>	<u>Empty homes 1 March 2022</u>	<u>Number</u>	Empty between 2 and 5 years	187	Empty between 5 and 10 years	51	Empty 10+ years	42	TOTAL	280
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2.2	The LTEH in East Suffolk are generally widely distributed across all parts of the District, rather than being concentrated in more deprived areas. This can be seen in the map at Appendix C.										
2.3	The problem of LTEH is a national one and there are a number of Councils across England who have had substantial successes with their programmes. In Kent the										

	12 District Councils have combined forces with Kent County Council to deliver No Use Empty. They have secured funding from the Government's Growing Places initiative and offer short term, secured loans to deliver renovation programmes to derelict properties in partnership with small developers. They have been operating for 17 years and have brought back into use over 7250 units of accommodation.
2.4	More locally Babergh/ Mid Suffolk and Great Yarmouth Borough Council (GYBC) have recently taken on some extra resources to help tackle their Empty Homes and a new Suffolk group has been established to share best practice. All the Suffolk authorities offer an empty homes grant as an incentive to bring homes back into use.

3 How to address current situation

3.1	It is proposed that initially, one dedicated Empty Homes Officer be appointed to drive forward both policy and action to achieve the return to use of a significant number of LTEH. This phase of the programme would last 3-years to reflect the length of time needed to deliver complex properties back into use. At the end of this time a full review would be undertaken.
3.2	The 280 properties that have been empty for more than 2 years will be prioritised for action according to house type, location, how long empty and the housing need in that area. Clear processes will be defined and publicised to assist with education and understanding of the priority being given to the initiative. Methodologies will be streamlined, following existing best practise, to be as effective as possible in delivering success.
3.3	It is difficult to accurately predict the number of properties that could be dealt with at this stage, because the amount of resource required to achieve results can vary significantly. Since 2019/20, without any dedicated resource the Private Sector Housing team have enabled 10 properties to be brought back into use through persuasion and eventual sale via auction or own arrangements, two through use of grant aid and two are still under renovation. GYBC have dealt with 43 properties in a 12-month period, 15 were identified for potential CPO and 4 have gone through the whole CPO process. 13 used Council Tax debts to threaten forced sale and the remainder had other enforcement action of a more minor nature carried out such as enforced tidying of gardens, but remain empty. Ipswich BC have a comprehensive Empty Homes Policy and have threatened a significant number of CPO cases but not needed to take an Order all the way.
3.4	It is therefore reasonable to expect that between 25 and 30 properties could be returned to use each year so over a three-year period, the current numbers could be reduced by almost one third for a revenue investment of approximately £94,000 per annum. This sum excludes those costs incurred in CPO cases where additional costs and compensation payments are necessary. These can usually be recovered from onward sale of the property.

3.5	Detailed monitoring of interventions and outcomes will be undertaken to build up an effective toolkit of processes, procedures and standard documents to drive forward the programme. Costs of all actions and their impact on overall LTEH will be kept under review and the programme revised and tailored to maximise the effectiveness. This will also provide a basis for review and decisions on future extension of the programme.
3.6	Provision exists within the New Homes Bonus reserve to fund the costs of employing a fulltime Empty Homes Co-ordinator for 3 years to deliver an ambitious programme to tackle LTEH. The ad hoc action already taken by the private sector housing team has contributed to this New Homes Bonus paid to the Council. Regardless of Government plans to change the basis on which it is paid it can be argued that using some of these monies for this purpose is appropriate.
3.7	Additional capital funding required to support the programme would largely be recycled and opportunities to increase the Council stock in a targeted way will deliver homes at a lower cost than new build.

4 Reason/s for recommendation

4.1	Lack of resources to currently achieve action on a significant number of long-term empty homes that represent a wasted resource.
4.2	Creating a dedicated programme represents a cost-effective investment to bring back into use homes via a variety of options.

Appendices

Appendices:

Appendix A	Park Road summary of action
Appendix B	Flow chart to illustrate the CPO process
Appendix C	Map to illustrate location of LTEH

Background reference papers:

Date	Type	Available From
Oct 2021	House of Common's Briefing Paper- Empty Homes	Empty Housing (England) (parliament.uk)

Appendix A:

98 Park Road, Lowestoft

Background:

98 Park Road is located within the North of Lowestoft, within a large residential area ;it had been vacant since 06/01/1995 and the owner had not provided sufficient assurances that the property was going to be bought back into beneficial residential use.

The property is a mid-terrace, 2 storey, large three bedroom property, of solid-brick construction, with single-glazed, wooden framed windows – which was in a very poor state of repair. The storm porch doors were permanently open to the front aspect, however, the property was secure; although previously the glazing to the internal door had been smashed and boarded up. Gardens at the property were repeatedly allowed to grow into a very overgrown state affecting neighbouring properties and the amenity of the area. Neighbours had complained of pests taking harbourage in the garden when in its overgrown state causing a nuisance to them.

Although the property itself was of sound construction, it was showing signs of neglect and disrepair externally – most principally, the wooden framed windows and doors which appeared to be rotten; internally without inspection, it was assumed the property was unsuitable for human habitation and was likely to require new windows and doors, a new kitchen, a new bathroom and complete redecoration.

The property had been through probate and relatives had control of the estate and did respond to certain letters, but only to advise they were planning to put the property up for sale, but this never materialised. Communication had been on-going with the Executors since 2009 in response to complaints from neighbouring properties. Given the nature of the gardens, the owners did not seem to be taking an active role in the monitoring/maintaining the premises.

The long term empty premium had been paid on the property since it's inception.

The WDC Housing team indicated this property was one they would potentially be interested in purchasing and details were passed to the owners, but no response was received.



Action:

The Local Housing Authority has powers under section 17 of the Housing Act 1985 to compulsorily acquire houses to provide housing accommodation, or to release it to another party who intends to provide housing accommodation, if a need for such accommodation within a ten year period, is proved to the Secretary of State on application.

East Suffolk's Housing Strategy highlighted using Compulsory Purchase as one of its nine priorities for the years 2017-2023, with the reintroduction of empty properties into the housing market, being a cost-effective method of freeing up valuable existing assets in the private housing sector.

The East Suffolk Business Plan had links to two main considerations for the property:

- Improved access to appropriate housing to meet existing and future needs, including more affordable homes for local people
- Continue to reduce the number of long term empty properties

The Private Sector Housing team took the property forward to Cabinet in April 2018 to seek consent to compulsorily purchase the property, working with a law firm specialising in compulsory purchase. Permission was obtained to pursue the CPO, however once this was declared to the executors, they appointed a solicitor to handle disposal of the property, at which point, the Council itself secured the purchase of the property and completed this in early January 2019.

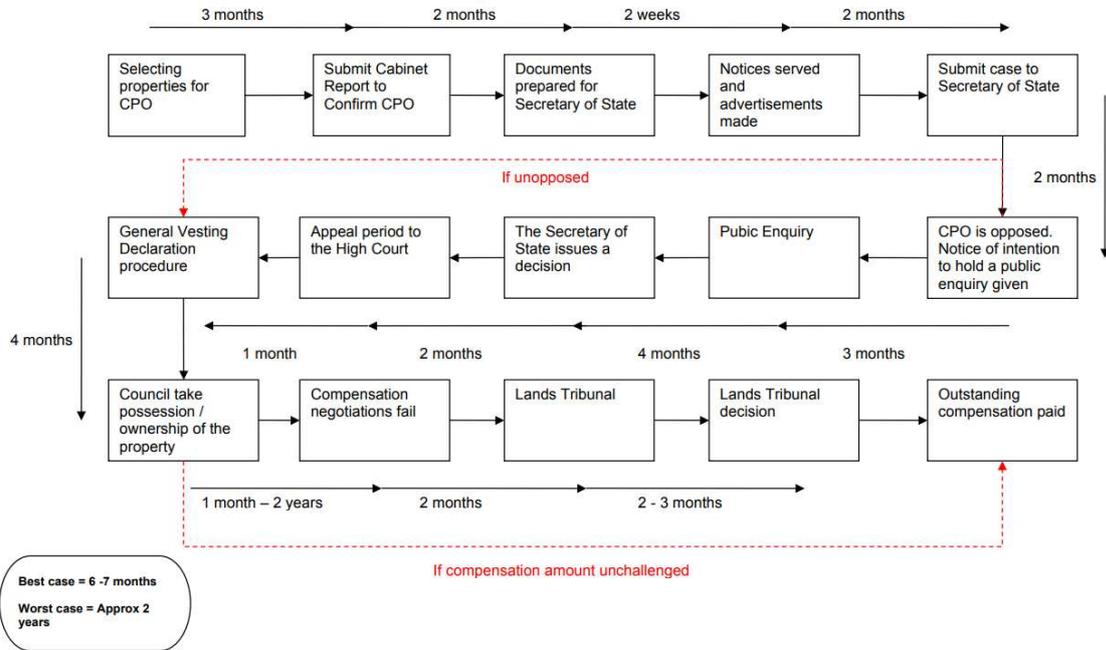
Following the purchase, the Council's own housing development team worked with the Council's in-house building maintenance team and managed the refurbishment of this property. Once completed, the property was let to a local family who was in desperate need of a four-bedroom home. It is now rented out at an affordable rent of £183.82 per week.

The total cost was £277,492.83; this includes the purchase price and the extensive redevelopment costs.



Appendix B

Compulsory Purchase Order Process Flow Chart



Appendix C

Map Showing distribution of Long-Term Empty Homes (empty for more than 2 years) across East Suffolk (August 2021)

