

**Decision Session – Cabinet Member for Health,  
Housing and Adult Social Services**

**27 September 2011**

**Report of the Assistant Director of Housing and Public Protection**

**Review of Empty Homes Policy**

**Summary**

1. The report outlines the proposed new approach to bring back into use privately owned empty properties in light of the priorities of the new council administration and the New Homes Bonus.
2. It recommends that a new strategy and action plan should be adopted and funded through the empty homes provision of the New Homes Bonus.

**Background**

3. The Empty Homes policy was last reviewed earlier this year (February 2011) highlighting the low levels of empty homes in the city. As part of that review we advised members that we would bring back a report advising them of the impact of the government's proposal called the New Homes Bonus (NHB) and their pledge to commit £100 million nationally over the next 4 years to tackling the problem of empty homes. This funding forms part of the National Affordable Housing Programme (NAHP) and would be available for councils such as ours who still retained their own housing stock and other Housing Providers to bring back empty homes into use from April 2012. It was still unclear at that stage how the councils would be incentivised to bring private empty homes back into use.
4. The government has now implemented those changes and it is clear that there are some significant benefits to ensure that we reduce the number of empty homes year on year, as identified through council tax records and that those low levels are sustained.

- The current levels of privately owned empty homes in the city continue to be low especially compared to local and national data.

Table 1

| Area              | Total dwellings April 2010 | Vacant dwellings (total) |              | Private sector properties vacant for more than six months |              |
|-------------------|----------------------------|--------------------------|--------------|---|--------------|
|                   |                            | Number                   | Vacancy rate | Number  | Vacancy rate |
| York              | 84,738                     | 1,470                    | 1.7%         | 383   | 0.5%         |
| North Yorkshire   | 356,239                    | 9,200                    | 2.6%         | 4,138   | 1.2%         |
| Yorks' and Humber | 2,311,547                  | 92,819                   | 4.02%        | 38,187  | 1.7%         |
| England           | 22,899,298                 | 776,554                  | 3.3%         | 300,526   | 1.3%         |

Source: Empty Homes Agency 2010

- We know that on the 1<sup>st</sup> October 2010 the council through their annual return to government advised that the number of empty homes which were currently empty were as set out in table 2:

Table 2

| Year                         | All empty homes | Long term Empty Homes | Long term empty homes which if brought back into us meet the New Homes Bonus Criteria |
|------------------------------|-----------------|-----------------------|---|
| 1 <sup>st</sup> October 2009 | 1508            | 786                   | 402   |
| 1 <sup>st</sup> October 2010 | 1470            | 632                   | 383   |

Source: Empty Homes Agency 2010

- In 2009 the council reported that 402 properties met the criteria for NHB by reducing this figure by 19 homes in 2010 the council generated approximately £45,000 in additional income each year for the next six years. It is therefore clear by focusing on empty homes which meet the NHB criteria, especially in the first two years of the six year programme; we can generate additional income for the council. We are aware that the government has set aside £1bn pounds for the first two years.
- The allocation of NHB is based on a net position which takes account of both new homes and empty homes, if the number of empty homes increases the increase will be deducted from the new provision to give a net figure. It is therefore critical to ensure that the

number of empty homes reduces. For example between 1<sup>st</sup> October 2009 and 1<sup>st</sup> October 2010 the number of empty homes was reduced by 19 and 468 new homes were built giving an overall increase in housing supply of 487. If on the other hand the number of empty homes increased by 19 then the number of extra long-term empty homes would have cost the council 19 units worth of New Homes Bonus (468-19 = 449). There is an obvious incentive to ensure that not only new homes are built but that existing empty homes are actively reduced.

9. The National Affordable Housing Programme (NAHP) was launched earlier this summer by the Homes and Communities Agency. £100m is available, £30m in 2012/13, £30m in 2013/14, and £40m in 2014/15. The actual detailed bidding criteria will not be available until October, with the deadline for detailed bids in January. However we have submitted an expression of interest for this funding.
10. In addition the Government has also recently consulted on proposals to relax planning rules for space above shops to consider the potential change of use from commercial to residential use in an effort to increase housing supply. These proposals sit within a wider review of the national planning framework that will be based around a presumption in favour of sustainable development. This presents a potential opportunity for the city and we are particularly keen to explore these proposals in relation to vacant space above shops in the city
11. To take advantage of these funding streams for the city we are proposing a new Empty Property Strategy and Action Plan with 4 new strategic aims (see appendix A)
  - a) Maintain accurate information about the numbers of long term private empty homes to ensure that we can effectively target them.
  - b) To encourage owners of privately owned empty homes and owners of vacant property to bring them back into residential use
  - c) To target owners whose empty homes cause a significant detrimental impact to the neighbourhood.
  - d) To strengthen existing and develop new partnerships to reduce the number of long term empty homes in the city.

12. By adopting this strategy and action plan we will also be:

- reducing the risk of adding to the number of the long term empty homes by proactively working with a range of partners to encourage the use of empty homes in the city.
- targeting those empty homes which have the most significant impact on the neighbourhood.
- Using the wasted vacant space above commercial properties.
- increasing the number of homes for vulnerable people which can be let at an affordable rent.
- improving the general condition of the housing stock.

### **Consultation**

13. This report was written following consultation with owners of empty homes. Some 110 questionnaires were sent during Summer 2011 asking questions relating to whether if the council adopted a more robust approach would it change their attitude to bringing back into use empty homes e.g. by using compulsory purchase orders. Whilst the response was disappointing with only 16 owners responding, the limited responses we received the proposed change to the policy could have a positive effect – see table below:

| Question   | Number of responses |
|--|---------------------|
| Expressed an interest in a loan  | 2                   |
| The threat of enforcement action would cause them to seek assistance from the council.             | 3                   |
| The threat of enforcement action would cause them to bring the home back into use of their own.    | 9                   |
| The threat of enforcement action would not change anything and would fight any enforcement action. | 0                   |
| No longer Empty  | 2                   |

### **Options**

14. There are 2 options which the Cabinet Member is being asked to consider:

- **Option 1**, to approve new Strategy & Action plan to deliver a new approach to bringing back empty properties and maximise the opportunities from new initiatives
- **Option 2**, to continue with the existing Empty Homes policy

## **Analysis**

15. **Option 1** - The new strategy reflects the need for the Council to take a more strategic and proactive approach to bringing back into use empty homes and seeking ways of using vacant space above commercial properties. With the recent government cutbacks to the funding of new affordable housing, bringing empty homes back into use will become an important tool for increasing the supply of new affordable housing over the next few years.
16. There are clear opportunities for the council to develop through the new National Affordable Homes Programme. Officers are currently in discussions with the Homes and Communities regarding accessing this funding to bring empty homes back in to use.
17. The proposed new Empty Property Strategy will need the support of a dedicate resource to maximise the funding opportunities both through income generation (NHB) and through National Affordable Housing Programme (NAHP). Currently bringing back empty homes into use forms a small part of the work in the Housing Standards and Adaptations team and there is inadequate time to take the proposed actions forward. There is a clear invest to save opportunity by adopting this strategy and action plan.
18. **Option 2** - The existing policy doesn't reflect:
  - a) The new council's priorities
  - b) The changes to the funding regimes and opportunities following the implementation of the New Homes Bonus and the National Affordable Housing Programme (NAHP)
  - c) The proposed changes to relaxing planning restrictions

## **Council Priorities**

- 19 This report contributes to the following council priorities:

- **Build strong communities** by providing more housing to ensure that vulnerable people have supply to meet their needs.
  - **Protect the environment** by targeting those properties which have the most detrimental impact on the neighbourhood.
20. The proposed strategy/action plan will also contribute/support a number of regional and local housing strategies:
- *York Housing Strategy 2010-2015 Strategic Aim 2*: making the best use of existing housing stock (Priority 2.2: tackling empty properties).
  - *York Private Sector Housing Strategy 2008-2013 - Aim 4*: maximise the use of existing housing stock to increase the supply of decent affordable homes in York & Aim 5: strengthen existing and develop new partnerships to support the private housing sector.

## **Implications**

21. The implications arising directly from this report are set out below.
- 22 **Financial** - There are a number of potential financial implications associated with the work to be carried out to reduce the number of empty homes in the city follows:
- **New Homes Bonus**: Successfully reducing the number of empty homes in the city will increase the level of New Homes Bonus that the Council can receive. However, on the other hand if the number of empty homes increases in the city, then this will reduce the amount of New Homes Bonus that the Council could receive.
  - **Staffing**: The recommendation requires the establishment of a part time Empty Homes Officer. Revenue funding for the post could be established through the extra revenue generated through the New Homes Bonus as a result of bringing empty homes back into use.
  - **Capital Programme**: An expression of interest bid has been submitted to the Homes and Communities Agency to access the

National Affordable Housing Programme (NAHP). However to ensure that we maximise the number of properties that are brought back into use for affordable rent we are also seeking funding from our own capital programme to support empty homes to be brought back into use through offering an equity loan. We estimate using previous grant aided work that the average cost will be about £10-15K per property. As a loan this will be recycled when the property is sold.

- **Enforcement Action:** In cases where the Council needs to take enforcement action to tackle a particular empty property, there will be a cost, which on some occasions will be very considerable depending on the scale of the problem and type of action required. Whilst the Council will only use such action where necessary, it is possible that by taking a more proactive approach to dealing with empty homes, that there may be more instances where enforcement action is required and consequently increased costs. Where significant costs are anticipated and are outside of the current budget provision, an individual report will be presented to the Cabinet Member on a case by case basis.

23. By investing in this area of work there is real potential to bring both extra income into the council through the new homes bonus and to provide extra additional new homes to address housing need within the city.
- 24 **Human Resources (HR)** Bringing empty homes back into use is a difficult and challenging process, and requires considerable resource in order to be successful. At present it forms a very small part of the work of the Housing Standard and Adaptations team.
- 25 However, to proactively move this agenda forward there is a clear need to employ a resource to co-ordinate all activity required around empty homes. In particular, it has been identified that there are a number of Council services that deal with issues surrounding empty homes in various ways. A key focus of the along with pro-actively dealing with empty homes will be the co-ordination of activity across the council. Evidence from other Local Authorities has shown that the provision of a dedicated resource has had a considerable impact on reducing empty homes within their locality.

- 26 We have identified a number of specific tasks that the Empty Homes officer would undertake in relation to tackling the problem of empty homes in the action plan with an emphasis of having a more robust approach to empty homes.
- 27 **Equalities** - An Equalities Impact Assessment has been completed for the strategy. Few implications were identified however it is clear that addressing housing need by increasing the number of homes by bringing empty homes back into use and using vacant space that more homes will be supplied to meet vulnerable residents needs.
28. **Legal** - There are no adverse legal implications associated with this report. The anticipated increase in enforcement activity may create a need for additional legal input.
29. **Crime and Disorder** - Whilst there are no direct crime and disorder Implications arising from this report, it is widely recognised that long term Empty properties attract anti-social behaviour and reducing the number of empty homes will reduce instances of anti-social behaviour. The aim of the strategy is to tackle those properties which have the most detrimental impact on their neighbourhood.
30. There are no **Information Technology (IT) / Property** implications.

### **Risk Management**

29. Regular monitoring and reporting of progress should ensure early intervention to minimise non-delivery and as such there are no major risks associated with this report.

### **Recommendations**

30. That the Cabinet Member:
  - Approves option 1 as outlined in Paragraph 14 to approve new Strategy & Action plan to deliver a new approach to bringing back empty properties and maximise the opportunities from new initiatives

Reason: To reduce the number of long term empty homes maximising the financial incentives improving the quality and availability of decent affordable homes in the city and protecting the environment.



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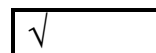
**Report  
Approved**



**Date** 12<sup>th</sup> September  
2011

### Wards Affected:

All



**For further information please contact the author of the report**

### Background Papers:

Empty Property Policy February 2011

Annex 1: Empty Property Strategy

Annex 2: Action Plan