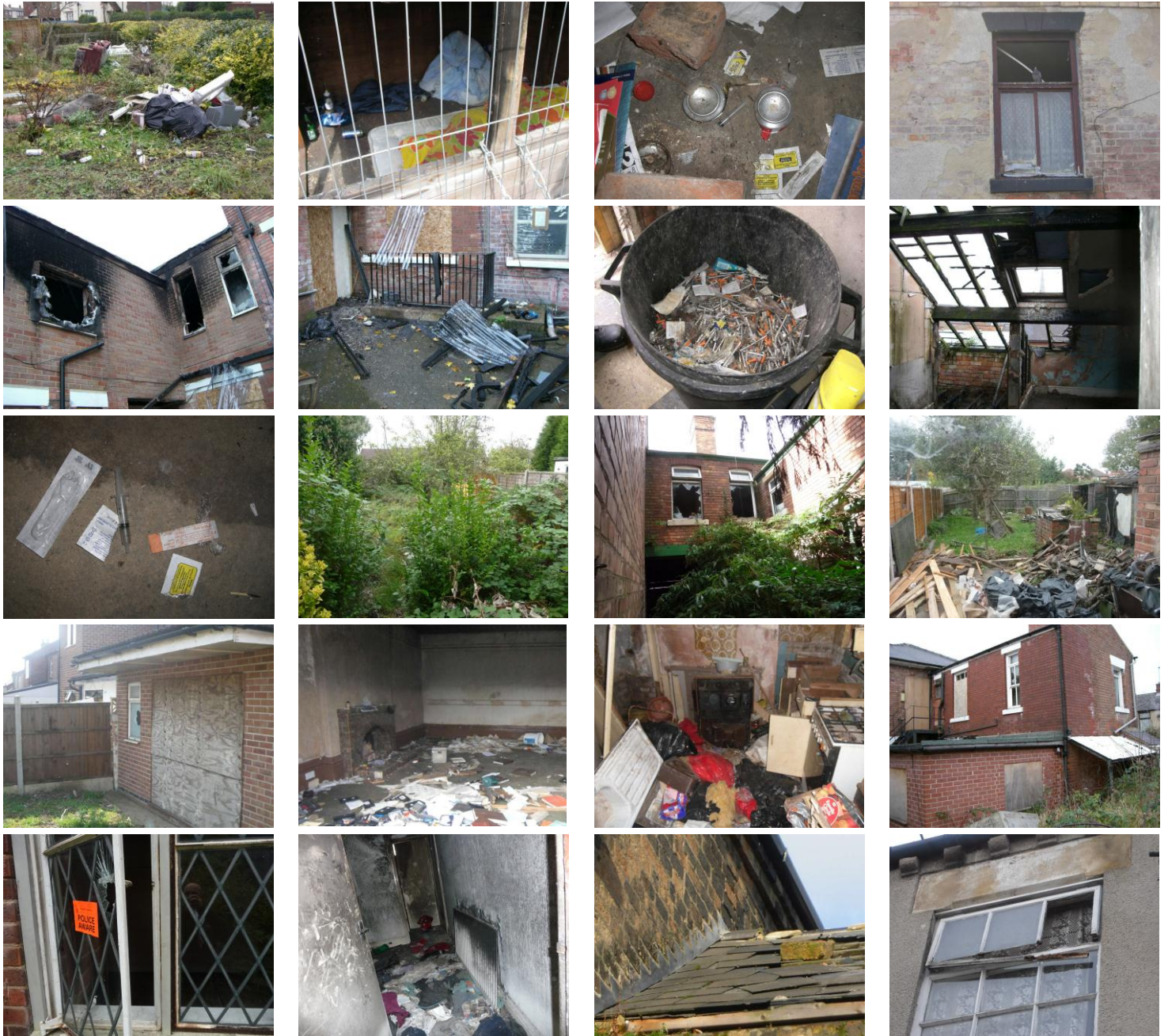




Derby City Council



Private Sector Empty Homes Strategy 2015 - 2020

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1. Foreword

The demand for housing currently far outstrips supply. As a result, there are around 4000 families on the waiting list for housing in Derby. There are also many others living in cramped, overcrowded or otherwise unsuitable conditions. At the same time, there are around 3500 empty homes in the City, 1600 of which have been empty for six months or more.

In order to meet the demand for housing, we must make the best possible use of our existing stock. Returning long term empty homes to use does not solve the housing crisis, but it certainly has a considerable impact.

In addition, empty properties can be detrimental to the lives of local residents as they are a magnet for crime and antisocial behaviour, drive down property values locally and contribute to urban decline and blight. They also represent a risk for the emergency services and put added pressure on various council departments such as Environmental Health and ASB teams.

The case for empty homes work is therefore compelling from a community and housing perspective, but in these times of unprecedented cuts to local government funding, there are also strong financial incentives to not only return existing empty homes to use, but to try to ensure that the number of vacant homes does not then increase.

Since the introduction of the government's New Homes Bonus (NHB) initiative, a reduction in the number of empty properties attracts additional income to the council, while an increase attracts an equivalent penalty. Since 2011, the reduction in the number of empty homes in the City has earned some £4.8m in NHB, placing Derby within the top 10% of local authorities in England. The work of the City council's Empty Homes Service has also recovered considerable debt associated with empty properties, taking the total earned and recovered through empty homes related activity to well in excess of £5million.

Over the period of the previous strategy, Derby City Council's Empty Homes Service and associated compulsory purchase programme enjoyed unprecedented success and national recognition. This comprehensively updated document will ensure that Derby remains at the forefront of empty homes work, and is able to maximise the economic, community and financial benefits that empty homes work brings to the City and its residents.

Councillor Sarah Russell
Cabinet Member for Housing, Finance and Welfare

2. Notes to This Revision

Derby City Council published its first Empty Property Strategy in 2003. This was substantially revised and refined in 2007 to take into account many changes to housing policy and practice that were being both researched and implemented at the time, such as the Housing Act 2004 and 'Decent Homes' agenda.

The result of this process was the Empty Homes Strategy 2008 – 2011, a robust and comprehensive document that established the groundwork for the achievements of the Empty Homes Service over that period.

The subsequent 2012 - 2015 strategy expanded on areas of emerging best practice and partnership working, and updated the links with revised corporate goals and priorities. National developments in empty homes policy were also addressed, including the introduction of the New Homes Bonus and the availability of grant funding.

The strategy provided the outline for the unprecedented achievements of the Empty Homes Service over the past three years as outlined in section eight.

While continuing to focus on national policy, funding opportunities and further developing best practice, the 2015 - 2020 strategy highlights the role empty homes work plays in securing additional affordable housing, the impact on general housing supply, New Homes Bonus income and debt recovery, all crucial in a time of housing need and reduced local authority budgets.

Empty properties represent a waste of a valuable resource at a time of increasing housing need, as well as opportunity to generate income to the council. This updated strategy will ensure that Derby City Council remains at the forefront of this important work area.



3. Executive Summary

In Derby, there are currently around 3500 empty homes, of which 1600 have been empty for six months or more – so called ‘long term’ empty properties. These figures have declined considerably over the past four years due in no small part to the work of the Empty Homes Service, but the waste of good housing, criminal activity and urban blight associated with empty homes remains. There are also around 4000 people on the City Council’s housing waiting list, ably demonstrating the wasted resource that empty homes represent.

From the ‘Great Property scandal’ television programme that highlighted empty and neglected rows of terraced housing in the North of England, to the news coverage of vandalised empty mansions in London owned by foreign nationals and investors, public awareness of empty properties, and demands for something to be done about them, have never been stronger.

The introduction of the New Homes Bonus (NHB) scheme that rewards local authorities for a reduction in the number of empty homes and penalises them for an increase, has added a new dimension to empty homes work. The potential of empty homes, both as good housing for the people of the City and as a source of income to the council, cannot be ignored.

When dealing with empty property owners, a voluntary way forward is always preferred. Advice, assistance and incentives reduce demand on Council resources and the need for enforcement action at a later date. In the vast majority of cases this is sufficient, but there are occasions where owners cannot be traced or are unwilling to enter into a voluntary dialogue. In these circumstances, the use of enforcement action needs to be considered. Though used as a last resort, Derby City Council has nevertheless been very successful in the use of enforcement powers, particularly compulsory purchase, but also enforced sale.

There has been great success in working with Registered Providers. In the past two years in excess of 70 empty properties have been renovated and reoccupied as affordable housing through these partnerships, providing good quality, well managed housing for those on the City council’s housing waiting list.

Derby City Council has been acknowledged nationally for its proactive approach to empty homes, being cited by the Homes and Communities Agency as an example of best practice, and I had the honour of being named ‘National Empty Homes Practitioner of the year’ by the Empty Homes Network, the leading empty homes practitioner group. Derby City Council was also described as ‘the leading authority on empty homes compulsory purchase work’ by one of the country’s leading specialist CPO legal advisors.

This strategy provides the framework to ensure that Derby City council retains its place at the forefront of empty homes work nationally, and that the benefits are maximised for the people of the City.

Tony Briggs
Empty Homes Manager

4. Introduction and Background

By tackling and bringing empty homes back into use, the following can be achieved:

- The provision of good quality affordable housing
- The minimisation of adverse environmental, social and local impact
- A reduction in the need to build on Greenfield sites
- To improve the existing built environment
- To revive properties and communities and where applicable, support area regeneration schemes
- To ensure that housing needs are met across all tenures
- To provide training and empowerment for the community
- To support other corporate priorities, objectives and strategies
- To maximise existing housing resources

According to the charity '(Homes From) Empty Homes', there were 635,127 empty properties in England in 2013. This was the largest annual drop in the number of empty homes ever recorded – a reduction of 75,000. This progress must be welcomed, but it also serves to highlight the scale of the problem that remains. Even if the 2013 reduction were to be replicated for the next five years, which is unlikely in the extreme, there would still be more than 250,000 vacant properties in England alone.

Against this background, the number of people without suitable housing, and housing demand in general, continues to increase. Though improving, the number of new build completions is falling well short of projected demand.

The reoccupation of empty homes is not the whole answer to the current situation, but government and local authorities cannot ignore their potential, both as units of accommodation and a source of income to the council in times of continued budgetary pressures. This is evidenced by incentives such as the New Homes Bonus scheme that provides a financial reward to local authorities for a reduction in the number of empty homes, and a financial penalty for any increase.

For local communities however, there are other concerns in regards to empty homes. If it is allowed to deteriorate, even a single empty property can blight a whole street or community, reducing the values of surrounding properties, causing nuisance to local residents and contributing to urban decline. Empty homes can also attract vandalism, fly-tipping and other criminal activity, ranging from the minor to the extremely serious, but all increasing crime and the fear of crime as well as having a detrimental impact on the local community. Examples of such issues are highlighted in the photographs on the cover of this document – all of which were taken locally.

Empty homes impact negatively on our community, are a wasted resource and an opportunity to bolster reducing council budgets. They represent waste, but they also represent considerable opportunity.

5. The National Context

There have been several central government publications focused on the problem of empty homes, or that contained references to it. These include the 2003 publication 'Empty property: Unlocking the Potential', published by the Office of the Deputy Prime Minister. In 2006, a Government White Paper encouraged local authorities to develop positive policies in regard to returning empty homes to use.

The coalition government has placed considerable emphasis on the importance of empty homes work since 2010. The Housing Strategy document, 'Laying the Foundations' published in 2011 stated:

'We are committed to bringing empty homes back into use, as a sustainable way of increasing the overall supply of housing and reducing the negative impact that neglected empty homes can have on communities'.

Paragraph 51 of the National Planning Policy Framework, published in March 2012 highlights the expectation that Local Authorities will address the empty homes issue locally:

'Local planning authorities should identify and bring back into residential use empty housing and buildings in line with local housing and empty homes strategies and, where appropriate, acquire properties under compulsory purchase powers'

Nevertheless, it was the channel 4 series 'The Empty Homes Scandal', first shown in 2012, that brought the issue of empty properties firmly into the public spotlight.

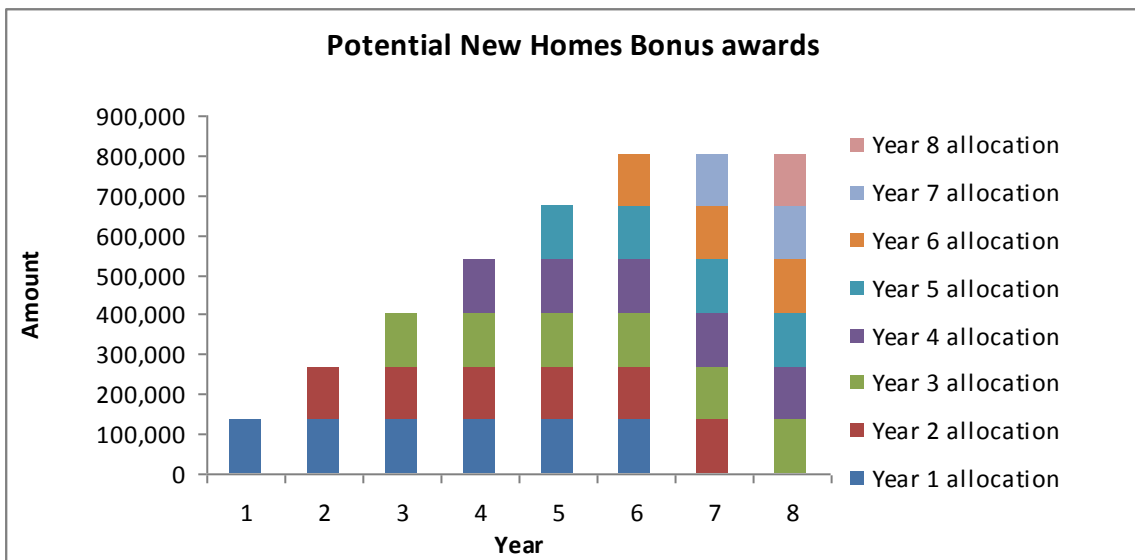
The series highlighted that nearly one million homes were standing empty, and there were two million families lacking adequate housing. Not only were these properties standing empty, but many were the subject of complaint, antisocial behaviour or criminal activity and contributed to urban decline and blight. Justifiably, the series led to public calls for action.

However, the coalition government had by that time already implemented two important empty homes related policies, the 'New Homes Bonus' and the 'Empty Homes Programme' administered by the Homes and Communities Agency (HCA), and was consulting in regard to changes to council tax rules for empty homes.

1. New Homes Bonus (NHB)

Launched in 2010, this policy recognises the fact that empty homes returned to use provide additional accommodation in the same way as new build properties and is an incentive to local authorities to implement effective empty homes strategies. An empty home returned to use is rewarded in the same way as a new home, via a payment of the equivalent council tax income to the local authority for six financial years following its return to use.

The graph below illustrates how the level of award can accumulate and then level off as new awards replace those that are more than six years old. For simplicity, each new NHB award is assumed to be the same:



NHB not only encourages local authorities to invest in empty homes, it also serves to justify on-going investment in this work area to ensure that the problem of empty homes is contained.

In the same way as a reduction attracts a bonus, an increase in the number of empty homes attracts a penalty, reducing any NHB that may be payable on new build properties.

It is therefore in the financial interests of the local authority to not only reduce the number of properties left empty, but also to ensure the number remains as low as possible.

From 2014 onwards, NHB has been drawn solely from Formula Grant – a redistribution of existing funds rather than ‘new’ money. If Derby City Council is not proactive with regards to NHB, the double penalty of a lack of NHB payments as well as reduced Formula Grant will apply.

As at October 2013, the ‘empty homes’ element of New Homes Bonus payable to Derby City Council totals in excess of £4.8million, resulting from a net reduction in the number of empty homes of 744 since 2010. This places Derby within the top 10% of local authorities in England. This income has helped to bolster the council’s finances and to some degree offset the relatively low number of new build completions in the City over the past four years or so.

At a time of diminishing local government resources, the potential benefits of ‘empty homes’ related NHB remain significant, as do the potential penalties if the number of empty homes were to increase.

On a cautionary note however, NHB and its financial implications should not override the other positive aspects of empty homes work, many of which are housing need and community related. Empty homes work should not only be seen as a direct income generator; it serves to minimise the impact of any downturn in the housing market and also maximise any upturn that may occur.

2. Empty Homes Programme

As part of the coalition government's comprehensive spending review in 2010, a £100million fund was established to assist local authorities and registered providers to bring empty homes back into use as affordable housing, either through lease and repair or purchase and repair. A second round of funding was announced in 2012. Both funding rounds were administered by the Homes and Communities Agency (HCA).

Initial take up of the funding was strong, with some schemes being awarded in the region of £1million.

The approach taken by the Empty Homes Service in Derby was far more pragmatic as potential hurdles within the scheme programme were quickly identified and included in performance projections. The Empty Homes Service, working with Derby Homes, successfully bid for in the region of £200,000 of funding over the two bidding rounds. Round one has been successfully delivered, and at the time of drafting this strategy, we remain on target to deliver 'round two'.

Many of the scheme operators who bid for large amounts of funding have been unable to deliver and have had to forfeit most, if not all, of the grant they received and the delivery of many schemes remains well below target.

Council Tax

Since April 2013, powers previously held by central government to vary the amount of council tax paid on some empty homes has been devolved to the local level. The aim of this policy is to further incentivise the reoccupation of long term empty homes by increasing council tax payable or by removing reductions or exemptions that were previously in place.

Local authorities are now able to decide whether to apply a discount for properties empty for up to six months and those properties empty and in need of considerable renovation. There is also the option of imposing an 'empty homes premium' whereby council tax levels for most properties empty for two years or longer are set at 150%.

Derby City Council removed previous council tax exemptions for empty properties and introduced the empty homes premium in April 2013.

2015-18 Affordable Housing Programme

In partnership with Housing Development colleagues, the Empty Homes Service has successfully bid for further funding totalling £300,000 from the Homes and Communities Agency to return empty properties to use as affordable housing under the 2015-18 Affordable Housing Programme.

Recent Developments

The longstanding problem of 'Buy to Leave' has once again commanded headlines recently, notably as an issue identified by both the Mayor of London and the leader of the Labour party. A landlord may purchase a property and purposely leave it empty, possibly for reasons of financial speculation, or on occasion, as part of money laundering processes. The problem is particularly prevalent in London, where properties worth several million pounds have been left empty and subsequently vandalised. While the media attention has focused on this problem in London, it is also evident elsewhere in the country.

A June 2014 report by the Future Homes Commission stated that 300,000 houses needed to be built annually for the foreseeable future in order to meet demand. When this report was debated on BBC's Question Time, comments from the audience quickly steered the debate towards the need to make the most of existing stock and the waste and blight associated with empty homes. The link between new housing supply and making the most of existing stock is clear to housing professionals and the public alike.

Returning empty homes to use will not solve the housing crisis, but government, both national and local, cannot ignore either the potential of empty properties, or the negative impact they have on communities.

Clearly, housing remains a key political battleground, and the impact of empty homes both on people and on neighbourhoods, and the wasted resource they represent, will ensure that empty property work remains a key focus when addressing the wider housing issues that the country faces.



6. The Local Context

There are many benefits of empty homes work to the residents of Derby, and to the City council, including:

- Income generation through New Homes Bonus
- Reduced neighbourhood blight
- Increased supply of housing of all tenures
- Reduction in crime and the fear of crime
- Recovery of debt owed to the council and associated with empty property
- Increased private sector investment in the City
- Reduced risk to the emergency services
- Reduction in workload for other council departments e.g. Environmental Health
- Partnership working that facilitates investment from external organisations such as Registered Providers

At a time of increasing pressure on local government resources, the need to make best use of available resources is stronger than it has been for many years.

Opportunities to maximise income and minimise losses must be fully explored, while at the same time, the council must provide the best service possible to the people of the City. Empty homes provide such an opportunity. This strategy highlights how resources can best be targeted to address the empty homes issue in the City, and to tap into the rewards, both financial and community based, that this approach brings.

There are around 3500 empty properties in Derby. Many of these are 'transactional vacancies' and are necessary for the normal operation of the housing market, so when used as a headline figure, it needs to be treated with some caution.

However, in Derby alone, around 1600 properties have been empty for more than six months, while nearly 450 of these have been empty for more than two years. It is these long term empty homes which cause most concern as they are more likely to remain empty for longer without intervention, and are also more likely to be an increasing source of blight and complaint.

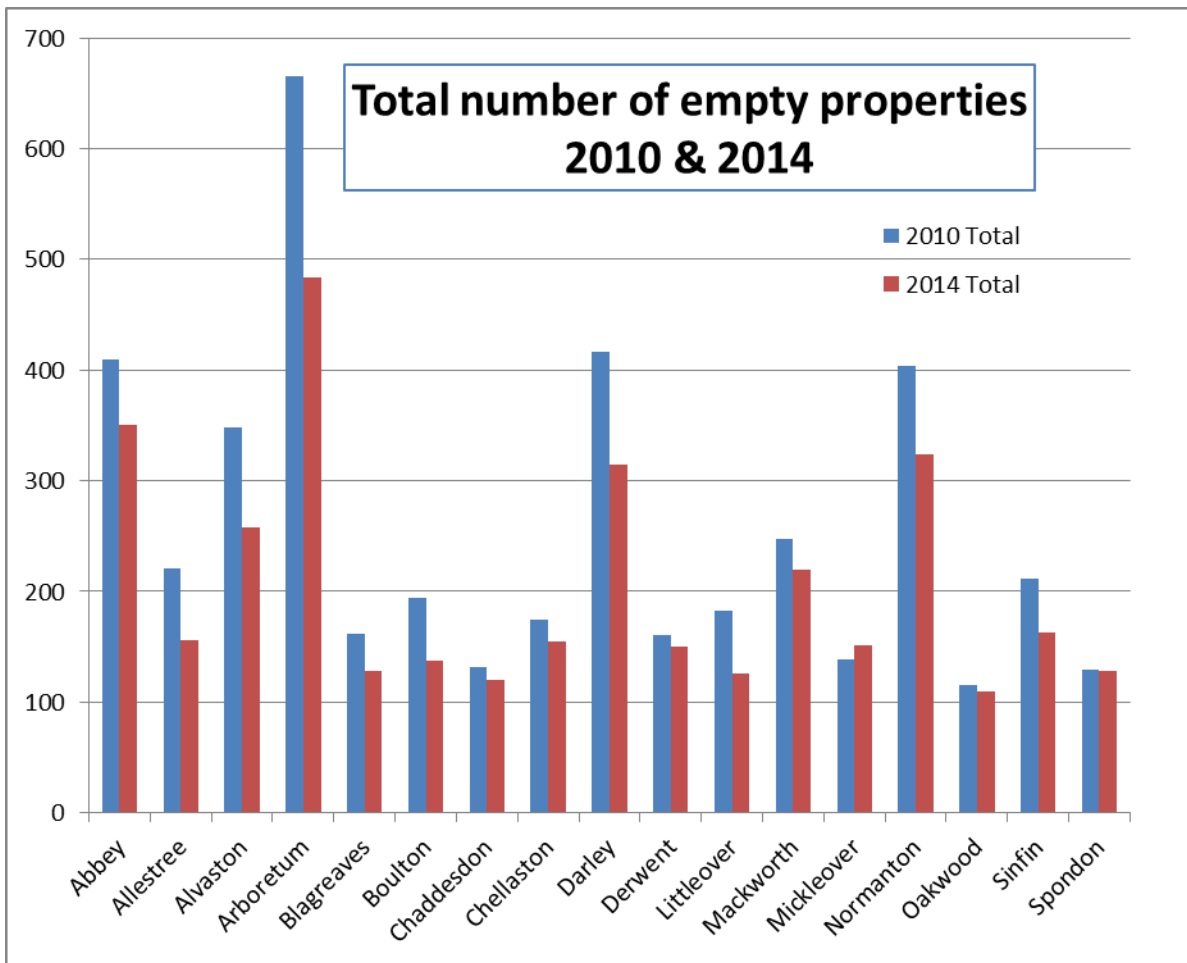
At the same time, there are around 4000 applicants on the housing register in Derby.

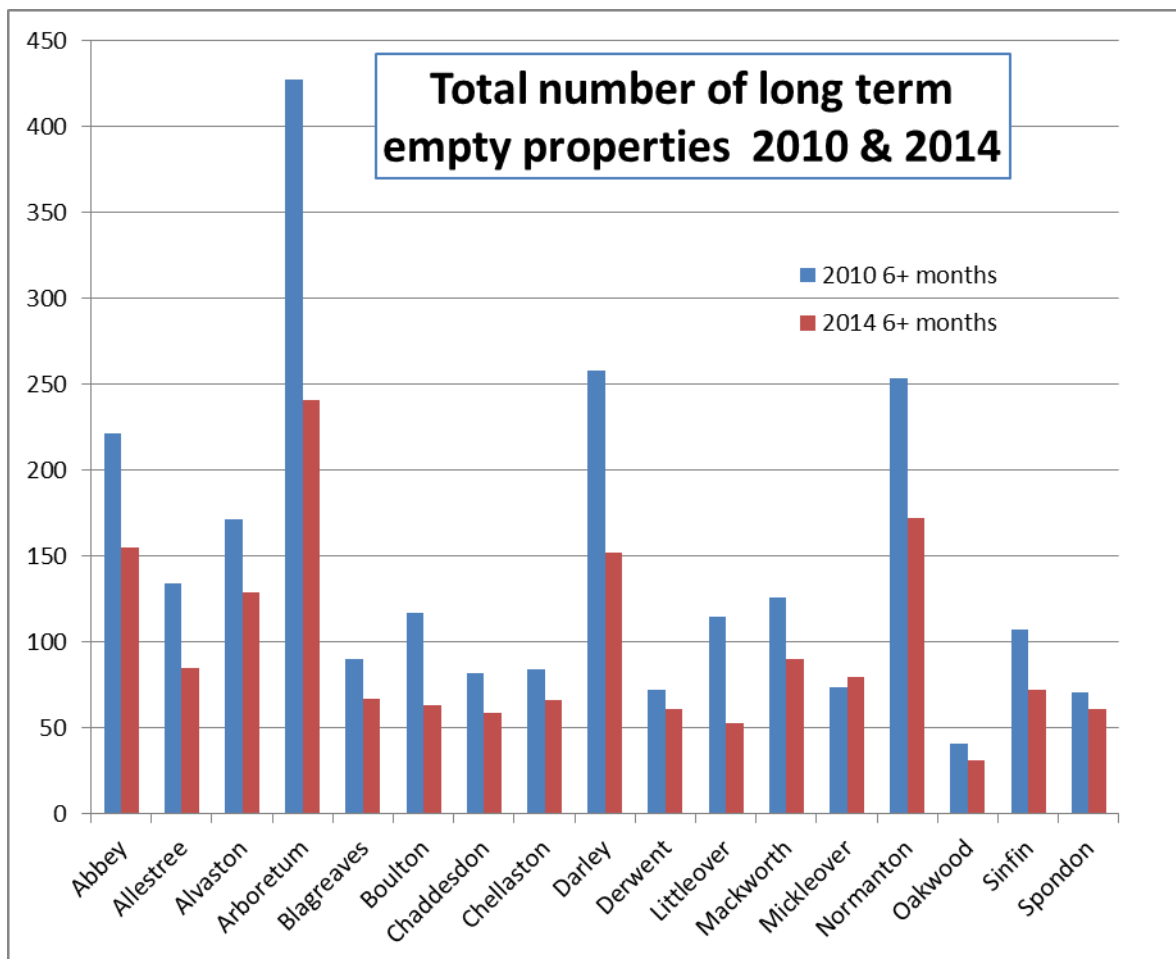
Returning empty properties to use can be the quickest and most cost effective way to increase the supply of housing in the City. While it will not solve the housing problem, empty homes work can nevertheless play an important part in maximising existing housing stock for the benefit of the people of Derby.

Ward Breakdown and comparison with 2010

There are many long term empty homes in every Ward in Derby, as shown by the graph below, but the main concentration is in the Arboretum, Abbey, Darley and Normanton areas of the City. Since the introduction of NHB in 2010, there has been a considerable reduction in the number of empty homes in Derby as the comparative graphs below highlight.

The graphs illustrate the overall number of empty properties by Ward as well as those properties that have been empty for more than six months. Both show comparable data from 2010 and 2014.





Analysis

With the exception of Mickleover, where a slight increase is evident, every Ward in Derby now has fewer long term empty homes than was the case in 2010. While some of this improvement may be attributed to a strengthening housing market, the work of the Empty Homes Service has also impacted on these statistics greatly. Perhaps the best example of this impact is in the number of properties in the City that have been empty for 10 years or more – an area where the Empty Homes Service has focused considerable efforts.

In 2009 there were 238 properties that had been empty for more than 10 years in Derby. In 2014 there are 46. Many of these are flats above shops with no independent access that would be difficult to let in compliance with housing and related legislation. Of those that do not fall in to this category, several are currently undergoing renovation or are subject to ongoing enforcement action. In terms of New Homes Bonus, this reduction alone has generated around £1.2million since 2010, as well as addressing the longest standing empty homes in the City and the blight that many of these properties caused.

Conversely, the number of properties empty for 0-6 months has remained relatively constant over the period covered, being 1868 in 2010 and 1838 in 2014. This demonstrates that the observed reduction in the number of empty properties is due to long term empty homes being returned to use, rather than a reduction in the number of often less problematic short term empty properties.

7. Corporate Context and Links with Other Council Strategies

Empty homes work links with a variety of council documents, strategies and plans, as outlined below.

- Derby City's Council Plan 2014-15
- Empty Homes Strategy 2015-20
- Joint Strategic Needs Assessment (JSNA) 2011 and on-going updates
- Affordable Warmth Strategy
- Housing Enforcement Policy – Housing Initiatives
- Homelessness Strategy 2010-14
- Housing Strategy 2009-14
- Economic Strategy 2011-16

Derby City Council's Housing Strategy 2009-2014 estimates that 553 more affordable homes will be needed each year than can be supplied through the new build programme and re-lets of existing stock. Returning empty homes to use has therefore been made a major objective of the Housing Strategy action plan. The strategy states:

'It is clear that no matter how innovative development partners and the Council are in delivering additional new affordable homes, it will not be possible to meet this need through new build alone. It is essential therefore that the City makes best use of all of its housing resources including those that are privately rented, those that are under occupied and those that are empty.'

Tackling empty homes contributes to the regeneration of the most deprived areas, increasing the supply of affordable housing, reducing crime, antisocial behaviour and urban blight, in addition to the financial benefits offered by NHB and debt recovery. Empty homes work therefore has benefits both for the Council and the community as a whole.



8. Achievements 2010-2014

The City Council's Empty Homes Service has enjoyed unprecedented success over the past four years. Some of these achievements include:

- In excess of 600 properties returned to use with the help of the Empty Homes Service
- The overall number of empty properties has reduced from 4000 in 2010 to 3500 in 2014. The number of properties empty for 10 years or more has reduced from 238 in 2010 to 46 in 2014.
- Total New Homes Bonus earned as a result of the reduction in the number of long term empty properties surpassed £4.8m
- In excess of £650,000 loaned through the innovative Empty Homes Assistance scheme to facilitate the renovation and reoccupation of long term empty homes. The loans are fully repayable and recyclable
- In excess of £150,000 of debt associated with empty homes has been recovered as a direct result of the sole intervention of the empty homes service. We have assisted in the recovery of a further several hundred thousand pounds when working with other departments.
- Successful use of Enforced Sale powers to recover outstanding council tax debts
- Successfully bid for and delivered HCA 'Empty Homes round 1' funding
- Encouraged, facilitated and assisted with the bidding for HCA 'empty homes' funding on behalf of several Registered Providers. This led to the delivery of in excess of 70 units of affordable housing in Derby from previously empty properties, with an estimated grant income of £500,000.
- Empty Homes Manager named 'National Empty Homes Practitioner of the Year 2013' by the Empty Homes Network - the country's foremost empty homes practitioner group.
- Empty Homes Service highly commended in the 'Team of the Year' category at the 2014 Derby City Council VIP awards.
- Empty Homes Manager highly commended in the 'Employee of the Year' category at the 2014 Derby City Council VIP awards
 - Described by the country's most prominent CPO legal practitioner as 'the market leader in empty property CPO work'

9. Achieving Strategic Objectives 2015 – 2020

Development and implementation of previous Empty Homes Strategies as well as strong Councillor and officer support have provided the basis for the current status of the Empty Homes Service as highlighted in section 8 above.

The best practice developed in Derby has been recognised by organisations such as the Empty Homes Network and the charity (Homes From) Empty Homes and the Homes and Communities Agency. There are many local authorities who have either failed to develop their empty homes work or have only now begun the process of initiating some of the best practice that has been in place in Derby since 2010. These local authorities have no doubt missed out on considerable income through NHB and 'core' empty homes work.

The achievements of the Service over the life of the previous strategy highlight that Derby remains at the forefront of empty homes work nationally. To continue and build upon this success, four strategic objectives of empty homes work have been identified, with the overarching aim to increase the supply of housing of all tenures

1. To raise awareness of the Empty Homes issue
2. To assemble relevant, accurate and current information
3. Specific measures for bringing empty homes back into use
4. To maximise income opportunities including NHB and debt recovery

9.1 Raising Awareness of the Empty Homes Issue

Empty homes have been high on the political agenda for some while now, recent television programmes highlighting the waste and blight associated with empty homes have proven popular. In a time of high housing demand, the issue is even more emotive.

Derby City Council has featured in several well received empty homes related reports, including appearances on Central News and BBC Radio Derby and several articles in the local newspaper.

Representatives of Derby's Empty Homes Service have also spoken at events organised by such groups as the Northern Housing Consortium and the Chartered Institute of Environmental Health to raise the profile of the empty homes issue, and to publicise the best practice and successes that have been achieved in Derby.

The Empty Homes Service maintains a corporate approach, liaising regularly with departments whose work is pertinent to the issue. These Departments include:

- Media and Public Relations Office
- Housing Strategy
- Housing Development
- Housing and Advice Services
- Derby Homes
- Council Tax

- Legal Services
- Exchequer Services
- Environmental Services
- Housing Standards Team
- Building Control
- Regeneration

9.2 Gathering relevant, accurate and current information

Empty Property Database

The Empty Homes Service has a database of empty homes that have been identified or referred since 2003. It is the usual practice for all properties empty for more than two years to be automatically added to our database and actioned.

However, where a property is a source of complaint, or when the property is identified by other departments or ourselves as being of imminent danger or concern, the length of time empty becomes irrelevant. If the property is not already being investigated, it is added to our current workload immediately and prioritised accordingly.

Council Tax Database

The accuracy of council tax empty homes data must be evaluated regularly to ensure that the overall picture of empty homes in the City is as accurate as possible, particularly since the introduction of NHB. Failure to maintain this accuracy could result in considerable financial penalty for the council.

The Empty Homes Service continues to undertake verification visits to all properties listed as empty for more than six months. While resource intensive, such efforts ensure NHB is maximised. The inspection regime is designed to ensure that the data is as accurate as possible at the time of the CTB1 snapshot, usually taken in early October, that dictates NHB award.

Website Presence and Referral Forms

The Empty Homes pages of the main Derby City Council website provide an overview of our activities and give the public the opportunity to report an empty home. This can be submitted anonymously.

9.3 Specific measures for bringing empty properties back into use

Empty homes work in Derby is separated into two categories:

- Core - interventions to facilitate renovation and reoccupation to reduce the number of empty homes and their associated detrimental community impacts.

- NHB - data verification that ensures all reoccupied properties are correctly recorded, whether or not they have previously been 'core' cases

The relationship between both categories is symbiotic, ensuring maximum efficiencies in delivery and outcomes in each area. Core Empty Homes Work forms the specific measures we utilise to bring empty properties back in to use and comprises:

The 'Positive Action' Approach

In the first instance, we aim to provide help and advice to the owners of empty homes. Assistance may be given with refurbishment, sales, legal and other aspects of lettings, finding tenants, health and safety and energy efficiency. Empty Homes Assistance loans may be offered to facilitate the desired voluntary renovation and reoccupation.

Template letters have been created to encourage owners of empty homes to return their properties to use and to inform them of these incentives. These communications escalate in seriousness from letters one to three, with the third communication actively presenting the possibility of an appropriate enforcement action being undertaken to ensure the property is returned to use.

Template letters are quick to print and send, allowing us to deal with a large volume of empty home owners. In many cases they are successful, prompting a response from the property owner that leads to assistance from the empty homes team that is tailored to suit their requirements. The Empty Homes Officer organises this aspect of empty homes work and then builds the relationship with the empty home owner to secure voluntary reoccupation.

The Personal Approach

While not excluding any of the advice or assistance outlined above, this approach is undertaken when template letters are unsuccessful. This approach includes visits to the empty property owners registered address where possible, as well as telephone calls and bespoke letters that detail the individual property circumstances and the Council's options to rectify the problems. Further information is also provided on the more serious enforcement actions that are available to the Council. This bespoke approach has proven very successful in convincing empty home owners that voluntary reoccupation of the wasted property is preferable to the enforcement process.

Due to its nature, this work is detailed and time consuming, but its successes reduce the need for further enforcement action. If this approach fails to produce the desired outcome, it provides the groundwork and justification for the enforcement options as outlined below. This work is undertaken in the main by the Empty Homes Manager.

Partnership Approach

Entering into partnership with external organisations is essential to secure the funding required for larger projects. Derby City Council has enjoyed some notable successes in this field, including the Housing Private Finance initiative (PFI) which secured £2.8m in Government grants and 150 empty homes being brought back into use as affordable housing between 2001 and 2005. Similarly, the £1.5m in additional resources for the 'Housing Needs Challenge Fund' was used to procure and renovate empty homes.

The current PFI aims to return a minimum of 50 empty homes to use. The empty homes service is working closely with partners to identify these properties and signpost empty home owners as necessary.

Working with Registered Providers (RP's)

Partnership working with Registered Provider's has increased considerably over the past three years and has seen in excess of 70 properties returned to use as affordable housing in the City, largely through the Homes and Communities Agency 'Empty Homes Programme'.

Despite the lack of any standalone 'empty homes' funding within the 2015-18 affordable housing programme, the return of empty homes to the useful housing stock can be included in bids as part of the general programme. Derby city council has successfully bid into this fund to return a further 15 properties to use. We are hopeful that we will be able to work with our partner RP's on projects part financed through this funding, as well as other funding sources, including HCA Capital Grant funding.

Close relationships exist between the Empty Homes Service and several registered Providers and further opportunities to work together will be explored over the life of this strategy.

Property Acquisition

The Empty Homes Service has been working with Derby Homes and colleagues within Housing Development on acquisition projects, with 12 purchases currently confirmed. We are also working with Housing Development colleagues on ambitious City Centre projects that will see vacant commercial accommodation converted to residential developments

Empty Homes Assistance

To provide working capital to a new owner of an empty property, the City Council offers Empty Homes Assistance loans. These are offered on an interest free basis and are fully repayable, by monthly direct debit, over a period of years dependent on the size of the loan.

The average loan is around £15,000, but in certain cases loans up to £50,000 may be available. This is usually where there is a large conversion or renovation project

that is being undertaken that will generate multiple reoccupied units when completed.

The addition of a charge on the property in favour of Derby City Council at HM Land Registry, plus the various checks and balances in the loan approval and administration process as well as non-payment clauses, serve to protect the financial interests of the Council.

The scheme reflects best practice and provides excellent value for money, results in the return to use of previously empty homes, levers private investment into the City and supports local companies and tradesmen. Providing this upfront capital also makes some nonviable projects more financially inviting and can provide an alternative to potentially more expensive and time consuming enforcement action.

The scheme has been purposely designed without restriction as to the final use of the property. Experience at national level has shown that conditions applied to such schemes make them unattractive and therefore do not achieve the aim of encouraging investment, increasing housing supply and resolving the blight that can be associated with empty property.

Enforcement

A voluntary way forward to renovation and re-occupation is always the preferred option, and officers make all available endeavours to encourage and persuade such progress. However, there remain instances where owners cannot be traced, or where the exhaustive attempts to encourage and promote progress from known owners prove unproductive.

Where all other approaches fail, or if there is an imminent risk to health and safety, there is little option but to proceed with a statutory solution. By closely following the approaches above and recording all actions taken, a detailed record and evidence base is available at the time of enforcement that demonstrates all reasonable attempts have been made to return the property to use voluntarily. This then accelerates the enforcement process as outlined below and increases the chance of success if the owner was to appeal or if a Public Inquiry or Judicial Review were to be held.

The property is evaluated and one of the three enforcement routes outlined below is selected:

Empty Dwelling Management Order (EDMO)

Available since 2006, an EDMO can be made where an owner leaves a property empty and has no intention of securing its voluntary reoccupation. The Council and a partner Housing Association or ALMO undertake the management of a property for a set period of time, up to seven years, with the EDMO reviewed after that time.

There are currently only 18 EDMO's in the country, 16 of which have been secured with the cooperation of the empty home owner. EDMO's are open to appeal at any stage and can be administratively burdensome. The end result is the likely return

of the property into the same ownership as that which left it vacant and neglected in the first instance.

Enforced Sale

The Law & Property Act 1925 (S30) allows local authorities to recover charges through the sale of the property. This option can only be utilised where there is a debt to the local authority registered as a charge on the property. Council tax debts or works in default can be charged to the property in many cases, allowing the enforced sale process to begin.

Debt recovered through the threat of, or utilisation of the Enforced Sale procedure currently totals around £20,000, with several more cases currently being progressed.

Compulsory Purchase Order (CPO)

Derby City Council has an excellent record in this regard and has been identified as 'the market leader in empty property CPO work' by one of the country's leading CPO specialist solicitors.

The City Council has been making use of its compulsory purchase powers for some years now. The compulsory purchases have been successful, and the outcomes have proven popular with the general public - not least because in addition to enhancing housing availability, the anti-social and criminal activities which empty buildings can so often attract are also addressed as a consequence of the enforcement.

CPO plays a pivotal role in the Empty Homes Strategy, providing the final sanction to ultimately facilitate the renovation and reoccupation of the most problematic empty homes in the City. The use of CPO powers and its associated publicity demonstrates how seriously the Council takes the issue, encouraging the success of the voluntary approaches outlined above. CPO provides the 'teeth' to the empty homes process and strengthens every aspect of empty homes work, including New Homes Bonus delivery.

CPO's can be made under S17 of the Housing Act 1985 or under S226 (as amended by Planning and Compulsory Purchase Act 2004) of the Town & Country Planning Act 1990, for the provision of housing accommodation or to make a quantitative or qualitative improvement to existing housing. Compulsory purchase Orders are progressed by the Compulsory Purchase and Enforcement Officer in consultation with the Empty Homes Manager and Housing Initiatives Manager.

Additional Statutory Powers

Where an empty property is causing a specific problem to a neighbourhood or is dangerous or ruinous for example, we have a range of enforcement powers that can be used. The timing and extent of the action taken will be dependent upon the individual circumstances encountered at the property. For a detailed list of these measures, please see Appendix A of this strategy.

9.4 Maximise income opportunities

There are three key income streams associated with empty homes work: New Homes Bonus, debt recovery and bids into external funding sources

New Homes Bonus

In order to maximise NHB, the Empty Homes Service has a programme of property visits which, when combined with a close working relationship with colleagues in the council tax team, allows the data that is used to calculate NHB award to be as accurate as possible at the time of the data snapshot – usually early October. This ensures that NHB income to the council is maximised each year. This work is undertaken without the requirement for any additional budget.

The best practice devised and delivered through the 2012-15 strategy to maximise NHB has developed into a streamlined and effective process, helping to generate in excess of £4.8m in NHB through a reduction in the number of empty homes in the City since 2011. The best practice that this process represents is only now being adopted by some local authorities – five years after its inception in Derby.

Debt Recovery

There are several types of debt that can be associated with empty homes, the most common being unpaid council tax, works in default costs and residential care charges for previous occupiers.

The pressures on local government finances since 2010 continue and the Empty Homes Service therefore seek to maximise all debt recovery opportunities. Derby City Council is one of few authorities to successfully utilise powers of enforced sale to recover unpaid council tax debt associated with empty homes, while threats of such action, the use of compulsory purchase powers, or establishing a voluntary way forward have also proven successful in recovering debt.

The Empty Homes Service recovered in excess of £160,000 of debt associated with empty homes through direct intervention. We have also been involved in progressing several cases in partnership with other council departments, notably residential care charging, where several hundred thousand pounds have been recovered over the life of the previous strategy.

It is appropriate that all efforts to recover debt associated with empty property are undertaken to recover public money from this wasted resource and redirect it to the services that the council provides for the people of Derby.

External Funding

The Empty Homes Service successfully bid into the coalition Government's Empty Homes Fund, generating around £200,000 in grant. The Empty Homes Service also successfully worked with several Registered Providers by encouraging them to bid and to target their allocations in Derby. This has generated a total of more

than 70 affordable homes from previously empty properties, with an estimated grant investment of £500,000.

There are also a variety of other ways in which empty homes work maximises income. The private sector investment in empty homes that is facilitated by the Empty Homes Service serves not only to bring investment into the City, but also to local tradespeople. The reduction of blight and decline associated with empty property helps towards environmental improvements and to maintain property values. The general improvement in appearance that renovation of empty property brings contributes to regeneration aspirations and improves the appearance and attractiveness of the City.



10. Monitoring and Performance

Performance Framework

New Homes Bonus widened the remit of the Empty Homes Service. Any empty home returned to use carries the same reward, whether the property is returned to use quickly through voluntary dialogue, or as a result of detailed and protracted enforcement action. While the Empty Homes Service cannot lose sight of the need to address the worst housing in the City, it must also address ‘all’ empty homes to maximise potential NHB award.

However, it would be improper to claim a property found to be occupied on an NHB visit as an empty homes statistic. Empty homes successes must be evidenced, and that includes evidence of contact with the owner, advice and assistance given, enforcement threatened or utilised etc.

NHB successes are therefore recorded separately but do not form part of the formal reporting procedure.

The performance definition for this strategy will therefore remain unchanged from the 2012 -15 strategy:

‘The number of private sector vacant dwellings that are returned to occupation or demolished.’

We must assume that where additional funding is provided, there will be additional ways in which the effectiveness of any resulting initiatives will be evaluated. Particular conditions or incentives that are attached to any additional funding award may have an impact on our targets over the period of this strategy. For this reason, the targets set out below are based on current performance with current resources.

2015/16	2016/17	2017/18	2018/19	2019/20
Target 140	Target 140	Target 140	Target 140	Target 140

11. Action Plan

The strategic objectives of the Empty Homes Strategy are described in detail in section nine, but to summarise, there are four key objectives:

1. To raise awareness of the Empty Homes issue
2. To assemble relevant, accurate and current information
3. Specific measures for bringing empty homes back into use
4. To maximise income opportunities including NHB and debt recovery

The actions we will take to bring about these objectives are tabulated below.

Strategic objective	Action number	Targets and outcomes	Action description	Target date	Lead officer
Awareness of Empty Homes Issues	1	To raise awareness of the empty homes issue and improve the way the public can report empty homes	<ul style="list-style-type: none"> • Measures to include: <ul style="list-style-type: none"> • Targeted press releases • Proactive mailout to empty home owners • Update and simplify web based functions 	Ongoing	Empty Homes Manager
Awareness of Empty Homes Issues	2	Contribute and respond to the national debate on empty homes policy and procedures through the national body	Maintain a proactive presence within the Empty Homes Network, CLG HCA and the (Homes From) Empty Homes charity	Ongoing	Empty Homes Manager
Assembling Information	3	Maintain and improve cross department and cross directorate partnership working	Work with various departments including Council Tax, Regeneration, Housing Standards, Environmental Health etc to maximise impact and delivery of the Empty Homes Strategy	Ongoing	Empty Homes Service
Assembling Information	4	Improve cross boundary working, training and sharing of best practice between East Midlands local authorities	Maintain proactive membership of EMEPF (East Midlands Empty property Forum), explore further options with Homes and Communities Agency	Spring and Autumn each year	Empty Homes Service
Assembling Information	5				Empty Homes Manager
Implementing Measures	6	Identify new funding streams and opportunities	Work closely with HCA and CLG on emerging policy and funding arrangements for empty homes.	Ongoing	Empty Homes Manager

Strategic objective	Action number	Targets and outcomes	Action description	Target date	Lead officer
Maximise Income	7	Maximise debt recovery opportunities through both enforcement and informal methods	<ul style="list-style-type: none"> Identify all opportunities for debt recovery Pursue all suitable cases in conjunction with colleagues in legal services Further expand the use of Enforced Sale powers 	Ongoing	Empty Homes Manager
Maximise Income	8	Maximise income through New Homes Bonus through focused visits to all qualifying empty homes	<ul style="list-style-type: none"> Develop and refine existing best practice. Ensure all cases are accurately recorded by council tax prior to closing Complete all necessary visits to allow accuracy in CTB1 return that dictates NHB Further develop and refine already strong relationship with Council Tax colleagues to ensure information is suitably recorded 		Empty Homes Service
Implementing Measures	9	Ensure compliance and accurate recording of actions in accordance with the Empty Homes procedure	Maintain record keeping on APP and ensure structured progression through the empty homes procedure	Ongoing	Empty Homes Officer
Implementing Measures	10	Undertake all endeavours to secure voluntary reoccupation of properties where standard communications have failed	Continue and expand upon direct communication with owners of problematic empty homes to minimise need for enforcement	Ongoing	Empty Homes Manager

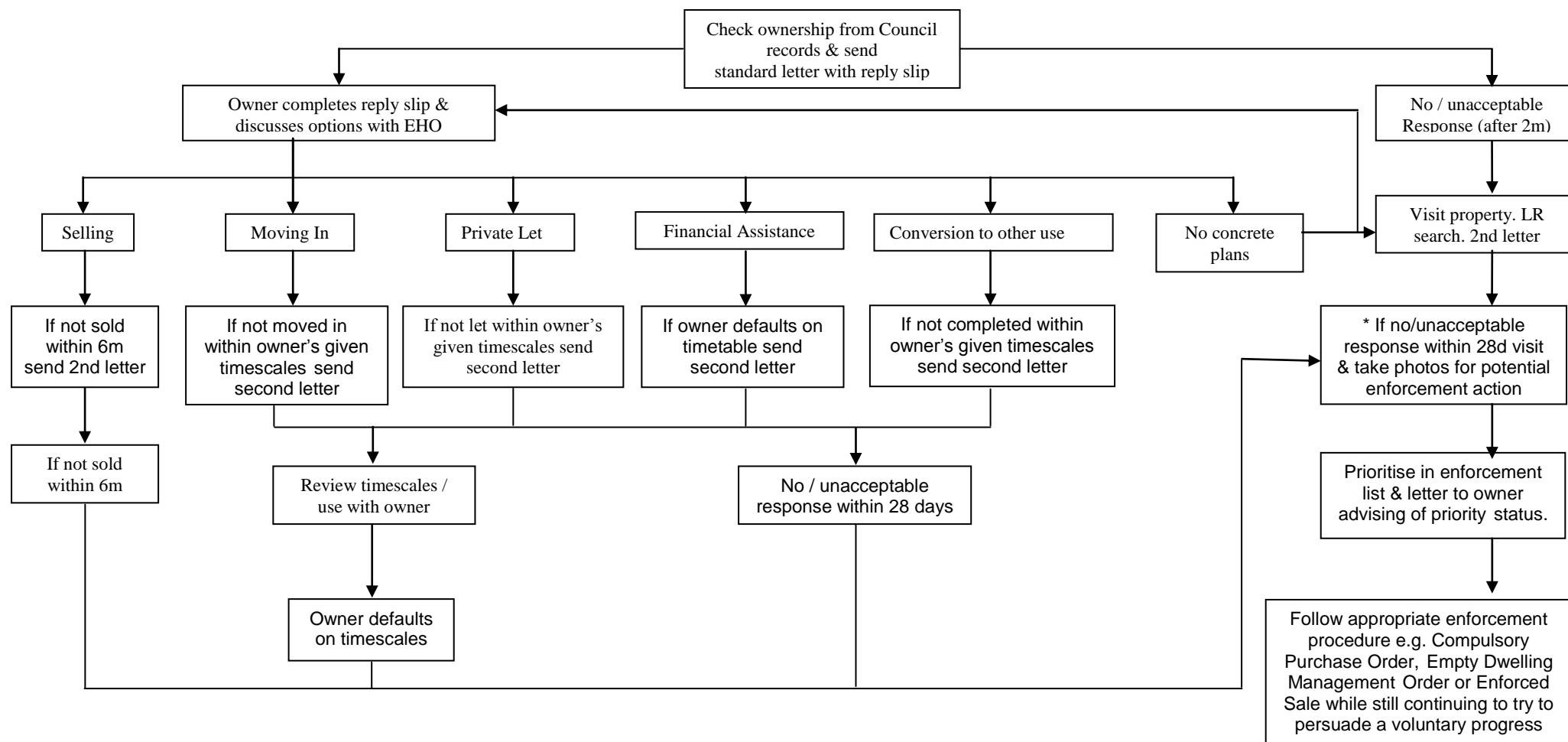
Strategic objective	Action number	Targets and outcomes	Action description	Target date	Lead officer
Implementing Measures	11	Ensure evidence base for enforcement is secure and compliant	Maintain record keeping on APP, liaise with Enforcement officer and Legal Services on individual cases to ensure compliance	Ongoing	Empty Homes Manager/Compulsory Purchase and Enforcement Officer
Implementing Measures	12	Continue enforcement activity against prominent nuisance properties where owner is untraceable or non-cooperative	Progress specific properties through CPO route to generate voluntary progress or secure change of ownership	Ongoing	Compulsory Purchase and Enforcement Officer
Implementing Measures	13	Continue enforcement activity against prominent nuisance properties where owner is untraceable or non-cooperative	Progress specific properties through Enforced Sale/EDMO route	Ongoing	Empty Homes Manager
Implementing Measures	14	Maximise opportunities to create affordable homes from empty properties	<ul style="list-style-type: none"> • Work with external Registered Providers to identify properties suitable for renovation/conversion. • Work with Derby Homes to identify empty properties suitable for HRA purchase • Pursue opportunities for appropriate properties to be purchased by Derby Homes following CPO action 	Ongoing	Empty Homes Manager
Implementing Measures	15	Deliver Empty Homes Assistance' scheme	Process and administer Empty Homes Assistance loans to foster desired renovation of empty properties, particularly those where renovation is not viable without financial assistance		Empty Homes Service

Strategic objective	Action number	Targets and outcomes	Action description	Target date	Lead officer
Implementing Measures	16	To constantly improve performance in reducing the number of empty homes by accessing and utilising the latest tools and best practice	Continuously develop and sustain up-to-date knowledge of best practice through ongoing research and liaison with appropriate external bodies	Ongoing	Empty Homes Manager
Implementing Measures	17	Reactively investigate all reports received, whilst also monitoring and reviewing points at which proactive intervention in long-term empty properties should best be implemented	Investigation of all reported empty properties and proactive investigation of all identified long-term or particularly problematic empty properties	Ongoing	Empty Homes Officer
All	18	Annual review of strategy targets, action plan, and resources	Review action plan and targets to ensure they remain SMART and challenging. Where possible access additional funding to resource new/additional measures	Ongoing	Empty Homes Manager

Appendix A Main Statutory Enforcement Options

- Town & Country Planning Act 1990, section 215 – where the condition of an empty home is detrimental to the amenity of the area.
- Building Act 1984, section 79 – where an empty home is in such is seriously detrimental to the amenity or of the neighbourhood.
- Building Act 1984, section 59 – where the condition of the drainage to a building is prejudicial to health or a nuisance
- Housing Act 2004, sections 11, 12, 20, 21 and (46 which substitutes section 265 of Housing Act 1985) - where the condition of a property is defective such that its use needs to be prohibited, works are required for improvement or the property requires demolition.
- Environmental Protection Act 1990 - section 80 - where a statutory nuisance exists, is likely to occur or recur at the property.
- Prevention of Damage by Pests Act 1949 - section 4 where the condition of the property is such that it is providing or likely to provide harbourage to rodents.
- Local Government (Miscellaneous Provisions) Act 1982, section 29 – where a property is open to unauthorised access.
- Local Government (Miscellaneous Provisions) Act 1976, section 15 – allows authorisation to be given for officers to enter land (and property on that land) in connection with a proposal to acquire a compulsory interest in that land (and property on that land)
- Local Government (Miscellaneous Provisions) Act 1976, section 16; and Town & Country Planning Act 1990, section 330 – this is served where confirmation or further information regarding property ownership or interests is required
- Housing Act 1985 section 17 and the Acquisition of Land Act 1981 is the basis for the compulsory purchase of land/buildings for the provision of housing accommodation
- Housing Act 2004 Part 4 - Empty Dwelling Management Orders (EDMO)
- Law of Property Act 1925, section 101 – the basis for enforced sale

Appendix B: Empty homes Procedure (Following initial referral)



If at any time the property changes ownership, go back to Send Standard letter stage

