



## **Draft Private Sector Empty Homes Strategy 2011-2014**

### **SUMMARY**

- 1.1 The report asks that the Commission to consider the draft Private Sector Empty Homes Strategy 2011-2014.

### **RECOMMENDATION**

- 2.1 To consider and comment on the draft Private Sector Empty Homes Strategy 2011-2014.

### **REASONS FOR RECOMMENDATION**

- 3.1 The draft Private Sector Empty Homes Strategy 2011- 2014 sets out the council's policy and procedures in relation to the return of private sector empty properties to the useful housing stock. The strategy details the advice, assistance and encouragement that is offered by the council to owners of empty homes, any incentives that are available to owners and/or purchasers of such properties, and where necessary, the enforcement measures that can be utilised to ensure empty properties are reoccupied. The strategy also details the ways in which the Empty Homes Service at the City Council undertakes to maximise the opportunity for income from the New Homes Bonus scheme.
- 3.2 Internal consultation and a preliminary Equalities Impact Assessment have been undertaken by officers and public consultation has now commenced.
- 3.3 To ensure the continued delivery of the Empty Homes Strategy and to maximise the New Homes Bonus to the council, the report proposes that £60,000 be top-sliced annually from New Homes Bonus grant income to partially fund the team into future years as existing capital resources diminish

### **SUPPORTING INFORMATION**

- 4.1 In June 2010 the Government explained that its key housing policy goal is to ensure that everyone has the opportunity of living in a decent home, which they can afford, in a community where they want to live. [Planning Policy Statement 3: Housing 2010]
- 4.2 The majority of housing both nationally and locally is private sector, in the form of either owner occupied or private rented accommodation.
- 4.3 Official figures suggest there are 740,000 empty homes in England, with around 4500 in Derby (Source: Empty Homes Agency statistics, 2010).
- 4.4 In Derby there are:
- Some 2500 properties that have been empty for more than six months (so called 'long term' empty homes).
  - Empty properties that blight neighbourhoods, blight the lives of neighbours and waste a valuable housing resource to the detriment of those in housing need.
  - Around 7000 people on the waiting list for housing
- 4.5 The draft Derby Joint Strategic Needs Assessment (JSNA) 2011 states that:
- 'Improving the housing stock that already exists will help more people than building new houses...*
- And that improving housing can '...also yield financial benefits'*
- 'If only five per cent of empty homes could be brought back into use, councils could cut their annual homelessness costs by £1/2 billion'*
- 4.6 The Derby Plan puts the local focus on delivering *'more good quality, affordable housing'* in the City.
- 4.7 The Council Plan commits to *'delivering improvements to existing private sector housing conditions'* and *'returning empty homes to use'*.
- 4.8 The Derby HMA Local Investment Plan similarly declares a priority aim to *'improve housing conditions and housing choice'*, and acknowledges that returning empty properties to use increases housing supply, contributes to a reduction in crime and antisocial behaviour, encourages external investment and improves the local housing mix.
- 4.9 Through the Empty Homes Strategy we strive to help achieve these aims and tackle these concerns, through offering advice, assistance, encouragement and incentives, but also through the use of enforcement measures where necessary to target the waste of housing resources and the negative community impact that empty homes represent.

- 4.10 Unfortunately, current financial restraints affecting both local government and the private sector have significantly limited the availability of incentives. However, as government policy on empty homes evolves, the draft Empty Homes Strategy 2011-14 aims to place the Council at the forefront of discussion and debate and also to strengthen any future bid for external funding.
- 4.11 New Homes Bonus was introduced by the coalition government in 2010. The Bonus rewards local authorities for both new build properties and empty homes returned to use. The reward is the equivalent council tax income, paid consecutively for six years following the return to use of the property.
- 4.12 While there is currently a central government budget for New Homes Bonus, any payments over and above the allocated budget, and all payments from 2014 onwards, will be derived from Formula Grant. Maximising New Homes Bonus income therefore has budgetary implications for the council

#### **OTHER OPTIONS CONSIDERED**

- 5.1 The Policy as proposed makes best use of the available resources.
- 5.2 Internal Council consultation on the draft strategy and a preliminary Equalities Impact Assessment have been carried out by officers, the minutes and notes being included at Appendices 3 and 4 respectively. No alternative options arose from these exercises.
- 5.3 The consensus of the consultees was that a good balance had been struck within the draft strategy to allow the continuation of current ways of working. This approach targets the high impact empty properties that are detrimental to an area and contribute to crime and urban blight - while also focusing efforts and developing new ways of working to help to maximise New Homes Bonus income for the Council while making no further resource demands on council budgets.

**This report has been approved by the following officers:**

<b>Legal officer</b>	Richard Burton
<b>Financial officer</b>	Tina Frost-Morris / Pete Shillcock
<b>Human Resources officer</b>	No specific implications
<b>Service Director(s)</b>	Brian Frisby
<b>Other(s)</b>	Chris Salt – Risk Management

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<b>Background papers:</b>	None
<b>List of appendices:</b>	Appendix 1 – Implications Appendix 2 – Draft Private Sector Empty Homes Strategy 2011-2014 Appendix 3 – Minutes of Strategy consultation event



## IMPLICATIONS

### Financial and Value for Money

- 1.1 The costs of delivering the Strategy are fully contained within the revised Housing General Fund Capital Programme as approved by Cabinet at its meeting on 15 February 2011.
- 1.2 The proposed Strategy aims to maximise New Homes Bonus reward to the council, recover debt associated with empty properties, including council tax debt, and to reduce potentially expensive crime and ASB associated with empty homes.
- 1.3 Whilst funding is secure for 2011-12 and programmed into future years, service provision is subject to availability of resources and, as such, continued delivery of the services shown will be at significant risk should the Council become unable to offer capital funding or other resource in support of this and other housing renewal projects from 2012-13 onwards. This risk will be monitored by the Housing Renewal Review Group, as defined within the Housing Renewal Policy, and will be managed in accordance with the City Council's Risk Management Handbook.
- 1.4 To ensure the continued delivery of the Empty Homes Strategy and to maximise the New Homes Bonus to the council, £60,000 should be top-sliced annually from new homes bonus grant income to partially fund the team into future years as existing capital resources diminish.

### Legal

- 2.1 There are no specific legal implications arising from this proposal.

### Personnel

- 3.1 There are no specific Personnel implications arising from this proposal.

### Equalities Impact

- 4.1 None directly arising, but the Policy does seek to enforce on problematic empty homes, many of which are located in areas of the community with relatively high BME populations.

### Health and Safety

- 5.1 The return to use of an empty property reduces the risk of injury to trespassers and reduces the likelihood of that property becoming a focus for illegal behaviour and the associated risks to individuals.

### Environmental Sustainability

- 6.1 The re-use of existing empty homes is an efficient way to increase the available housing stock and can reduce the need for new build properties and the associated Greenfield developments and carbon output of the construction process.

### **Asset Management**

- 7.1 There are no specific asset management implications arising from this proposal

### **Risk Management**

- 8.1 Whilst funding is secure for 2011-12 and programmed into future years, continued delivery of the services shown will be at significant risk should the Council become unable to offer capital funding or other resource in support of this and other housing renewal projects from 2012-13 onwards. This risk will be monitored by the Housing Renewal Review Group, as defined within the Housing Renewal Policy, and will be managed in accordance with the City Council's Risk Management Handbook.
- 8.2 Compulsory purchase orders carry a risk of legal and statutory compensation costs and of challenge at Lands Tribunal of property value compensation. These risks are mitigated by a close and effective working relationship with the City Council's Legal and Asset Management officers.
- 8.3 Empty Homes Assistance is in the form of a loan to a property owner and, as such, carries a risk of payment default. This risk is mitigated by a close and effective working relationship with the City Council's Legal, Finance and Debt Recovery officers. Such loans are subject to scrutiny by the Housing Renewal Review Group before approval and are recorded as a local charge against the property to aid recovery in case of payment default.

### **Corporate objectives and priorities for change**

- 9.1 This proposal supports the following commitments within the Council Plan:  
'more good quality and affordable housing'  
'delivering improvements to existing private sector housing conditions'  
'more empty private sector homes returned to use or demolished'

Documents available in the Members Room.