

AGENDA ITEM

REPORT TO CABINET

7 MARCH 2013

**REPORT OF REGENERATION
AND TRANSPORT SELECT
COMMITTEE**

CABINET DECISION

Housing and Community Safety – Lead Cabinet Member – Councillor Nelson

REVIEW OF EMPTY/ABANDONED PROPERTIES

1. Summary

The Regeneration and Transport (R&T) Select Committee has concluded a review of empty and abandoned residential properties as part of the Scrutiny Work Programme during 2012-13. The scope of the review included consideration of increased powers to bring non-decent properties back into use; increased Council Tax income and production of savings on temporary accommodation expenditure; and an increase in New Homes Bonus to the Council.

2. Recommendations

1. The Committee recommend that a business case is developed during 2013 exploring an invest to save opportunity to provide additional staff from increases in Council Tax and/or investment reserves to tackle the problem of empty homes through proactive and reactive work across Private Sector Housing and Planning Enforcement. (Business case to be submitted to Cabinet for approval)
2. The Committee recommend the reprioritisation of empty properties (empty just over 6 months) to identify those that can be brought back into use sooner.
3. The Committee recommend increased publicity of successes when empty properties are brought back into use to assist tackling this issue.
4. The Committee recommend a business case is explored for utilising one off funding allocation, with an annual top up, to cover the costs of works in default. (Business case to be submitted to Cabinet for approval)
5. The Committee recommend the use of the Enforced Sale Procedure to take action to recover debts in excess of £1,000 through enforcing the sale of the empty property and ensuring its return to use.

3. Reasons for the Recommendations/Decision(s)

1. Those service areas involved with returning empty properties to use do so with no funding provision for taking action following the failure or refusal of a property owner to comply with a statutory notice. This creates the situation where either no works are carried out by a service area and the property remains in the same condition or works are carried out and the service area covers the debt until it is repaid, if ever. However, Stockton Council has always been proactive in bidding for additional capital to return long term empty properties back into use.

2. The main focus for the Committee was the availability of funding and staffing for the Council, primarily the Private Sector Housing Division, to best facilitate the return of empty properties back into use. The Committee believe that due diligence should be given to an examination of the business case that invest to save opportunities could provide the Council.
3. With the length of time it can take to reoccupy an empty property the Committee believed that refocusing attention to properties that had not long been unoccupied might achieve a higher occupancy level than the problems encountered with houses empty for some time.
4. The Committee believe that increased publicity of successes when empty properties are returned to use should be sought to assist in tackling this issue. Stockton News can carry articles on empty homes and articles can continue to be submitted for the local press.
5. The Committee understands that to ensure that the Council fully utilises all the legal powers available a one off contingency fund topped up each year would cover costs incurred for carrying out of works in default. Service areas would be able to actively pursue debtors to recover costs and the recovered monies would then be returned to the contingency fund for recycling to cover further actions. Additionally, recourse to prosecution for non-compliance would follow works in default where appropriate.

4. Members' Interests

Members (including co-opted Members with voting rights) should consider whether they have a personal interest in the item as defined in the Council's code of conduct (**paragraph 8**) and, if so, declare the existence and nature of that interest in accordance with paragraph 9 of the code.

Where a Member regards him/herself as having a personal interest in the item, he/she must then consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest (**paragraphs 10 and 11 of the code of conduct**).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting considering the business is being held -

- in a case where the Member is attending a meeting (including a meeting of a select committee) but only for the purpose of making representations, answering questions or giving evidence, provided the public are also allowed to attend the meeting for the same purpose whether under statutory right or otherwise, immediately after making representations, answering questions or giving evidence as the case may be;
- in any other case, whenever it becomes apparent that the business is being considered at the meeting;

and must not exercise executive functions in relation to the matter and not seek improperly to influence the decision about the matter (**paragraph 12 of the Code**).

Further to the above, it should be noted that any Member attending a meeting of Cabinet, Select Committee etc; whether or not they are a Member of the Cabinet or Select Committee concerned, must declare any personal interest which they have in the business being considered at the meeting (unless the interest arises solely from the Member's membership of, or position of control or management on any other body to which the Member was appointed or nominated by the Council, or on any other body exercising functions of a public nature, when the interest only needs to be declared if and when the Member speaks on the matter), and if their interest is prejudicial, they must also leave the meeting room, subject to and in accordance with the provisions referred to above.

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RECOMMENDATIONS

1. The Committee recommend that a business case is developed during 2013 exploring an invest to save opportunity to provide additional staff from increases in Council Tax and/or investment reserves to tackle the problem of empty homes through proactive and reactive work across Private Sector Housing and Planning Enforcement. (Business case to be submitted to Cabinet for approval)
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DETAIL

1. The Department for Communities and Local Government reports that empty homes account for 3% of the national housing stock that not only restrict housing supply but also detract from the quality of the local environment and can cause significant problems for local residents. The only effective answer is to get them back into occupation and in that way help to meet housing needs where appropriate.
2. At the beginning of the Scrutiny Review, the Northern Echo reported on 14 May 2012 that...“Empty Homes across the region cost hard up town halls a staggering £30.4 million in

'lost' council tax every year." In Stockton this amounted to £2.12m and at 31 December 2012 there were 2,609 empty residential properties of which 1,244 have been empty for more than 6 months. There were also 700 commercial long term empty properties.

3. The Committee learned that there is no shortage of legislation to deal with empty properties. The difficulty is the practicality of putting it into action and the time it takes. The Private Sector Housing Division is the first contact point for complaints about problem sites and it works closely with other Council service areas through the Corporate Empty Home Group (Planning, Technical Services, Enforcement, Care For Your Area, Council Tax) to coordinate the approach required to gain cooperation with the owner or alternatively to take enforcement action.
4. Those service areas involved with returning empty properties to use do so with no funding provision for taking action following the failure or refusal of a property owner to comply with a statutory notice. This creates the situation where either no works are carried out by a service area and the property remains in the same condition or works are carried out and the service area covers the debt until it is repaid, if ever. However, Stockton Council has always been proactive in bidding for additional capital to return long term empty properties back into use.
5. Currently, there is one Private Sector Housing Officer working full time on returning empty properties to use. The Enforcement Officer post had been frozen although the post was responsible for responding to requests for service relating to empty homes, risk assessing empty property, maintaining the empty property database and working informally with owners to help them return their properties to use. As a result this work was no longer carried out. One of the main roles of the Enforcement Officer was to take action to secure properties open to unauthorised access to prevent them from being a fire risk and a danger to public health. This work had now been allocated to other officers within the Private Sector Housing Division.
6. The main focus for the Committee was the availability of funding and staffing for the Council, primarily the Private Sector Housing Division, to best facilitate the return of empty properties back into use. The Committee believe that due diligence should be given to an examination of the business case that invest to save opportunities could provide the Council.
7. With the length of time it can take to reoccupy an empty property the Committee believed that refocusing attention to properties that had not long been unoccupied might achieve a higher occupancy level than the problems encountered with houses empty for some time.
8. The Committee believe that increased publicity of successes when empty properties are returned to use should be sought to assist in tackling this issue. Stockton News can carry articles on empty homes and articles can continue to be submitted for the local press.
9. The Committee heard how the Local Government Finance Act now provides councils more flexibility over the Council Tax charges that can be levied on certain empty properties and as part of this review received a consultation report regarding the introduction of more flexibility over the Council Tax charges that can be levied on certain empty properties.
10. The Committee raised a number of issues and agreed the scheme as presented, with caveats, that required resolution by Cabinet.
11. This review provided an opportunity to look at the efficiencies and improvements that can be made with opportunities to invest to save in the future. The Committee understands that to ensure that the Council fully utilises all the legal powers available a one off contingency fund topped up each year would cover costs incurred for carrying out of works in default. Service areas would be able to actively pursue debtors to recover costs and the recovered monies would then be returned to the contingency fund for recycling to cover further actions. Additionally, recourse to prosecution for non-compliance would follow works in default where appropriate.
12. An additional piece of legislation that the Private Sector Housing Division asked the Committee to consider was the Enforced Sales Procedure (ESP), an existing power carried

out under Section 101 of the Law of Property Act 1925. It has been adopted by a number of local authorities as an effective way of dealing with long term empty properties where the owner cannot be traced or is unwilling to work with the local authority to bring the property back into occupation.

13. The Committee see the benefits of returning empty properties back into use as being:

- Neighbourhoods – reduced numbers of unsightly/detrimental empty properties; reduced anti-social behaviour / arson.
- New Homes Bonus – received for each empty property returned to use, 200 through HCA over 8 years = £1.7m
- Affordable housing for homeless people, improving their quality of life and wellbeing, reduced costs for health and social care.
- Reduction in homelessness list – use of bed and breakfast (B&B) accommodation – 2011 - £270k, 2012 - £300k. 200% increase in numbers requiring B&B since 2009 - (now 15,336 bed spaces per year, in 2009, 7,291 beds)

FINANCIAL IMPLICATIONS

14. The recommendations for invest to save opportunities require business cases to be developed to identify the level of investment required not currently budgeted.

LEGAL IMPLICATIONS

15. None

RISK ASSESSMENT

16. This review of empty/abandoned properties is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS

Economic Regeneration and Transport

17. Throughout Stockton Borough the quality of place will be improved with a reduced number of unsightly empty properties.

Safer Communities

18. Bringing properties back into use can help to reduce incidences of anti-social behaviour and arson from taking place.

Health and Well-being

19. Increasing the availability of housing will reduce homelessness, improve quality of life, resulting in reduced costs for health and social care.

Environment and Housing

20. Enhanced and pro-active housing options with increased access to quality and affordable homes and improved environment.

EQUALITIES IMPACT ASSESSMENT

21. This report has been subject to an Equalities Impact Assessment and has been judged to have a positive impact. No remedial actions are required. The document has been placed in the Members' Library

CONSULTATION INCLUDING WARD/COUNCILLORS

22. No direct consultation undertaken

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Education related? No

Background Papers None

Ward(s) and Ward Councillors: N/A

Property N/A