

Regeneration and Transport Select Committee

Update to Executive Scrutiny Committee – 31 July 2012

Review of Long Term Empty/Abandoned Properties

ANALYSIS OF LONG-TERM EMPTY DOMESTIC PROPERTIES

In Stockton currently there are 1,380 long term empty properties. A long term empty property is a property that has been empty for longer than 6 months.

On 16 July Debbie Hurwood, Head of Customer Services & Taxation and Esme Hall, Taxation Manager presented information used for Council Tax administration purpose identifying where properties fall into the following categories:-

Property Description	Number of Properties	Exemption (no charge) or Discount period
Class A - Uninhabitable properties.	67	Exempt for up to one year.
Class D - Owner detained in prison or under Mental Health Act	1	Exempt for period of detention.
Class E - Owner resident in Nursing Home/Residential Care Home	112	Ongoing exemption
Class I – Taxpayer Living elsewhere to receive care	3	Ongoing exemption
Class J - Taxpayer living elsewhere to provide care	2	Ongoing exemption
Class L - Repossessed Property	28	Ongoing exemption
Class Q - Taxpayer Bankrupt	3	Ongoing exemption
Class G - Occupation prohibited by law	97	Ongoing exemption
Class F - Property awaiting probate or letters of administration	73	Ongoing exemption
Class H - Awaiting occupation by Minister of Religion	3	Ongoing exemption
Class C - Unoccupied unfurnished property	52	Exemption allowed for up to 6 months. Thereafter 50% charge
Discount Class C Unoccupied unfurnished property empty in excess of 6 months	939	50% charge ongoing
Second Homes/ furnished lets	351	90% charge

EMPTY NON DOMESTIC PROPERTIES

There are 671 empty properties with a range of Rateable Values (RV) between 1 and 1,750,000.

The largest empty property in terms of RV is the Oil Refinery on Seaton Carew Road which is exempt due to bankruptcy.

Main Categories:-

- 254 offices/premises with a range of RVs from 240,000 – 1,275.

- 140 shops RVs ranging between 970 - 100,000.
- 117 workshops, RVs 630 - 105,000.
- 13 Pubs, RVs 1075 - 143,000.
- 8 Restaurants, RVs 5,300 - 52,500
- 3 Empty Retail Warehouses RVs 85,500 - 216,000.

The Committee is to consider options from the Local Government Finance Bill 2011

- Focus on long-term empty properties (powers are already available)
- Potential to bill extra £464,000 per annum Council Tax (SBC share) = £325,000 if 70% could be collected and retain this for up to 10 years.
- Prepare draft framework for other changes taking account of the Committee's views – finalise proposals when new Regulations introduced
- Set new discount scheme by end January 2013

The Committee also took evidence from Coast and Country, and Vela Homes Group about the 'Empty Homes to Happy Homes' partnership which looks to address the issue of long term empty properties, increase the number of affordable properties for rent, and provide much needed training volunteering and work opportunities.

Between 2012 and 2015 the Coalition Government has made dealing with long term empty private sector homes a key part of its national housing strategy. Locally the Homes and Community Agency encouraged a Tees Valley bid to the national empty homes fund. Local authorities were also asked to commit funding and only those that made firm commitments received any funding allocation. Between 2012 and 2015 the Tees Valley project is a partnership between Stockton BC, Hartlepool BC, Redcar & Cleveland BC, Coast & Country and Vela Group.

In terms of allocations and prevention of homelessness in Stockton Borough over next 3 years 109 more units of affordable accommodation will be brought back into use – new tenants will all receive added value services i.e. financial and money advice, help completing benefit forms, assistance to find work etc. A further 90 empty properties will be delivered through recyclable funds.

- New Homes Bonus for 199 properties over the next 8 years at an average figure of £1,444 per property equates to £1.7 million
- Council Tax income for 199 properties over the next 8 years will be £1.3 million.

It is anticipated that the Committee will present its findings and recommendations to Cabinet on 10 January 2013.