

# Empty Homes Strategy for Luton

## 2015 – 2020



# **Empty Homes Strategy 2015 – 2020**

The Empty Homes Strategy is an integral part of the overarching Housing Strategy for Luton and contributes to the provision of new affordable homes for local residents.

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## **1) Introduction**

1.1 Luton Borough Council's Empty Homes Strategy is an important element of the Council's overarching Housing Strategy, along with strategies and policies on preventing homelessness, developing new homes and tackling poor conditions in the private sector.

### **What is an Empty Home?**

1.2 For the purposes of this strategy and to mirror national interpretation an empty home is a residential property or dwelling that has been left empty and unoccupied for at least 6 months.

### **Why do homes become empty?**

1.3 There are many reasons why homes become and remain empty for long periods, often they are complex and involve financial and legal disputes. Sometimes, owners may not have the funds available to bring the properties up to a habitable standard. Some of the reasons encountered in Luton include;

- A property is inherited and the new owner does not know what to do with it
- Part way through renovations the money runs out
- The owner works overseas but still uses the home when returning to England – this includes the armed forces
- The mental health of the owner curtails their ability to use the property

There are however, a number of owners who express no desire to bring the property back into use and are willing to allow it to remain empty.

### **What can be done to tackle the problem of empty homes?**

1.4 Luton employs a dedicated Empty Property Officer whose role it is to bring empty properties back into use; the Officer has various statutory powers and financial resources at their disposal to achieve this.

### **Benefits of bringing empty properties back into use**

1.5 Taking targeted action to bring empty homes back into use helps tackle a number of social, economic and public health issues. The following benefits flow from bringing empty homes back into use:

#### **For the owner**

- If the property is sold the owner will receive a capital receipt
- If the property is rented out the owner would receive a regular monthly income.
- Reduces the risk of vandalism and crime making the property costly or difficult to insure
- Reduces the risk of losing their asset completely if it is destroyed by fire
- Limits the risk of the building deteriorating which could reduce the value of the asset.
- Discourages squatting.

#### **For people who need a home**

Bringing empty properties back into use helps meet the Borough's housing need. Long term empty homes are a wasted resource, especially as the Council has identified a need for 255 new affordable homes each year. Bringing empty homes back into use increases the amount of decent housing available in the Borough as new build options have only delivered about half what is needed over the past few years.

### **For local residents**

Bringing empty homes back into use will significantly reduce the opportunities for vandalism, fly tipping and anti-social behaviour. Unsightly homes can have a depressive effect on neighbouring house prices and also reduce pride in the community, as well as having a direct impact on neighbouring homes through dampness and structural problems.

### **For the local economy**

Bringing an empty home back into use encourages economic vitality and can increase spending in the local economy. Unsightly homes deter investment in an area and can lead to decline or area blight.

### **For the wider community**

Removing the negative impact of empty properties helps to boost the well-being of communities. Reduced demand on services such as the Fire and Rescue Service, the Police and Council services such as Empty Homes Service and Environmental Health means that resources can be used more effectively elsewhere.

### **Why Have an Empty Homes Strategy?**

1.6 The Council can take action or provide advice and assistance which in turn can make a positive contribution to the overall health and well-being of local residents and the community. By producing an Empty Homes Strategy the Council can show that it has a targeted, effective and coordinated approach to tackling the problem of empty homes and that it has researched and identified the most effective solutions to meet local housing need.



## 2) Background and Key Issues for the Borough

### The National Picture

2.1 Currently there are 710,000 homes which are empty in England, according to the charity homes from empty homes (1). Of these 259,000 have been empty for more than six months. Empty homes account for approximately 3% of the total housing stock in England

2.2 Bringing empty homes back into use is a priority for the Government. It has made tackling empty homes a priority within the Affordable Homes Programme with specific allocations targeted at bringing empty homes back into use. The Government published its Housing Strategy in November 2011 which includes a strategy for tackling empty homes. The actions set out in the Government's strategy are as follows:

- Awarding the New Homes Bonus for empty homes brought back into use. New homes bonus is paid to Local Authorities to match fund the Council tax receipts for a period of six years (the level of funding is based on the national average for each Council Tax band).
- Providing an Empty Homes Toolkit available on the Homes and Communities Agency website

- Providing practical advice to local authorities and local community groups to help them address empty homes
- Using £100 million of the Affordable Housing Programme to fund bringing empty properties (including non-residential properties) into use as affordable homes
- The Government has given the Council Tax Billing authorities the discretion to levy an “empty homes premium” of up to 50% in addition to the normal council tax payable. The premium may be imposed once a property has remained vacant and substantially unfurnished for two years.
- Changes to Empty Dwelling Management Orders which limit their use to properties that have been empty for over two years and where the properties have shown to have caused nuisance. Local Authorities have to show that there is community support for this proposal.

2.3 Public concern about empty properties was highlighted by the 2012 Channel 4 series “The Great British Property Scandal” focussing on empty properties. The series encouraged members of the public to report empty properties locally and the Channel 4 website provided key links to contacts in each Local Authority. Over 100,000 people registered nationally to support the campaign.

2.4 The National Planning Policy Framework encourages Council’s to use their Compulsory Purchase Powers (CPO) to bring empty properties back into use. In paragraph 51 it states

***“Local Planning authorities should identify and bring back into use empty housing and buildings in line with local housing and empty homes strategies and, where appropriate, acquire properties under compulsory purchase powers”***

1 <http://www.emptyhomes.com/statistics-2/>

## **The Local Picture**

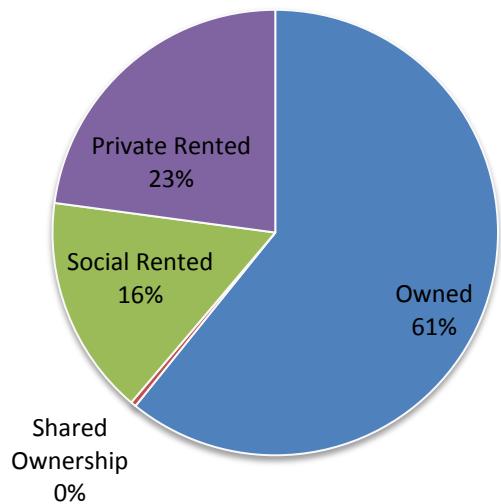
2.6 The Empty Homes Strategy is an integral part of the Council’s Housing Strategy. It is complimentary to the Council’s values and to achieving the wider corporate objectives, particularly the aims of the Sustainable Communities Strategy 2008-2026.

2.7 The Housing Strategy includes the following key strategic priorities:

- **Delivering new homes**

- **Tackling Homelessness**
- **Maintaining and improving existing housing stock**

2.8 According to data from the 2011 census, around 61% of households in Luton live in owner occupied housing. A further 16% are in social rented housing, 23% in private rented accommodation and a very small minority occupy shared ownership property (less than 300 households).



<sup>1</sup> ONS 2011 Tenure – Households (QS405EW)

## Housing Need

2.9 Luton is suffering from an acute shortage of housing and in particular affordable housing. The Luton & Central Bedfordshire Strategic Housing Market Assessment (SHMA) refresh in 2014 identified a net shortfall of 255 affordable homes per annum. Only 125 new affordable homes have been produced in Luton annually over the last two to three years.

2.10 Furthermore Luton experiences significant pressure on its homelessness and housing needs service, with nearly 900 families currently occupying temporary accommodation and with 100+ families in Bed and Breakfast accommodation at any given time.

2.11 The number of households on Luton's Housing needs register in Feb 2015 was 10,122.

### **Empty homes**

2.13 At March 2015 there were a total of **987** empty homes of which **173** homes had been empty for over 6 months. This is a 28.7% decrease on the February 2014 figure of **1385** reflecting both positive action taken against owners of empty homes and also an increase in demand and value for property in Luton. The Council operates a points system to prioritise empty homes points are awarded not only on the length of time the property has been empty but also on their condition, levels of anti-social behaviour (eg fly tipping) and impact on residents. The Council operates a points system which prioritises cases for targeted action. The table below shows how many high, medium and low priority cases exist using this methodology which relates to level of nuisance, length of time vacant, number of complaints etc.

Whilst all 173 cases listed below will have had regular & ongoing contact to offer advice and assistance those falling in the High or Medium category will receive more extensive intervention

<b>Priority</b>	<b>March 2015</b>
High (200+points)	10
Medium (150+points)	45
Low (<150 points)	118
<b>TOTAL</b>	<b>173</b>

## **3) Action To Bring Empty Homes Back Into Use**

### **Initial approaches**

3.1 Initial contact with the owners either in person or by letter to try to persuade them to bring the property back into use. Practical advice and guidance is offered at this stage. If the owner does not agree to work with the council after contacts by officers it is made clear that the council will pursue enforcement action..

## **Environmental Health and Planning Powers**

3.2 The Council's Environmental Health team are able to serve notices on empty properties if they are insecure or have issues with rubbish. This encourages owners to clear up their properties and reduce the risk of squatters, however, the property will still remain empty and further input is required to ensure that it is brought back into use

3.3 The Council uses a number of legislative tools against empty homes owners where the owner has refused to deal with the following issues:

- securing the property, for example boarding up of damaged windows and door
- removing and disposing of domestic rubbish
- fly-tipping
- dealing with rodent infestations and
- prohibiting the occupation of the premises until works to address the identified hazards at the property have been completed

The Empty Homes Officer also works closely with the Council's Rogue Landlords Project as per the attached link

<http://www.luton.gov.uk/Housing/Other%20housing%20information/Pages/Rogue-Landlord-Project.aspx> to tackle empty homes that are of a non-lettable standard being rented out to tenants. Legislation used includes, but is not limited to: Housing Act 2004; Local Government (Miscellaneous Provisions) Act 1982; Environmental Protection Act 1990.

## **Empty Home Grant**

3.4 The Council operates an empty homes grant scheme which is available to owners of an empty home on a matched funded basis. It is on condition that the property has been empty for at least two years and that the property is subsequently rented to a Registered Provider (Luton Community Housing Association) for a period of five years. The maximum grant payable is £30,000. The Council completed its first Empty Home Grant in 2014 and there are a small number of potential cases where this might assist but demand is low.



Before



Now

**Partnership Working**

3.5 The Council has worked in partnership with Omega Housing to bring back into use two office blocks in the centre of Luton. Luton Borough Council supported Omega in a bid for grant of £600,000 from the Homes and Communities Agency (HCA) through the Affordable Homes Programme and also supported the project with £275,000. This project provides a total of 31 units of accommodation to people who are in housing need in the Borough and these were first occupied in March 2015.

3.6 Another project under the same programme with Aldwyck Housing Group enabled an unused children's home on the Runfold estate to be converted into six individual units providing a range of unit sizes. These properties were let in April 2014 and again received a grant of £90,000 from the HCA and a total of £45,000 from Luton Borough Council.

### **Enforced Sales**

3.7 Enforced sales enable the recovery of debts owed to the Council for works completed to secure compliance with statutory notices for example to secure the building or to prevent nuisance. The Local Government Act 1974 provides that where a local authority is empowered by statute to carry out works etc it can recover the expense from the property owner. Where an owner is known and subsequently makes a payment in full the charge is removed.

3.8 In some cases the Council is able to force the sale of empty homes which is likely to have the effect of bringing the property back into use. Where homes have been abandoned it is not unusual for debts to accumulate through unpaid bills. Some debts may be charged against the property with a charging order. Where the Council has debts charged in this way it can recover them through legal action. The outcome of this is that either the owner repays the debt or the property is sold in order to recover the debt.

3.9 The enforced sale procedure was developed in the 1990's to apply these powers to tackle derelict abandoned properties. The procedure is now commonly used by Councils across the Country including Luton. The benefit to Council's is that there are no capital cost implications as the property never enters Council ownership; although costs are incurred in administering the procedure.

3.10 Three long term empty homes are currently being pursued by the council under these powers, two of which have now been sold and we will be pressing the new owners to bring the properties back into use in due course.

### **Empty Dwelling Management Orders**

3.11 The **Housing Act 2004** introduced Empty Dwelling Management Orders (EDMO's), they came into effect two years later in 2006. EDMO's allow Local Authority's to take over the management of long term empty properties without having to acquire them for up to 7 years. The Council is able to renovate the property, let it and collect the rent. EDMO's have to be approved by the Residential Property Tribunal.

3.12 On making an EDMO the Council becomes responsible for the completion of any repairs required to bring the property into occupation. The Council is only able to recover those costs in so far as they are covered by the rent.

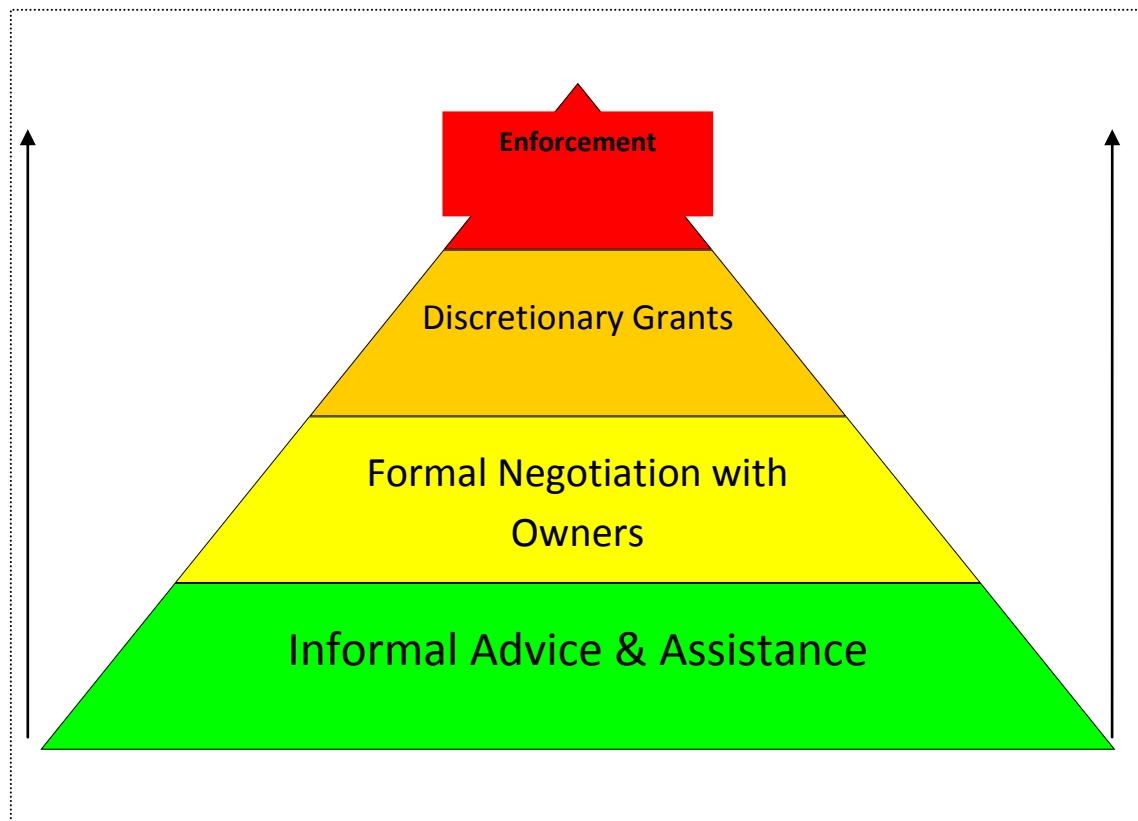
3.13 Recently the Government has amended this legislation and has limited the use of EDMO's to properties that are a nuisance to neighbours. We do not consider EDMOs to be an easily used enforcement tool but will still utilise this power where it is the most appropriate course of action.

### **Compulsory Purchase Orders (CPO's)**

3.14 The Housing Act 1985 section 17 allows the Local Authority to acquire under used or ineffectively used property for residential purposes if there is a general housing need in the area. In addition section 226 of the Town and Country Planning Act 1990 (as amended by section 99 of the Planning and Compulsory Purchase Act 2004) allows Local Authorities to acquire land or buildings if acquisition will allow improvements or redevelopment to take place. The CPO process can be a lengthy one and the threat of a CPO is intended to place pressure on the owner to enter into constructive dialogue with the Local Authority and to avoid such measures. However, it should be recognised that CPO's are used as a last resort when all other interaction with the owner has failed. Compulsory purchasing a property can however send a message to other owners of empty properties and may encourage them to bring them back into use without further enforcement.

3.15 There are costs associated with use of CPO powers including compensation payments, legal fees, short term management and marketing costs, as well as the obvious cost of acquisition. Despite this the council has previously used CPO to force occupation of an empty home and is currently pursuing two other properties through this route.

3.16 The Action Pyramid below shows the potential actions that will be taken in relation to empty homes, it highlights that the majority of work will be informal advice, although the Council will responsibly deploy its enforcement powers if and when necessary.



### **Council Tax Changes**

3.17 From the 1<sup>st</sup> April 2013 the rules on Council tax exemptions for empty homes and uninhabitable homes changed. Like many Local Authorities the Council originally gave a 100% discount to owners of empty homes for the first six months that they were empty and a full twelve month discount for uninhabitable properties. The Council took the decision in January 2013 that no discount should apply.

3.18 In addition the Council was given a discretionary power to impose a Council Tax premium of up to 50% on properties that had been empty for two years or more. Luton Borough Council agreed to implement this maximum premium to create a financial incentive for owners of vacant properties to let or sell the property, therefore bringing it back into use.

## **4) Aims and Objectives**

4.1 The overarching aim of the Strategy is to develop and implement a range of measures that will directly, or indirectly, help return long-term private sector homes back into use.

### **Objectives**

4.2 The Council's key objectives are:

1. Reduce the number of long term empty homes in the Borough
2. Raise awareness of empty property as a wasted resource
3. Improve the supply of decent affordable private sector rented homes available to people in housing need
4. To maintain a database of empty homes

Actions listed below form the broad plan of action for tackling empty homes

#### **Key Objective 1: Reduce the number of long term empty homes**

##### **We will:**

1. Keep a register of long term empty homes
2. Make contact with empty home owners keeping them informed of options open to bring empty properties back into use
3. Focus in particular on the few properties that have been empty for five years or more and are causing nuisance to neighbours and affecting the neighbourhood
4. Consider all available options to bring long term empty properties back into use
5. Ensure current enforcement policies and procedures remain relevant and are updated and amended as legislation changes.  
Ensure necessary Executive approvals are obtained to pursue appropriate cases
6. Actively consider any Government initiatives that will help finance bringing empty properties back into use
7. Provide and publicise telephone, email and online methods for members of the public to report empty homes quickly and if necessary anonymously.

8. Keep members of the public informed of the progress of any Empty Home's case that they report, once it is proved to be an Empty Home
9. Use corporate powers to bring empty homes back into use

**Key Objective 2: Raise awareness of empty property as a wasted resource**

**We will:**

1. Advise empty homes owners of options available to bring their empty back into use
2. Publicise on - going successes
3. Support and publicise the national empty homes week of action through local publicity, use of its web pages and displays in the central Mall shopping area

**Key Objective 3: Improve the supply of decent affordable housing**

**We will**

1. Advise property owners of the Council's Social Lettings Scheme "Luton Lets"
2. Work within the Environmental Health enforcement team to bring empty homes back into use and ensure they are a decent standard for occupation

**Key Objective 4: To maintain the data collected on empty homes**

**We will**

1. Record and maintain information accurately on empty homes in the Council's Empty Homes Database
2. Work with Local Taxation to obtain regular information and to work together on specific relevant cases
3. Liaise with other Council Departments when appropriate on individual cases.

