

**Report of Director of Environment and Housing**

**Report to Executive Board**

**Date: 27<sup>th</sup> July 2016**

**Subject: Empty Homes Strategy: Filling the Void 2016/19**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	No
Are there implications for equality and diversity and cohesion and integration?	No
Is the decision eligible for Call-In?	Yes
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	No

**Summary of main issues**

1. Empty Homes are a wasted resource in the city. They deprive an individual or family of a place to live, and can blight communities affecting confidence and investment. Since the first Empty Homes Strategy in 2005 the Council and partners have successfully reduced the number of empty homes from 12,000 to 3,800 in 2016. As part of the Core Planning Strategy it was agreed by the Planning Inspector that the city could contribute to its housing supply by reducing the number of empty homes. A target of a net reduction of 2,000 from 2012 to 2017 was agreed and forms part of the five year supply. By May 2016 a net reduction of 2,083 had been achieved. It is essential that the net reduction is maintained as part of the Core Strategy for the city going forward.
2. Empty homes are an integral part of the Housing Growth Breakthrough Project. As well as providing homes, their renovation contributes to the construction economy in the city providing work for mainly small and medium sized business. By working with the Community Led Housing sector, empty homes provide them with opportunities for training work for vulnerable individuals helping them back into employment as well as providing a roof over their heads.
3. As part of the strategy a number of specific areas with high concentrations of empty homes have been the proactively targeted as part of the strategy of improving neighbourhoods by Private Sector Housing. This is funded via New Homes Bonus, subject to the funding being used to return 138 long term empty homes per annum. Currently the team is concentrating in Holbeck. Given the scale of the issues and the

potential to contribute to the wider regeneration of the area, it is proposed that work continues for a further 3 years to support the ongoing improvements.

4. The Council has had a long association with the Community Led Housing sector in the city over the last 25 years. Recently the Government has provided significant financial support to the sector via its empty homes funding. This is very unlikely to be available in the future. To support the sector further, the use of right to buy receipts, and longer term leased properties are both options as part of the Empty Homes Strategy: Filling the Void 2016/9.
5. Significant investment has been made by the Council in addressing empty homes and it has been very successful in reducing the numbers despite the pressures on the public sector. There will always be empty homes as they are part of a thriving housing market. However it is essential that the existing successes are maintained as part of the provision of homes within the Core Planning Strategy and wherever possible empty home numbers reduced further.

## **Recommendations**

6. The Executive Board are requested to approve the following:

The Private Sector Housing service to remain in Holbeck for a further 3 years to target the empty homes as part of a number of initiatives in the area.

### **1 Purpose of this report**

- 1.1 The purpose of this report is to request the Executive Board to approve a further 3 years of activity by the Private Sector Housing service in Holbeck based on the return of empty homes back into occupation.

### **2 Background information**

- 2.1 An empty property is not simply bricks and mortar but a potential home for an individual or family to live and enjoy their lives. Whilst there is a need for empty homes as part of a healthy functioning housing market, there are a number that without intervention would remain empty, blight communities and be a wasted resource when there is a housing need within the city.
- 2.2 Empty homes within the city have been declining since the Council first started to record them in 2005. Since 2005, long term empty homes, those void for longer than six months, have reduced from 12,000 to 3,800 in March 2016. Since the introduction of the Empty Homes Strategy: Filling the Void 2012/5, 12,838 long term empty homes have been returned to occupation as a result of the direct intervention of the Council and partners. (New homes become empty each year, so the numbers the council helps return to occupation exceeds the net reduction in homes from year to year.)
- 2.3 The strategy adopts the approach of 'if it is empty it is a potential home'. To address the issues a number of initiatives have been introduced including the partnership with the Empty Homes Doctor and the Community Led Housing sector, empty home loans, 150% Council Tax after 2 years of being empty, robust enforcement, including compulsory purchase and the Private Sector Housing

service targeting empty homes on a proactive geographical basis supported by an increased investment by the Council in empty homes work.

- 2.4 The proactive area based targeting was based on returning empty homes generating new homes bonus to cover the additional investment. The model required the return of 138 long term empty homes per annum for the approach to be successful.
- 2.5 The success of the work undertaken by the Council was recognised by the Planning Inspector when a net reduction of 2,000 empty homes from April 2012 to March 2017 was agreed as part of the Core Planning Strategy. By May 2016 a net reduction of 2,083 had been achieved as a result of the investment made in empty homes.
- 2.6 The work of the Council and partners has been held up as best practice and subject to a number of both national and international awards. Recently Canopy, who bring empty properties back into use with the help of volunteers, who are supported by the Council, have been awarded the World Habitat Award which is supported by the United Nations.

### **3 Main issues**

- 3.1 All cities require an element of empty homes for a successful functioning housing market. There can never be a case when no empty homes exist. Problems occur, however, when homes stand empty for considerable periods. The definition of a long term empty home is therefore one that has stood empty for more than six months. Clearly, even within this definition, it would be unrealistic to reduce this to zero but nevertheless it is desirable to get this number as low as possible.
- 3.2 Whilst the Council and partners have been successful in reducing the level of empty homes within the city, in order to maintain the existing reduction it is essential that the Council and partners continue the work to deal with the blight they cause and to provide affordable homes. Failure to do so may mean potential homes remain empty, increased numbers become void and the need for homes increases affecting the existing targets within the Core Planning Strategy.
- 3.3 The current strategy will continue with the approaches previously implemented. However as part of the ongoing development of the empty homes work the strategy includes additional initiatives.
- 3.4 Following the success of the initial buy back project under the Home and Communities Empty Homes Round 2, to purchase long term empty right to buy properties, a further £7m investment to return 100 properties has been agreed. This project will continue to target previous right to buy properties which are blighting council estates but will be extended to tackle empty homes in neighbourhoods where acquisition by the Council deals resolves problems, meets demand and constitutes value for money.
- 3.5 The Council has had a long partnership with the Community Led Housing Sector, working with LATCH, Canopy and GIPSIL to return empty homes. Whilst there has been considerable Government funding to support the sector in the last

Parliament, this is no longer available, significantly reducing the funds available to the sector.

- 3.6 The sector will be able to apply for right to buy grant of up to 30% to support their work. They will have to meet the same criteria as other applicants for the funding, but it will help to continue to support the purchase and renovation of empty homes by the sector. Access to this funding supports the sector with bids for additional money, either grants or loans, as it gives confidence to others regarding sustainability and the viability of schemes.
- 3.7 The Executive Board has already agreed in principle to long term leases at a low rent for LATCH. It is proposed to consider this option for other similar organisations. By providing long term leases, organisations will be more sustainable long term. Properties will remain in the Council's ownership but the long term leases increase their asset base and ability to borrow based on a loan to value rate of around 65%. This will allow further investment to be brought into the city to support activity on empty homes.
- 3.8 The Council has invested £500k per annum into the Private Sector Housing service and Empty Homes Doctor to support the return of empty homes. (The Empty Homes Doctor is a social enterprise venture which provides advice to those who own empty property.) The cost is funded from the New Homes Bonus based on returning at least 138 long term empty homes per annum. Last year the funding returned a total of 275 long term homes generated by these two initiatives.
- 3.9 The Private Sector Housing service targets geographical areas of the city with a view to addressing poor housing conditions and returning empty homes back into occupation. This has targeted 3 areas across the city since its inception, the Nowells, Edinburghs and Recreations. The outcome of this invention has produced the following outcomes:
- Nowells, Burmantofts - In June 2013 there were 44 empty homes; currently there are just 4 remaining empty, all subject to ongoing action by the service.
  - Edinburghs, Armley - In April 2014 there were 45 empty homes with now only 1 remaining empty home which is subject to the continued action by the service.
  - Recreations, Holbeck - In April 2015 there were 70 empty properties; 50 were back into use by June 2016 and work is ongoing in this area.
- 3.10 In both the Nowell's and Armley more empty homes were brought back into use than the original number found to be empty. This was due to homes becoming empty during the period the service was in each area. These new empty homes were also targeted by the Council to ensure that they did not become long term empty homes that blighted the neighbourhood
- 3.11 The Private Sector Housing service proactive targeting of empty homes in neighbourhoods is proposed to remain in the Recreations area of Holbeck for a

further 3 years to contribute to the regeneration of the wider locality. The Index of Multiple Deprivation shows the area to be the second most deprived in the city and 37<sup>th</sup> in the country. Whilst there has been considerable investment via the Beeston Hill and Holbeck and Little London Regeneration scheme, the area still has considerable poor stock. By remaining in the area it will contribute in addressing the poor housing conditions and empty homes and it will support a partnership approach to address issues of fuel poverty, social inclusion, financial inclusion, safety, health and improving the environment. This will link to the proposed regeneration plan for the area currently being devised, which will help connect this neighbourhood into the wider plans for growth in the South Bank. It is proposed to bring a separate report to a future meeting of the Executive Board setting out a broader vision.

- 3.12 The Empty Homes Doctor is a not for profit social enterprise that works in partnership with the Council to address empty homes. They are able to support empty home owners who wish to deal with their properties without the need for the Council to take more formal action. They can support owners with independent advice, help with the sale of their homes via auction or through Estate Agents, support with legal issues and develop partnerships to create opportunities to help owners. Being independent from the Council means they are able to operate without the same restrictions placed on a local authority and enhance the overall package of measure the Council can offer owners to bring their homes back into use.
- 3.13 By supporting and working in partnership with the Empty Homes Doctor, the Council is able to concentrate its resources to address those owners who would never deal with their empty homes without proactive enforcement, including the use of compulsory purchase powers. This partnership approach provides a comprehensive package of options which has enhanced the ways and number of empty homes that can be addressed and returned to occupation.
- 3.14 It is proposed that the approach continues in Holbeck for a further 3 years at a cost of £400k per annum and that the Empty Homes Doctor is supported for a further 3 years at a cost of £100k per annum. The cost can continue to be funded by returning at least 138 long term empty homes back into occupation per annum as per the current financial model.

## **4 Council Policies and Best Council Plan**

### **4.1 Consultation and Engagement**

- 4.1.1 The Council has engaged with partners on the strategy and their ability to contribute to the delivery of empty homes. All partners have plans in place to continue the delivery of empty homes.

### **4.2 Equality and Diversity / Cohesion and Integration**

- 4.2.1 An Equality, Diversity, Cohesion and Integration Assessment screening form for the Empty Homes Strategy has been completed.

### **4.3 Council Policies and Best Council Plan**

- 4.3.1 The Empty Homes Strategy 2016/19 links to the Housing Growth break through project and the Council's Core Planning Strategy.
- 4.3.2 Work on empty homes provides social value for the city by providing training opportunities via the Community Led Housing Sector, contributes to the economy of the city, especially small to medium sized companies, via the renovation of the stock; provides affordable homes and improves community confidence when blight is removed. A study by Canopy showed that for every pound invested in empty homes there was a five pound return in social capital.

### **4.4 Resources and value for money**

- 4.4.1 The Council has a dedicated Empty Homes and Loans Team within its Private Sector Housing Service in Housing Leeds. The team will continue to lead on behalf of the Council to implement the strategy and work in partnership with others to return empty homes back into occupation for individuals and families to enjoy.
- 4.4.2 The proactive targeting of empty homes and Empty Homes Doctor support grant is funded from New Homes Bonus at £500k per annum provided their combined activity returns 138 long term empty homes back into occupation. Results for 2015/6 showed this funding returned 275 long term empty homes.
- 4.4.3 Returning empty homes not only contributes to the New Homes Bonus received by the Council but also saves money by reducing the blight caused, the cost of the blight to neighbourhoods and the Council, increases the supply of homes and helps protect the green space of the city.

### **4.5 Legal Implications, Access to Information and Call In**

- 4.5.1 The report is eligible for call in.
- 4.5.2 The reduction of empty homes forms part of the Core Planning Strategy which has previously been subject to challenge by the sector. Maintaining the existing level of empty homes and the work of the Council and partners is required as part of this strategy in the future.

### **4.6 Risk Management**

- 4.6.1 The Council has a robust strategy for addressing empty homes and history of delivery. This was accepted by the Planning Inspector when challenged as part of the approval of the current Core Planning Strategy.
- 4.6.2 Monthly monitoring of empty homes allows the Council to identify issues, target resources and address any emerging issues which may affect the levels of empty homes within the city.

## **5 Conclusions**

- 5.1 Empty homes are properties which should be made available to provide a home for a family or individual. Whilst empty homes are an essential part of a healthy housing market there are a significant number which would remain empty without the direct intervention of the Council.
- 5.2 The success of previous Empty Homes Strategies and the Council's ability to deliver a net reduction of empty homes year on year was recognised by the Planning Inspector as part of the Core Planning Strategy. This strategy includes a net reduction target of 2,000 between 2012 and 2017. By May 2016 a net reduction of 2,083 had been achieved.
- 5.3 In order for the City to achieve the homes it needs in the future it is essential that work to address empty homes continues so as not to affect the existing Core Planning Strategy targets and affect the supply of homes in the city.
- 5.4 To support the strategy it is proposed to continue to support the proactive geographical targeting of empty homes and that this activity continues to operate in Holbeck, and to support the work of the Empty Homes Doctor for a further 3 years, subject to the return of at least 138 empty homes per annum as per the current financial model.

## **6 Recommendations**

- 6.1 The Executive Board are requested to approve the following:
- The Private Sector Housing Service to continue to target empty homes within Holbeck for a further 3 years.

## **7. Background Documents <sup>1</sup>**

None