

# **The Council's Approach to Long-Term Empty Homes**

**Chelmsford City Council's Empty Homes Strategy**

A review and refresh of the Council's Empty Homes Strategy

Approved on 29<sup>th</sup> May 2018

Version 2.0

# Contents

1	INTRODUCTION _____	3
2	OBJECTIVES _____	4
3	NATIONAL AND LOCAL CONTEXT _____	5
4	WHY HOMES ARE LEFT EMPTY – CHELMSFORD PROFILE _____	8
5	THE EMPTY HOMES TOOLKIT _____	9
6	ENFORCEMENT ACTION _____	11
7	DELIVERING THE STRATEGY _____	13

# I Introduction

The aim of this Empty Homes Strategy is to help maximise the potential of existing housing stock by bringing empty homes back into use. In helping to make the best use of this accommodation, it supports the Council's wider work relating to both housing and the environment.

For a housing market to operate, it is necessary for a proportion of properties to be empty to enable transfer of ownership. Generally, these properties are empty for a short period of time, usually less than 6 months. These properties are not a problem, as they have an intended use, and steps are being taken to achieve this. The purpose of this strategy is to address those properties that have been empty for longer than the transactional period of 6 months and that are not being brought back into use. Although not deemed as empty for the purpose of council tax, the principles within this document may also be brought into use to deal with second homes that remain unoccupied.

Long-term empty homes can cause problems for surrounding communities. In a climate of increased housing need they also represent a wasted resource.

Chelmsford City Council consider empty homes represent a lost opportunity that could provide additional homes at a time of high housing need. Empty properties are often a focus of crime and anti-social behaviour, and can become an eyesore and a source of distress to neighbouring households. As well as sometimes reducing the value of surrounding properties, they can be costly for the owner to maintain and costly for the Local Authority to investigate when problems arise.

Returning an empty home to use has many positive outcomes by:

- providing additional housing
- Reducing opportunity for crime and vandalism in an area
- Regenerating the area
- Reducing the need for new developments
- Unlocking potential capital for the owner

There are clear economic and social benefits to bringing empty homes back into use. The quickest and most cost-effective way to reduce the negative impact of any empty home is to occupy it.

The Council has been working under its previous Empty Homes Strategy published in 2006 the elements of that strategy remain relevant today and some empty properties which were the focus of work following the introduction of the 2006 strategy remain the subject of Council action initiated at that time. Although the implementation of the current strategy has been successful, some priorities, not least the increasing wasted resource and housing need gap is reflected more strongly within this document.

# 2 Objectives

## Key Aim

The key aim of the strategy is:

***To return long-term empty homes to use in the most appropriate way in the shortest possible timescale.***

In doing so it will support the Council's other aims to increase the quantity and quality of housing and reduce the environmental impact that empty properties can present.

## Key Objectives

The key aim will be achieved by working towards 6 key objectives:

1. Preventing properties from remaining empty through early intervention and active engagement with owners to support and assist in identifying the most appropriate use for the property.
2. Raising awareness of empty homes in Chelmsford – encouraging members of the public to report vacant properties in their area, and encouraging owners of empty properties to approach the Council for assistance.
3. Maintaining accurate records of empty properties – working with Council Tax, Planning and other services to identify long-term empty properties and potential empty properties and coordinating empty property queries.
4. Maintaining and improving partnership working across the Council to co-ordinate work on empty homes to facilitate problem solving and joined up working on cases.
5. Investigating and pursuing opportunities to work with Registered Social Landlords (RSLs) to develop programmes to purchase and develop empty properties as affordable housing – by researching external funding opportunities and initiating discussion of empty properties with RSL partners.
6. Using the range of enforcement options available to bring empty homes back into use wherever necessary and appropriate.

# 3 National and Local Context

## National Picture

Through sustained effort both nationally and locally over the last decade, the number of long term empty properties has started to decrease. However, the national figure remains in excess of 200,000, with over 11,000 properties being empty for more than 10 years.

Public awareness has also increased over years. With the development of greenfield sites and an increase in demand for affordable housing, empty homes are highlighted as a wasted resource. Many sections of the national media also raise empty properties both as a scandalous waste and as an alternative route onto the housing ladder for first time buyers and young families

The Government has responded by continuing to bring pressure on owners of second properties. Councils are able to significantly increase the Council Tax on empty homes and legislation introduced in 2006 provided for Local Authorities to impose Empty Dwelling Management Orders (EDMOs). A combination of strategies at both national and local level has to be applied to encourage owners to either dispose of empty properties or seek assistance in bringing them back into use.

Enforcement remains an option where other interventions are ineffective.

## Regional Picture

The provision of sufficient high quality housing to meet the needs of the region's growing population remains a key focus of East of England Local Government Association's Regional Housing Strategy.

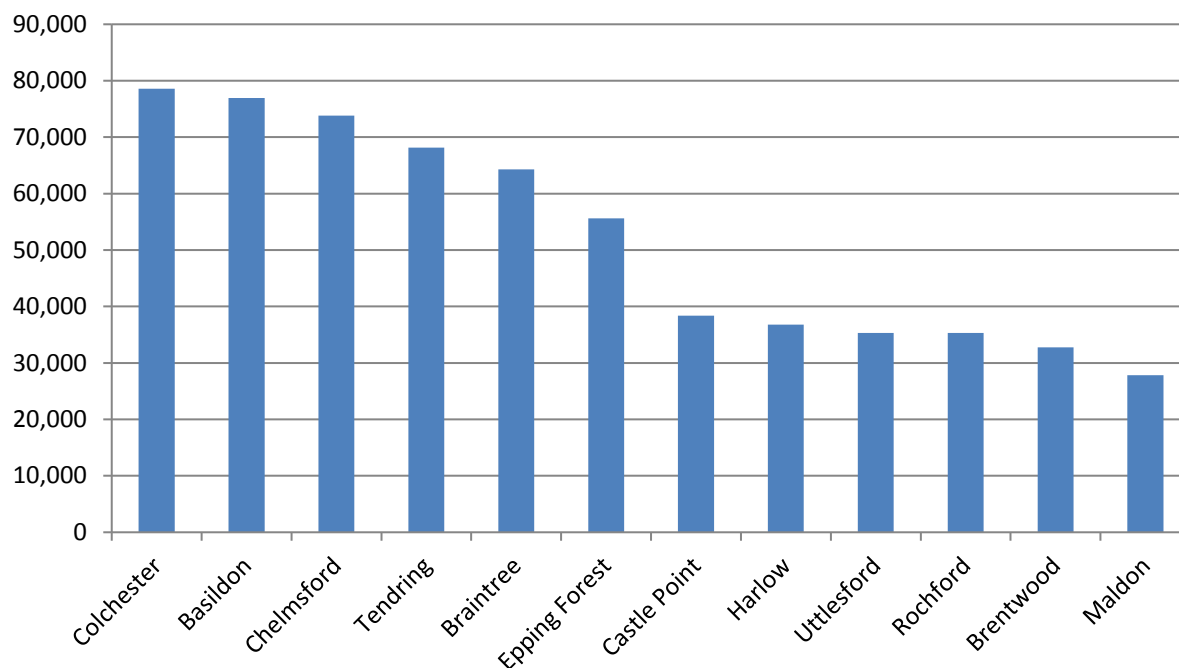
Although housing demand and high property prices compared to some other regions of the country means that the empty homes figure locally is not high as a proportion of overall dwellings Essex regularly records over 4,000 long term empty properties.

## Local Picture

Chelmsford has the third highest number of total residential dwellings in the County. (figure 1 – latest figures for 2016). As a percentage of the total dwellings in Chelmsford the number for long-term empty properties is relatively low. At over 400 properties, however, the number of long-term empty properties is not insignificant and represents well over 25% of all vacant dwellings (Table 1).

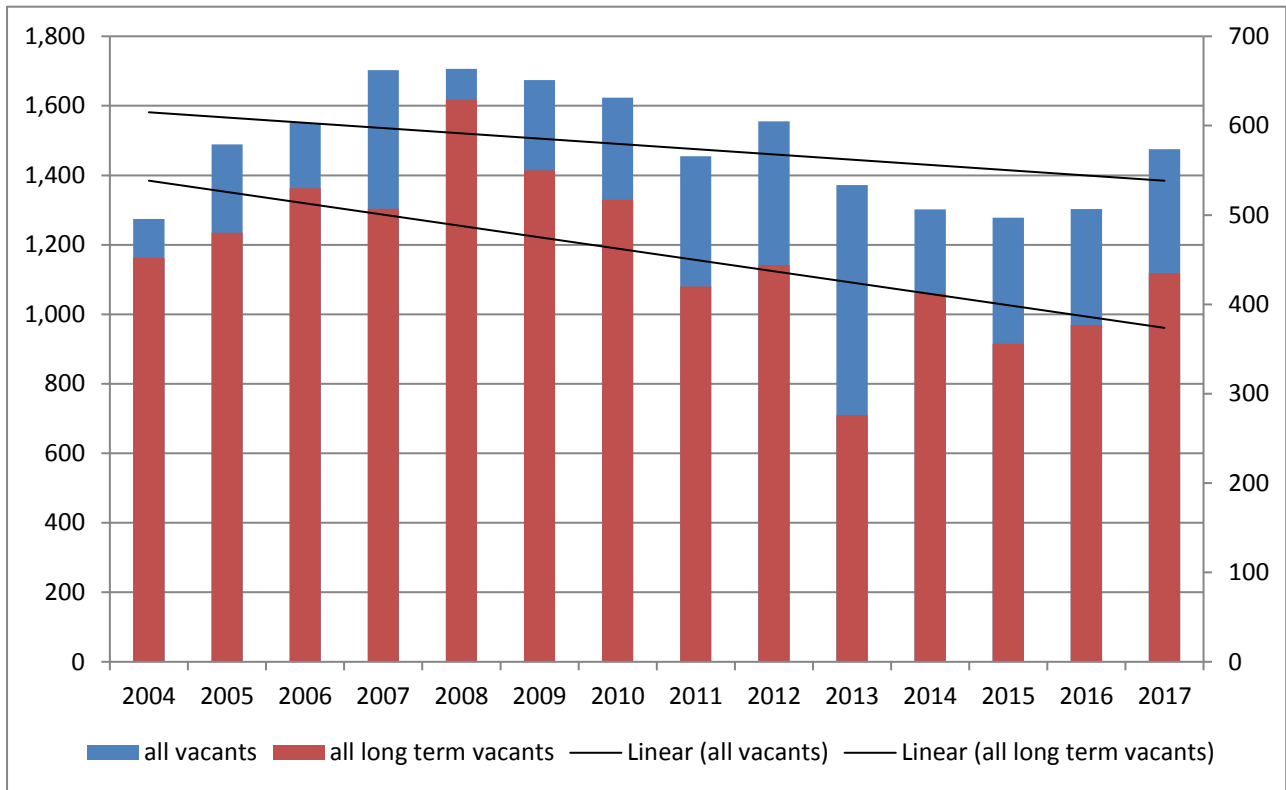
The strategies of Government and Chelmsford City Council's own interventions with empty properties since 2006 and the introduction of its Empty Homes Strategy in 2006 appears to be having a positive effect, with the trend in long term empty properties improving at a greater rate than the number of empty properties overall (Figure 2).

**Figure 1: total number of dwellings 2016**



Essex District	2017					
	No. of dwellings	all vacant dwellings	Vacant dwellings as a % of all dwellings	long term vacant	long term vacant properties as a % of all vacant dwellings	Long term vacant properties as a % of all dwellings
Basildon	77,350	1,369	1.77	414	30.2	0.53
Braintree	64,590	1,464	2.26	581	39.7	0.90
Brentwood	32,940	874	2.65	359	41.1	1.09
Castle Point	38,460	847	2.20	230	27.2	0.60
Chelmsford	74,800	1,475	1.97	435	29.5	0.58
Colchester	79,520	1,748	2.19	554	31.7	0.70
Epping Forest	55,780	1,425	2.55	426	29.9	0.76
Harlow	37,140	771	2.07	225	29.2	0.61
Maldon	28,070	534	1.90	213	39.9	0.76
Rochford	35,420	722	2.04	223	30.9	0.63
Tendring	68,780	2,020	2.94	498	24.7	0.72
Uttlesford	36,060	750	2.08	220	29.3	0.61

Figure 2:  
 Chelmsford: total number of vacant dwellings and long term vacant properties over time with Trend lines: the trend in long term empty properties decreasing at a faster rate than empty properties overall.



# 4 Why homes are left empty – Chelmsford profile

Over 82% % of the total number of long term empty properties are in the private sector.

Chelmsford undertakes on-going consultation with owners of empty properties through a variety of means. Questionnaires are sent out on a regular basis together with information and access to advice on bringing an empty home back into use. By monitoring feedback to establish the reasons behind properties remaining empty in the district, we can tailor our approach to owners.

People record various reasons for becoming responsible for an empty property:

- Inheritance
- Managing the property in the role of executor for someone else
- Buying for their own use
- Buying for family to live in
- Buying an investment to let out
- Managing the property for another person (family or friend)
- As incidental purchase when buying other property or land

The Council will continue with empty property profiling to ensure that advice and assistance we offer property owners is appropriate.

The following actions have been identified as useful additions to the Empty Homes Toolkit.

- Regular survey of empty properties with a three-year review to help inform subsequent strategies
- Regular recording and updating of status of empty properties
- Early intervention to prevent property falling into disrepair or incurring possible additional costs to the owner and / or local authority.
- Raising awareness of interested people (eg neighbours as well as owners and Members)
- Providing timely information on options for returning property to use and the advice and assistance available
- Using the whole range of interventions available in a proportionate way



# 5 The Empty Homes Toolkit

The Council's Empty Homes Toolkit, provides a range of options that can be tailored to suit the individual circumstances of each property and/or owners' situation.

The strategy should, in the majority of cases, provide adequate means to motivate owners to bring their properties back into use voluntarily without the need for enforcement action. The preferred route is always to work with owners to reach a solution.

## **Advice/Assistance**

The Council's Housing Standards Team will provide the following assistance to owners and other groups involved in returning empty properties to use:

- Assistance with identifying the most suitable option for returning the property to use for both the owner and their property.
- Guidance on accessing other Council services, e.g. Planning, Building Regulation, etc.
- Database recording details of people interested in purchasing empty properties in the borough.
- Introduction to private buyers and developers who contact the Council with an interest in purchasing an empty property.
- Investigation of empty properties of interest or concern to members of the public.
- Providing access to advice and information on matters that may assist a property owner interested in letting a property personally
- Providing information on opportunities that arise for letting or selling that support social housing needs

## **Owners**

Advice and assistance is currently provided to owners both of long-term empty properties and, as part of an Early Intervention Strategy, to owners of properties that have been recorded as empty for three months or more. Information on various services available to owners of empty properties is sent with a questionnaire to establish the reason the property is empty; what help they might need and what, if any are the current proposals under consideration.

Information provided on the returned questionnaire is used to assist in identifying options for returning the property to use and tailoring advice and assistance.

## **Financial Advice**

Previous surveys have indicated that the majority of owners do not have a mortgage or loan secured against the empty property. Advice and information is provided through signposting to local and national financial service providers and giving general advice about releasing equity in the property. Information on grants available through the PLACE project via Chelmsford City Council and any other assistance that becomes available to owners, will be made available to owners who identify funding as an obstacle to returning their property to use.

## Advice on letting

Where an owner is considering letting a property, the Council will provide access to information that would assist in this regard including matters such as Rent Deposit Guarantee schemes, tenancy regulations and HMO licensing

## Purchasers

Where possible purchasers of empty properties make themselves known to the Council, taking account of their financial situation and intended use for the property, they may be invited to discuss their intended use for the property and any potential obstacles with a view to establishing if and what support may be available. Where purchasers get in touch with the Council to express either general or specific interest in empty property in the area, the Council will, if the express permission of that person has been given, maintain a record of their details for an agreed period, so that the Council can act as an intermediary between them and an empty property owner for the purposes of facilitating an introduction.

## **PLACE Project – Empty Homes Renovation and Leasing Scheme**

Chelmsford is part of a Consortium of Local Authorities that successfully bid for capital grant funding from the Regional Housing Board (RHB) for an empty homes renovation and lease project. The other partner Local Authorities are Harlow District Council, Epping Forest District Council, East Herts District Council and Uttlesford District Council.

The project was originally aimed at tackling very long-term empty homes that require significant renovation works before being brought back into use. A repayable grant is available to fund renovation of a property with a view to it either being let or sold

## **Introduction Service for Empty Homes**

Any database of people interested in purchasing empty properties will be maintained in line with data protection regulation. The Council will only maintain information for specific purposes with the express permission of the data owner for an agreed time only.

During discussions on the future use of properties owners can be notified if there are parties who have expressed an interest in their or similar properties. If they are interested in selling the property, they will be asked to give consent for details of their property to be passed to the interested parties. The relevant potential purchaser or developer may then be contacted with details of the property. If they are interested in the property the investigating officer will, with the permission of the interested party, forward their details to the owner and, if necessary, act as interlocutor to assist initial communications.

# 6 Enforcement Action

In consideration of enforcement action thought will be given to the appropriateness of action in view of the extent of the current problem caused by the property and any potential cost to the Council.

Enforcement action will be considered where all reasonable means of persuasion and informal intervention have been exhausted, or are not practicable to pursue.

## **Improvement Notices**

Improvement notices can be used to require repair of a property that is causing a nuisance to a neighbouring property or the surrounding area.

Unfortunately, many properties stand empty for a number of years with no prospects of being occupied. The Council's first action is always to encourage owners of empty properties to bring them back into occupation. Where this fails the Council will pursue formal options including Compulsory Purchase Orders, Empty Homes Management Orders and Enforced Sale

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

Compulsory purchase of empty properties may be considered if

- a property has a significant detrimental impact on the neighbourhood, is causing a persistent or recurrent nuisance and is the subject of complaint, and the owner cannot be traced or
- the property is in a very severe state of disrepair that cannot be rectified through the use of Improvement Notices or
- all other attempts to encourage the owner to bring a long term empty property back into use appears to the Council to be failing or have failed

The decision as to the whether to proceed with a CPO will made by the Council's Cabinet. Other matters that will be considered include public merit, type and location of property and potential cost.

## **Empty Dwelling Management Orders (EDMO)**

Empty Dwelling Management Orders are a discretionary power introduced in the Housing Act 2004 that allows local authorities to take management control of certain unoccupied dwellings where voluntary approaches have been exhausted.

Under an EDMO the local authority takes over management control of a property for a maximum of 7 years. It has the right to possession of the dwelling for the duration of the order; however, it does not become the legal owner and, therefore, cannot dispose of its interest in the property. On termination of the order, responsibility for the property reverts back to the owner.

The Council will consider the use of EDMOs where a property is in good condition and can be brought into use at reasonable cost.

## **Enforced Sale**

Enforced Sale can be used for those properties that have charges raised against them following statutory improvement works as detailed above where the property remains empty and is causing a significant nuisance to the surrounding area. The debt is marked as a caution on the land registry certificate at HM Land Registry and the Local Authority serves a Law of Property Act section 103 notice on the owner. The property is normally sold at auction and the cost of statutory works undertaken in default by the Local Authority; administration costs and Land Registry fees for the Enforced Sale are recovered from the sale. Enforced Sale can also be used to recover personal debts like Council Tax debts by the Local Authority applying to the County Court to award an interim charging order. If the Court gives a favourable judgement the local authority can apply for a final charging order and order the sale of the property.

It is expected that CPOs, EDMOs and Enforced Sale, will only be considered where all reasonable means of persuasion are considered by the Council to have been exhausted. Each case will be assessed on its public merits and have regard to government advice and guidance.

The process of initiating such action sometimes has the effect of galvanizing the property owner to either dispose of the property or to ensure its legitimate occupation. The Council would respond positively to such a response to formal action.

# 7 Delivering the Strategy

## Recording Empty Properties

At present, data on empty properties is collected via Council Tax exemption code reports, which are the codes used to calculate discounts and additional fees now incurred by longer term empty homes.

Empty and unfurnished properties can be exempt from Council Tax for a maximum of 3 months. After this time, Council Tax is payable in full. After 2 years the Chelmsford Council tax on empty property is charged at 150%, which is the maximum premium currently permitted. Any subsequent changes in legislation to increase the maximum premium will be implemented in full. This higher rate of Council Tax is to encourage owners to return properties to use sooner.

Housing Standards receive monthly updates on empty properties from Council Tax. Once three months has expired, housing standards begin their contact with the property owner and maintain detailed information about properties with regard to length of time empty, owners' details, investigation notes and timescales for investigation.

## Reporting

An annual report on the Empty Homes Strategy and its outcomes, together with any long-term properties that have not responded to informal intervention. will be presented to the Cabinet Member for Housing. Where properties are being recommended for Compulsory Purchase or Empty Dwelling Management Orders, a detailed report on the properties will be presented for consideration by the Cabinet to seek authorisation to initiate legal action as proposed.

## Prioritising

Properties will be prioritised by the length of time empty. The initial focus of the strategy will be those properties that have been empty for the most time, starting with those that appear to have been empty 5 years or more. Properties will then be individually prioritised according to:

- Size
- Type
- Location
- Condition

Properties that fit the profile of being in most demand in the District will be highest priority. However, properties which are creating a nuisance, causing concern locally e.g. as the subject of neighbour complaints or a Member's Enquiry will be investigated outside of this priority system.

Where an owner has more than one empty property, once one of the properties has been prioritised for action all of their properties will be dealt with at the same time.

## **Partnership Working**

In addition to Services identified within Chelmsford City Council, other local authorities and external agencies can provide additional resource and expertise in tackling empty properties and may be sought out when specialised knowledge or experience would be beneficial in resolving a problem. (Eg Empty Homes Network, Empty Homes Association)

## **Measuring success**

Chelmsford City Council will measure the success of its strategy on Empty Homes by the number of dwellings that it considers are re-occupied or demolished as a result of action it has taken or initiated.

The Council will record

- The number of properties empty for more than 6 months
- The number of properties empty for more than 2 years
- The number of new empty properties recorded each year
- The average length of time empty
- The outcome of any interventions

## **Publicising the Strategy**

The Strategy will be available through the Council website. Formal action will be publicised by way of case studies on the Council's empty property web page or through publications such as 'City Life'. The Council will participate in October National Empty Homes Week by publicising the number of properties that are long-term empty and encouraging local engagement and members of the public and empty property owners to come forward and work with the Council.

## **Reviewing the Strategy**

The strategy will be reviewed periodically or when interim monitoring indicates that the number of long-term empty properties is stagnating or increasing or if new legislation affecting the Council's powers for dealing with empty properties is introduced.

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<b>Public Health and Protection Services</b>	
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