



## Empty Homes Strategy 2014



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## 1. Introduction

In 2010 the Council developed and adopted its first Empty Homes Strategy. The strategy was in response to the growing concerns regarding Empty Homes which were identified as a wasted resource in light of the well documented housing shortage both nationally and in the South Hams. Empty Homes and other properties were also identified as having an adverse affect on the amenity and increasing crime and disorder in a locality.

The Strategy introduced a co-ordinated approach to tackling the problem of empty homes and identified the most effective solutions to meet local housing need. Four years on the strategy has been successful in terms of meeting its objectives and other benefits due to changes in Government policy.

Key successes include;

- Reduction in number of empty properties from in excess of 600 to approximately 300
- In 2012 following the introduction of the New Homes Bonus (NHB) the implementation of a range of interventions including an occupancy survey by Environmental Health resulted in NHB income of an estimated £2,500,000 over the subsequent 6 years
- Direct interventions using grants and the Councils Direct Lets Scheme had brought 28 properties back into use and enabled families from the Councils waiting list to be housed.
- A number of vacant flats/voids above shops have been brought into use providing much needed accommodation in Town centres and generating the momentum for future activity.

A Task and Finish group was set up in order review the strategy in terms of performance, relevance and to identify new opportunities. The following document outlines the new objectives and strategic approach arising from the review.

## 2. Objectives

- Maximising the use of existing housing stock
- Increasing the availability of housing especially at affordable rents
- Reducing the adverse impact on an area of empty, run down property
- Maximising the income from the generation of New Homes Bonus (NHB) for future investment

## 3. Background

### 3.1 The National Context

Empty Homes Statistics (March 2014) estimate that there are 635,127 empty homes in the UK (of which 232,600 have been empty for more than 6 months). This is equivalent to 2.79% of the total number of homes.

It is estimated that England needs a supply of about 200,000 homes a year to meet housing needs. The Council recognises that properties that are empty could play a more important role in meeting housing demand. While, there is clearly a need to build new homes, ignoring the potential of empty homes is a costly environmental mistake. Creating homes from empty properties saves substantial amounts of materials over building new houses. It also minimises the amount of land used for development. Refurbishing and repairing empty homes can also help improve streets and

neighbourhoods, as empty properties are often unsightly attracting problems, such as fly tipping, vandalism and arson.

### 3.2 Why do properties become empty?

**Research demonstrates that there are a wide variety of reasons, the most common theme is that the property requires renovation and the owner lacks funds and/or the expertise to carry out the works. Another occurs where property is inherited and either the new owners are undecided on what action to take such as rent or sell on. Family disputes relating to inheritance and/or divorce also result in properties remaining empty.**

**There are numerous reasons why a property may be empty and a balanced approach supporting owners both directly through financial incentives, advice and where necessary, enforcement is needed to secure change.**

### 3.3 Changes to Government Policy

Over the last decade the importance of reducing the number of potential homes that lay empty has been recognised by Government and been the subject of increased media and public pressure. There have been various initiatives and legislative changes designed to either force or encourage owners to bring properties back into use. These include increased powers for Local Authorities, changes to Council Tax to allow Councils to financially penalise owners and most significantly the introduction of the New Homes Bonus.

### 3.4 New Homes Bonus

The New Homes Bonus (NHB) is a grant paid by central government to councils for increasing the number of homes and their use. The grant is effectively 'top-sliced' from the Revenue Support Grant and therefore not new money. However, the grant is not ring fenced and represents a substantial source of income for future investment.

NHB is paid each year for 6 years. It's based on the amount of extra Council Tax revenue raised for new-build homes, conversions and long-term empty homes brought back into use. There is also an extra payment for providing affordable homes.

The key factor is that every property that becomes a long term empty (greater than 6 months) during the annual measurement period reduces the net increase in properties generated through development. There is essentially no NHB benefit from enabling the construction of a new property if another is allowed to become empty. The direct impact, per additional empty, is a loss of approximately £9K over six years.

## 4. Empty Homes and the South Hams

### 4.1 The Local Context

According to Council Tax records there are approximately 300 long term empty properties in the South Hams District. There are high levels of housing need and affordability of housing is a key issue for South Hams.

In the South Hams the average house price in Q3 2012 was £245,000 (source SHMNA) and median average full time gross earnings in 2014 £23,601 (source HMRC Survey of Personal

income data). This problem is exacerbated in rural areas where young people are regularly unable to access local housing and have to move away from family and friends. Social housing remains in high demand and the supply of affordable housing is a priority for South Hams District Council.

## 4.2 Empty Homes and other related Strategies, Policies and Plans

### 4.2.1 National Planning Policy Framework (NPPF)

The National Planning Policy Framework (NPPF) came into force on the 27th March 2012. The NPPF is key part of Government reforms to make the planning system less complex, more accessible and to protect the environment and promote sustainable growth.

### 4.2.2 Our Plan – shaping our communities to 2031

The District and Borough Councils are leading the way on a new plan for each area: Our Plan. Our Plan draws partners, stakeholders and communities together to develop a high level strategic approach as to how services are delivered to ensure they are meeting needs in the most effective way.

The importance of bringing empty properties back into use is highlighted in Our Plan where it is stated that the Council will monitor effectiveness of its Empty Homes Strategy as a means of meeting housing need.

### 4.2.3 South Hams and West Devon Connect Strategy 2011 -15

The Connect Strategy (2011-2015) was produced by the South Hams and West Devon Connect Partnership. It is the overarching strategic document which sets the priorities for the area and how partners will work together to improve the quality of life for our communities whilst safeguarding the environment for future generations.

The Strategy is underpinned by four Delivery Plans including the Homes Delivery Plan which includes a target to bring 5 empty homes back into use as affordable homes.

### 4.2.4 South Hams District Council Homelessness Strategy (2008-13)

The Homelessness Strategy 2008-13 identifies the use of a range of schemes including Deposit Bonds, Rent in Advance and Direct Lets as key tools in tackling and preventing homelessness.

### 4.2.5 Private Sector Housing Renewal

The return to use of empty properties plays a significant role in improving conditions in the private sector and therefore contributes to the objectives identified in the Private Sector Housing Renewal Policy. By engaging positively with empty property owners the Council can also assist in the improvement of standards in the private rented sector through general advice and information as well as through enforcement where necessary.

## 5. Targeting the Problem

### 5.1 Sources of Information

In order to target activity aimed at delivering against the strategy objectives it is important to have a clear picture of the numbers, location and impact of empty homes in the District. In the South Hams there are two main sources of information for identifying and increasing information available on empty homes in the district. These sources will be utilised to create a prioritised list for future action

#### 5.1.1 Council Tax Database

Council Tax records are generally accepted to be a very useful source of information for local authorities to understand their empty homes problem. These records indicate the location of an empty property, the length of time empty and the name and address of the person responsible for paying the council tax (usually the owner). Limited information is also available on the reason for the property being empty.

Since adoption of the 2010 strategy there have been significant changes to Council Tax exemptions for empty properties. These include changes to the time that an exemption applies and the ability to charge 150% of the Council Tax rate to owners of unfurnished properties that have been empty for longer than two years.

As a result we have a more accurate picture of where properties are and why they are vacant. There is also a greater incentive to bring them back into use as there is a greater financial impact on the owner.

In the past there has been little financial incentive to keep records accurate in terms of the number of empty properties as there was no direct impact on council tax revenue. The introduction of NHB and the abovementioned changes now make it vital to proactively manage records to ensure they are accurate.

#### 5.1.2 Notification by the Public and other parties

**The Council receives complaints and information regarding potentially empty dwellings from varying sources including members of the public, District and Parish Councillors and the Police. This information enables the Council to look at the properties that are potentially causing concern for residents and will be included in the prioritisation.**

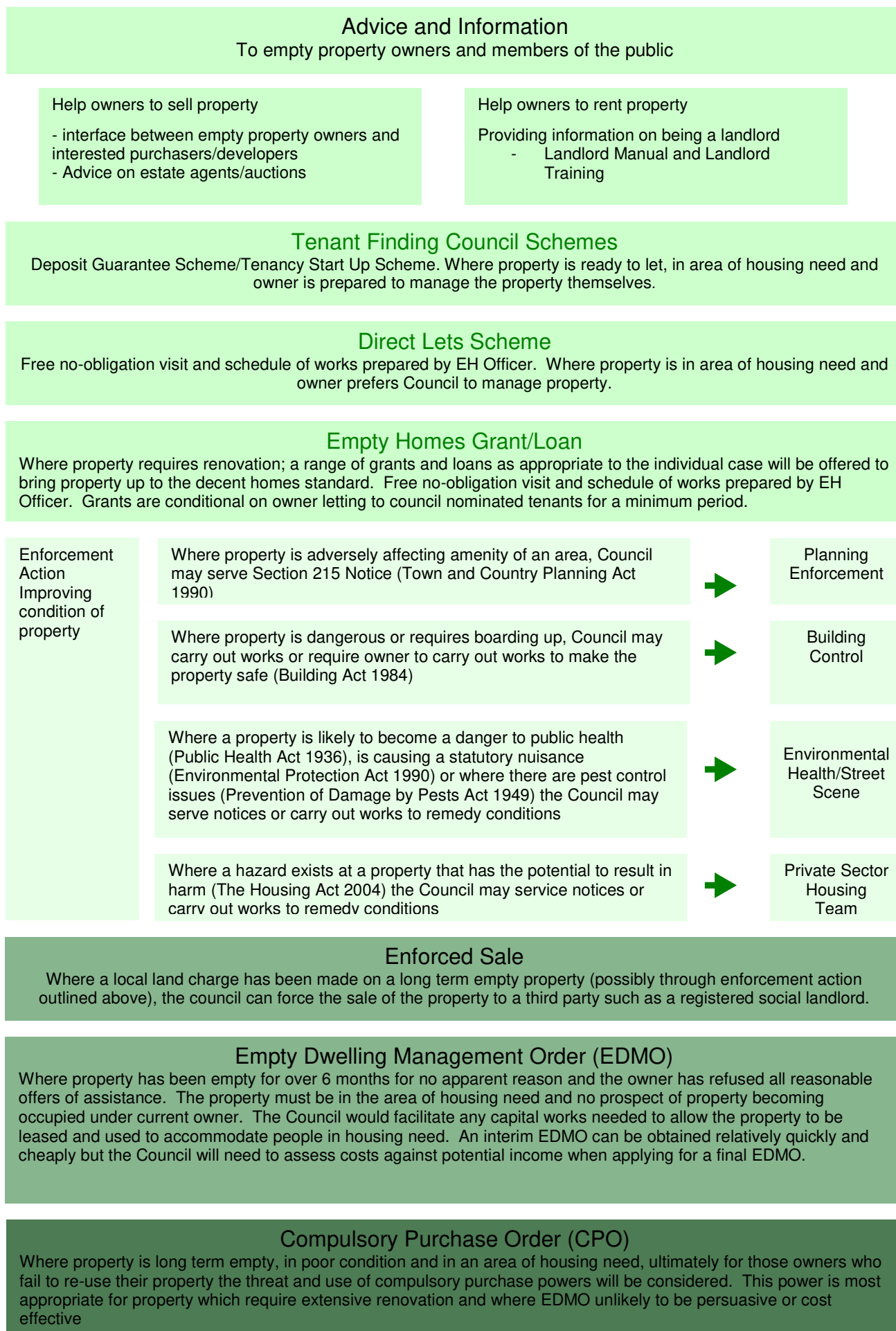
## 6. Prioritising Intervention

### 6.1 A Targeted approach

**During implementation of the 2010 Strategy it became clear that a range of approaches were necessary to deal with different circumstances and that the issues can be very complex and time consuming.**

**Figure 1 sets out the options open to the Council ranging from the simple provision of information through to enforcement activity.**

Figure 1 - Options for Returning Empty Properties to Use



## 6.2 Action Plan

In order to work towards the Strategy Objectives we will;

- **Target, using all channels, promotional activity and awareness raising, aimed at property owners on the benefits of bringing their properties back into use both in financial and social terms;**
- **Offer a range of support and incentives, through grants/loans, to bring properties back into use in areas of high housing need**
- **Use targeted action and enforcement to bring properties back into use in line with the Strategy objectives**
- **Work with property owners to develop a scheme aimed at providing shared, affordable accommodation through conversion/adaptation of existing properties**
- **Proactively manage the Council Tax database to ensure that accurate records are maintained to assist in targeting future action whilst maximising income from New Homes Bonus for future investment.**
- **Continue to work with Members, local communities, partners and property owners to identify and develop opportunities for investment to support the strategic objectives.**

## 6.3 Performance Management

The Councils strategic approach since 2010 has had a marked impact on reducing the number of empty homes. Whilst the volume of remaining properties fluctuates with time there remains an underlying base of longer term empties which are difficult to return to use primarily due to the excessive cost or ownership/probate challenges. In view of this, setting specific measurable targets is difficult.

The following targets and indicators will support delivery of the strategic objectives;

Measure	Target	Monitoring Period
Units of accommodation brought back into use (by direct intervention)	10	Annual
Units of affordable accommodation brought back into use (by direct intervention)	5	Annual

Performance Monitoring (Data)	Target	Monitoring Period
Change in the number of long term empty homes on the Council Tax list	↓ (against baseline at point of strategy adoption)	Quarterly