



**North East
Derbyshire**
District Council

Empty Property Strategy 2021-2024

October 2020



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Derbyshire
District Council

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CONTROL SHEET FOR Empty Property Strategy 2020 - 2023

Strategy Details	Comments / Confirmation (To be updated as the document progresses)
Strategy title	Empty Property Strategy 2021-2024
Current status – i.e. first draft, version 2 or final version	Final Draft
Strategy author (post title only)	Joint Housing Strategy Officer
Location of strategy (whilst in development)	Shared Drive – Empty Property folder
Relevant Cabinet Member (if applicable)	Cllr Alan Powell
Risk Assessment completed (if applicable)	
Equality Impact Assessment approval date	
Partnership involvement (if applicable)	
Final strategy approval route i.e. Cabinet/ Council	Cabinet
Date strategy approved	
Date strategy forwarded to Performance & Communications (to include on Extranet and Internet if applicable to the public)	

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1. Executive Summary

At a time when there is a national shortage of housing and local authorities are being encouraged and incentivised to provide new homes, the reduction of empty properties has never been more of a priority. Bringing empty properties back into use can contribute to address this shortage.

Empty properties are a wasted resource and are often associated with a number of negative factors, including crime and anti-social behaviour in addition to having a negative impact on the local community. This Strategy will contribute to the Council Plan to continue to make our District a great place to live and work and to provide quality homes for our residents.

As at August 2020 there were 600 long term empty properties in the District, with approximately 50% being empty for more than 2 years. The Council has seen an increase in the number of empty properties and this is largely due to the impact of Covid19, as due to restrictions within the housing market, many sales and rental transactions were unable to be completed. This also affected the allocation of rented properties within the Social Housing sector. The Council has the resource of an Empty Property Officer, who has worked with owners to help them bring their empty properties back into use through a variety of different methods including assistance and enforcement.

The Council has developed a number of strong partnerships with organisations who are involved with empty properties, recognising the importance of partnership working. Action Housing (who are a Housing Association who operate in the District) have worked closely with the Council and have developed a number of leasing initiatives which have seen empty properties being returned to use as affordable and supported housing. This has helped to increase the number of affordable housing units in the District and house those who are most vulnerable. It also offers incentives to landlords and owners as the rent paid to them is guaranteed for the term of the lease and the management and upkeep of their property is the responsibility of Action Housing.

At a time when Local Authorities have seen a reduction in funding, it is essential that Councils look at alternative methods to deliver their objectives, whilst continuing to deliver essential services. NEDDC are the first local authority in the Country to enter into partnership with E.On to deliver an Empty Homes programme. The scheme offers a number of incentives for owners that the Council would not be able to offer in isolation. Since its introduction in 2019, two long term problematic empty properties have been brought back into use and a further 20 are in the process of being brought back into use. This demonstrates the Council's forward thinking approach and also how the public and private sector can work together to achieve more.

Whilst the Council has worked hard to offer assistance and incentives, there are a number of owners who refuse help, resulting in properties becoming problematic and a drain on the Council's resources. Local Authorities have access to a number of enforcement powers including Compulsory Purchase Orders (CPOs), Enforced Sale and Empty Dwelling Management Orders (EDMOs). These should be used as a last resort, however it is important that we exercise these powers, where properties are having a detrimental effect on our communities, to improve our residents' quality of life and to deter other owners from leaving their properties empty.

Empty property work ties in with a number of Council objectives to improve housing standards, provide affordable housing and reduce crime and anti-social behaviour. These are detailed in a number of corporate plans, policies and strategies including:

- North East Derbyshire District Council's Corporate Plan 2019 – 2023
- North East Derbyshire District Council's Housing Strategy 2020 - 2023
- North East Derbyshire District Council's Growth Strategy
- North Derbyshire & Bassetlaw Strategic Housing Market Assessment

The Empty Property Strategy outlines the work that has been carried out in previous years to help reduce the number of empty properties in the District. It will also set out future targets and objectives to ensure we strengthen our approach.

2. Introduction

This strategy identifies key objectives which will enable the Council to reduce the number of empty properties in the District. It also links in to the Council's plan and Housing Strategy.

As at August 2020 there were 600 properties that had been empty for more than 6 months in the District. The Council has seen an increase in the number of empty properties and this is largely due to the impact of Covid19, as due to restrictions within the housing market, many sales and rental transactions were unable to be completed. This also affected the allocation of rented properties within the Social Housing sector. It is expected that this number will fall as the District and the rest of the Country adapt to a new way of life.

Empty properties can become a blight on communities and can have a negative impact on residents' lives. They can also become a drain on Council's and other public services' resources. Although not currently taken into account when estimating the District's housing need, the impact of returning an empty property back into use has social and environmental benefits and contributes towards the Council's NHB allocation. The Council will continue to engage with owners to help them to bring their empty property back into use. It will also use its enforcement powers if owners refuse to engage and where the property is becoming a nuisance.

The Council has recognised the benefits of reducing empty properties. It has developed a number of initiatives with partner organisations to help bring them back into use and provide more homes, particularly for affordable and specialist housing. This has been a successful approach and the Council is keen to continue to work with partners to help solve the issue of empty homes.

2.1 What is an empty property?

It is accepted that there will always be a number of empty properties, mainly due to people's house moving habits. This is often the sign of a healthy housing market and therefore the majority of these properties will be empty for less than 6 months. These are classed as transactional empty properties.

Long term empty properties (LTEs) are properties that have been empty for more than 6 months. In the District, around half of these properties become occupied within 12 months of becoming classified as a LTE. The remainder remain empty, with

approximately 200 being empty for more than 2 years. LTEs are the properties that the Council focus on bringing back into use, as these properties are often the most problematic and can have a detriment on their local community.

There are a number of reasons why properties become and remain empty, some of the most common reasons are:

- Inheritance issues/delays with probate
- Lack of finance to carry out essential repairs
- Problems with achieving a sale
- Problems with letting
- The owner may be in residential care
- The owner may lack the skills to deal with the property
- The ownership of the property may be unclear
- The owner may live abroad
- Unwillingness to bring the property back into use

In order to assist owners, it is vital that the Council understands the reason why a property is empty and each case should be treated on an individual basis. Taking this approach will often help owners and will also encourage them to engage with the Council.

In the first instance, it is the Council's priority to deal with LTEs, however there are often properties that are reported to the Council that are not recorded as empty on the Council Tax database. In these cases they are usually classed as:

- Second homes
- Single Occupant (25% discount from Council Tax)
- Occupied
- Exempt – owner in residential care
- Exempt – probate yet to be granted
- Exempt – property repossessed

The Empty Property Officer works closely with the Revenues department to identify where properties are incorrectly classified. In some instances, owners will claim that they are a single occupant as the Council Tax charge is reduced by 25%, therefore meaning that there is a financial benefit. It is important that these properties are cross referenced with the various anti-fraud networks and credit referencing databases to prevent fraud and to maximise income.

2.2 Housing Need and Partnership Initiatives

In the District there are 2173 people on the Council's housing waiting list as at October 2019. It has been estimated by the Strategic Housing Market Assessment (SHMA) that an extra 172 affordable homes are needed by the year 2035. At a time where there is an increasing demand for more homes (particularly affordable), it is more important than ever that we address the number of empty homes in the District.

The Council has acknowledged that in order to meet the District's Housing need, it should make best use of existing stock as well as new build properties. It has worked closely with Action Housing (a Registered Provider) to promote their Private Sector

Leasing scheme, which has been introduced specifically to bring empty properties back into use as affordable homes.

In 2019/20 244 households approached the Council as homeless and 76 households were placed in temporary accommodation or bed and breakfast. The Council has launched a bond scheme which is available to households who don't have the funds to cover a deposit. This scheme has been promoted to landlords and empty property owners at various different events and has resulted in a number of empty properties being brought back into use. This not only helps to reduce empty properties, but has also prevented a number of households from becoming homeless.

At the time of writing it is clear that the Covid19 pandemic will have a negative impact on the economy, and unemployment levels are expected to rise dramatically as a result. The Council has already seen an increase in the number of homeless applications since the start of the pandemic. This will inevitably lead to a further increase in homelessness and pressure on rented properties. It is therefore important that empty properties are brought back into use, to help provide housing for those who have lost their home as a result of the pandemic.

2.3 Why have an Empty Property Strategy?

This strategy sets out clear objectives as to how the Council will address empty properties. The strategy will help to re-inforce the Council's stance on empty properties and will support the ongoing work it carries out to reduce them. It enables officers to have a strong and co-ordinated approach and compliments the Council's plan and Housing Strategy. This will contribute to a better environment and will help to address the District's housing need.

2.4 The impact of empty properties

Empty properties can have a serious impact on communities and their local environment. They can often attract anti-social behaviour (ASB) and can become a drain on local authorities and other public services. The longer a property lies empty, the more it will deteriorate. The most common problems associated with empty properties are:

- Deterioration of the fabric of the building
- Fly tipping
- Overgrown gardens
- Verminous creatures
- Squatting
- Arson
- Graffiti
- Negative impact on property prices

The Empty Property Officer works in partnership with a number of internal and external partners, to deal with complaints and take action against owners whose property is causing a nuisance. These include:

- Environmental Health
- Planning Enforcement

- Community Safety
- Fire Service
- Police

It is important that departments and agencies work together to co-ordinate all elements of empty property work. A number of working groups have been established to ensure the Council works effectively to tackle problematic properties including the deliberate fires group and corporate enforcement group.

It is not only communities and residents that can be affected by empty properties – they can cause issues for owners too. Empty properties can be a financial drain on owners due to ongoing maintenance costs, council tax and in some cases mortgage payments. The more a property deteriorates, the higher the cost to the owner to bring it back into effective use. Owners have a responsibility to ensure their property is safe and secure, if they do not then the Council can take action which could result in them losing ownership of the property.

3 Principles

3.1 How this Strategy contributes to the Council's plan

The Council recognises the importance of having an empty property strategy, it is also important that it supports the overall plan and links to other strategies, particularly the housing strategy. Key links to the Council Plan (2019-23) which demonstrate why reducing empty properties is a priority are:

- Our Vision – To make North East Derbyshire clean and attractive, a place where people are proud to live and work, a place where people prosper and a place where people will feel safe, happy and healthy.
- Our Aims – To enhance our residents' quality of life and protect and promote the character of our District.

Delivering empty properties back into effective use has clear benefits to our residents and makes an important contribution to making North East Derbyshire a great place to live, work and visit.

4 Local, Regional and National Context

4.1 Empty properties and Housing

NEDDC has a population of just over 100,000 with approximately 45,000 households. The District is largely rural and surrounds the large market town of Chesterfield. There are 4 main towns within the District – Clay Cross, Dronfield, Eckington and Killamarsh.

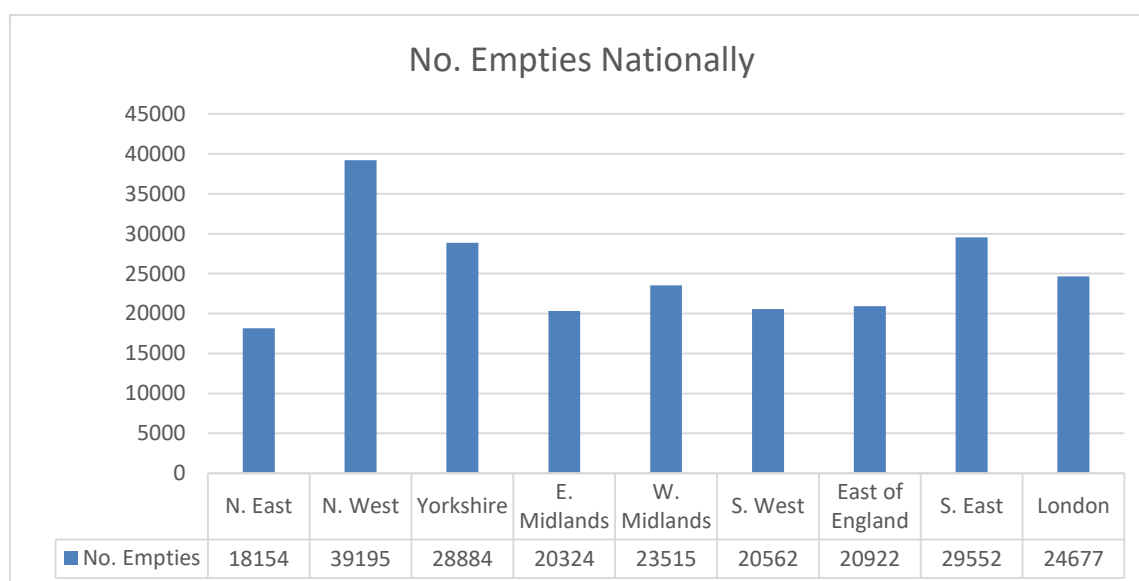
The SHMA has estimated that the District needs a further 330 homes per year over the period 2014 – 2034 to meet the identified need. Although not currently included in this estimate, this still highlights how important it is that empty properties are utilised to provide homes.

The Council's housing stock is managed by Rykneld Homes Ltd. There are a large number of properties that are of a non-traditional construction. Over the years the Council and Rykneld Homes have worked to improve these properties, through a

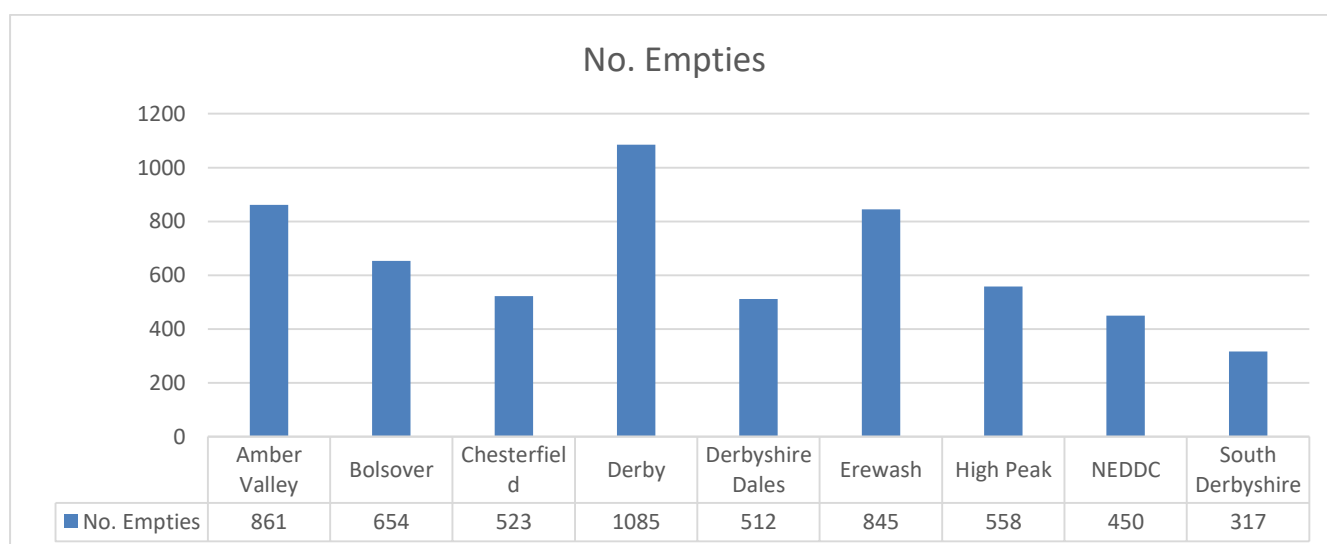
number of regeneration and insulation programmes. There are currently 23 Council owned properties that are classed as long term empty due to them not being in a condition to be rented out. These properties are in the process of being refurbished or demolished.

4.2 National and Regional Statistics

As at November 2019 there are 226,000 empty homes in the UK, this is an increase of 10,000 from 2018. At a time when the government is spending £1 billion a year housing homeless households in temporary accommodation, tackling empty properties is a high priority. The table below splits empty properties down by region:



The table below shows the number of empty properties within each Derbyshire District:



4.3 Council Tax and empty properties

In 2013 the government introduced the Council Tax premium which gave local authorities the power to charge 150% Council Tax on properties that have been empty for more than 2 years. In April 2019, this charge was increased to 200% with further increases for longer term empty properties being introduced in 2020 and 2021. The

table below summarises the Council Tax that local authorities can charge owners of long term empty properties:

Length of time empty	Council Tax Charge
Less than 2 years	100%
Over 2 years (from 2019)	200%
Over 5 years (from 2020)	300%
Over 10 years (from 2021)	400%

The Council does not currently charge the Council Tax premium, however the majority of properties that are empty are now charged a full Council Tax bill. The table below sets out the charges and exemptions that the Council currently apply to empty properties:

Empty Classification	Council Tax Charge
Standard Empty (up to 3 months)	Exempt
Standard Empty (3 – 6 months)	100%
Empty Uninhabitable (up to 1 year)	Exempt
Empty Uninhabitable (over 1 year)	100%
Long term empty (over 6 months)	100%
Empty – owner deceased and probate not granted	Exempt
Empty – owner in residential care	Exempt
Empty – owner in prison	Exempt
Empty – Property Repossessed	Exempt
Second Home	100%

The Council will explore the possibility of introducing a Council Tax premium, taking into account the affect this may have on reducing the number of empty properties and the potential opportunity to increase its income. Many Councils have declared a decrease in empty properties since introducing the premium. Due to there being a financial incentive for owners not to declare their property as empty, there is uncertainty on how many properties actually become 'occupied'. This should also be taken into consideration and if introduced, the Council should have measures in place to take action against owners who are fraudulently claiming their property is occupied.

5. The Council's approach to empty properties

5.1 Summary

The Council offer owners a number of incentives to help them bring their empty property back into use. A proactive approach has been adopted to promoting its services in relation to empty properties through newsletters, social media and holding annual landlord events. Each year, every owner of an empty property is contacted by letter to find out why their property is empty and whether the Council can assist them with bringing it back into use. This is an opportunity to promote our service and also make owners aware of the Council's enforcement powers, should properties remain empty and problematic.

5.2 E.On & NEDDC Empty Property Partnership

The Council has taken an innovative approach to empty properties, by partnering with the energy company E.On to pilot an empty property scheme. The scheme is the first of its kind and NEDDC are the first Council in the country to take part. It has been successful and has seen a number of empty properties brought back (or being brought back) to use. It is an excellent example of how the public and private sector can work together and is a testament to the Council's enthusiastic approach to tackle empty properties. Due to its success, the scheme has been extended for a further year and other Councils are looking to emulate NEDDC's success.

5.3 How the Council can assist

The table below shows the services that the Council can offer owners of empty properties:

Service	Description
Reduced Rate VAT	If a property has lain empty for more than 2 years, the owner can claim a reduced or zero rate of VAT on refurbishment works. A letter from the Council will qualify the owner to claim the reduced rate. There is no charge for this service.
Property Matching	Owners can advertise their property for free on the Council's website, for sale and rent if it has been empty for more than 6 months.
HHSRS (Housing Health & Safety Rating System)	The Council can inspect properties for free, where owners are looking to rent them out, to check that they are of a lettable standard. This is an opportunity for owners to know what they need to do to bring their property up to standard.
Landlord Event	This is held annually and is free for landlords and owners to attend. The event is an opportunity for landlords to keep up to date with legislation and share best practice.

5.4 Enforcement Measures

The table below gives a summary of the enforcement powers the Council has to tackle problematic empty properties:

Power	Description
Compulsory Purchase Order (CPO)	Allows councils to acquire properties that are empty and causing a nuisance if there is evidence there is a demand for housing in the area.

Enforced Sale	Where a debt is owed to the Council (not including Council Tax) and registered to the property, the Council can recover its charges through selling the property without the owners' consent.
Empty Dwelling Management Order (EDMO)	Can be used by Councils when a property is left empty, to be brought back to use as affordable housing. The Council or one of its partners manage the property for a period of time – up to 7 years.
Order for Sale	Where there is a Council Tax debt outstanding, the Council can recover this through forcing the sale of the property.

See Appendix for further details on enforcement measures

5.5 Our Partners

Listed below are a number of partner organisations which the Council works with to help owners bring their empty property back into use:

Organisation	Description
E.On	<p>E.On can offer owners of empty properties within the District a number of services, to help them bring it back into use. These include:</p> <ul style="list-style-type: none"> • A free RICS (Royal Institute of Chartered Surveyors) structural property survey. • A free EPC (Energy Performance Certificate) which owners need for sale or rental. • A free fully project management service to bring the property back into use. • Discounted sales and letting fees. • Flexible payment terms with no interest or charges.
Action Housing	<p>Action offer various leasing schemes for owners of empty properties. They will lease the property from the owner, manage the tenancy and pay the owner a guaranteed monthly rent through the term of the lease.</p> <p>If the property requires renovation, Action can access Homes England funding to do the renovation works –</p>

	this is deducted from the rent paid to the owner over the term of the lease. Whilst leased, the properties are rented as affordable or supported housing.
Registered Providers	The Council has relationships with a number of Registered Providers, who operate in the area. They can lease properties from owners and provide them with an income throughout the term of the lease.

6. Delivering the Strategy and Action Plan

6.1 Objectives, Resources & Monitoring

Objectives

The aims and objectives of this strategy are as follows:

- To address the issues of empty properties proactively, to bring them back into use to address the District's Housing need, particularly affordable and specialist housing.
- To promote the work we do to bring empty properties into use and to raise awareness
- To tackle problematic empty properties and bring them back into use, to improve our communities
- To provide quality housing and improve the private rented sector
- To work with partners and be innovative in our approach to tackling empty properties

Resources

Delivering this strategy will mostly be reliant on people, however it has also been identified that a budget will be necessary when carrying out enforcement work, particularly CPOs. These cases will be assessed on a case by case basis and if it is appropriate to take this action, a number of people will need to be consulted:

- Members
- Portfolio Holder for Housing
- Director of Development
- Joint Assistant Director – Place
- Housing Strategy
- Finance
- Environmental Health
- Legal Services

A number of internal and external partners will have a responsibility to carry out actions, which are contained within the action plan.

Key internal partners include:

- Members
- Revenues
- Environmental Health
- Planning Enforcement
- Legal
- Finance
- Communications
- Housing Strategy
- Housing Options
- Estates
- Community Safety

Key external partners include:

- Action Housing
- E.On
- Registered Providers
- Rykneld Homes
- Developers
- Homes England

Monitoring

Performance against the actions within the action plan will be monitored through the Council's performance management system – PERFORM. This is updated every 3 months with progress reported to officers and members.

The Empty Property Officer will also assess the number of empty properties every October, when the New Homes Bonus calculations are being compiled. This helps to give an overview of empty property trends within the District and enables bench marking against other authorities.

6.2 STRATEGY ACTION PLAN

Action	Lead Officer(s)	Target Date	Expected Outcome	Resources
Utilise Council Tax data to identify empty properties and write to owners to offer assistance.	Empty Property Officer	Annual	Increased engagement with owners and promotion of Council/external services available.	EPO/Print and design/Revenues
Utilise enforcement powers on problematic empty properties	Empty Property Officer	Ongoing	Bring problematic empty properties back into use and deter owners from leaving them empty	EPO/Environmental Health/Legal
Consult on introducing a Council Tax premium for empty properties	Empty Property Officer	March 2020	Encourage owners to bring empty properties back into use and increase revenue	EPO/Revenues/Members
Bring 15 long term empty properties back into use each year	Empty Property Officer	Ongoing	Provide more housing (particularly affordable and specialist) and reduce the number of empty properties	EPO/Environmental Health/External partners
Promote the E.On empty homes scheme	Empty Property Officer	December 2020	Return empty properties back into use and help owners who don't have the resources	EPO/E.On
Promote property matching service	Empty Property Officer	Ongoing	To match owners with buyers to bring empty properties back into use	EPO

Hold Landlord Events	Empty Property Officer	Annual	To promote a healthy private rented sector and to encourage engagement with landlords and empty property owners	EPO/Housing Options
Bring forward empty commercial buildings as housing	Empty Property Officer	Ongoing	To tackle problematic buildings and utilise them for housing	EPO/Environmental Health
Promote leasing schemes to empty property owners	Empty Property Officer	Ongoing	To bring empty properties back into use and provide affordable housing	EPO
Develop a Compulsory Purchase Order Procedure	Empty Property Officer	June 2020	To enable the Council to purchase empty properties as a last resort	EPO/Environmental Health/Legal
Consult on a Purchase & Repair scheme	Empty Property Officer	March 2020	To bring empty properties back into use to provide affordable and supported housing	EPO/Members

7. Appendix and links to relevant websites

Alternative enforcement powers

Problem	Legislation	Power granted
Dangerous or dilapidated buildings or structures	Building Act 1984, Sections 77 and 78	To need the owner to make the property safe (Section 77) or enable the Local Authority to take emergency action to make the building safe (Section 78)
	Housing Act 1985, Sections 189 and 190	To need the owner to make the property safe. Section 189 applies if the property is Unfit for Human Habitation. Section 190 applies in other cases of serious disrepair
Unsecured properties (if it poses the risk that it may be entered or suffer vandalism, arson or similar)	Building Act 1984, Section 78	To allow the Local Authority to fence off the property
	Local Government (Miscellaneous Provisions) Act 1982, Section 29	To need the owner to take steps to secure a property or allow the Local Authority to board it up in an emergency
Blocked or defective drainage or private sewers	Local Government (Miscellaneous Provisions) Act 1976, Section 35	To need the owner to address obstructed private sewers
	Building Act 1984, Section 59	To need the owner to address blocked or defective drainage
	Public Health Act 1961, Section 17	To need the owner to address defective drainage or private sewers
Vermin (if it is either present or there is a risk of attracting vermin that may detrimentally affect people's health)	Public Health Act 1961, Section 34	To need the owner to remove waste so that vermin is not attracted to the site
	Prevention of Damage by Pests Act, Section 4	
	Public Health Act 1936, Section 83	
	Environmental Protection Act 1990, Section 80	
	Building Act 1984, Section 76	
Unightly land and property affecting the amenity of an area	Public Health Act 1961, Section 34 (see above)	To need the owner to remove waste from the property
	Town and Country Planning Act 1990, Section 215	To need the owner to address unsightly land or the external appearance of a property
	Building Act 1984, Section 79	To need the owner to take steps to address a property adversely affecting the amenity of an area through its disrepair

Useful Websites

- NEDDC – www.ne-derbyshire.gov.uk
- Empty Homes Network – www.ehn.co.uk
- DASH – www.dash.co.uk
- National Landlords Association – www.nla.co.uk
- Empty Homes – www.emptyhomes.co.uk
- Shelter – www.shelter.co.uk
- Ministry for communities housing and local government – www.gov.uk
- Action Housing – www.action.org.uk
- E.On – www.eon.co.uk