

TELFORD & WREKIN COUNCIL

CABINET – 4 NOVEMBER 2021

**TELFORD & WREKIN COUNCIL'S LONG TERM EMPTY PROPERTY STRATEGY
2021-2026**

REPORT OF THE DIRECTOR - HOUSING, EMPLOYMENT & INFRASTRUCTURE

**LEAD CABINET MEMBERS – COUNCILLOR DAVID WRIGHT & COUNCILLOR
RICHARD OVERTON**

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

- 1.1 This report introduces the Council's Strategy to address Long Term Empty Properties providing a new framework to bring these properties back into use across the Borough. The Strategy enables the Council to deal efficiently and effectively with long term empty properties using all of the tools available to Local Authorities.
- 1.2 This Strategy supports the delivery of the Council's overarching Housing Strategy seeking to:
- make the BEST use of our existing homes
 - support communities by addressing the blight that empty properties can create
 - provide homes to support those in housing need including our most vulnerable
- 1.3 There are c.1009 empty properties in the Borough at any one time for varied reasons however our priority will initially be focussed on addressing the 214 long term empty properties that have been empty for 2 years or more. These are often the most problematic not only representing a waste of a home but may become a focus for anti-social behaviour or simply fall into disrepair having a detrimental impact on residents and local communities. There are a number of reasons why properties become empty including inheritance tax issues, lack of finance to carry out essential repairs, problems achieving a sale or let, the owner may not be local or in residential care – and in other cases owners are simply unwilling to bring properties back into use.
- 1.4 The Council's Housing Options Service provides help and advice to more than 3,000 people each year working with more than 400 presenting as homeless or at risk of homelessness, demonstrating the importance of maximising on every opportunity to provide a new home and is a further driver for our taking a proactive approach to returning empty properties to the market.
- 1.5 Through the Strategy we are committed to bring these empty properties back into use; renovated by local trades and reoccupied by local residents. The Strategy sets a target to bring a minimum of 375 long term empty properties back into residential use over the lifetime of the Strategy.

- 1.6 By focussing on long term empty properties we are seeking to tackle some of the most challenging properties impacting on our communities where it may be necessary to use enforcement action including Empty Dwelling Management Orders (EDMO) or Compulsory Purchase. These processes can take up to 2 years to go through tribunal and court processes.
- 1.7 The numbers of empties in Telford and Wrekin are lower than those of neighbouring authorities however our target is a challenging one in comparison to a number of local authorities in the West Midlands who have chosen not to set a target at all.
- 1.8 Our approach ensures residents can quickly report properties of concern including through our Report an Empty mailbox and recognises the need to develop a tailored approach based on the property, working with owners to find a voluntary way forward wherever possible, but committing to take appropriate enforcement action, including compulsory purchase, where required.
- 1.9 Alongside providing a range of support and assistance to owners to refurbish, let or dispose of properties, through Telford & Wrekin Homes (part of NuPlace the Council's wholly owned Housing Company) the Council may acquire or take on the management of appropriate properties for rent to meet local housing need.
- 1.10 While we want to work with property owners wherever possible the strategy also sets out a clear and robust enforcement regime which will commence from the moment a property is reported as being empty and becoming an environmental issue, with the service of statutory notices and works in default. Where debts are owed to the Council through this route, compulsory purchase will be instigated at the earliest opportunity with powers such as empty dwelling management orders being actioned where properties are empty for longer than 2 years for no reason.
- 1.11 The Strategy supports the Council's Safer, Stronger Communities Programme prioritising addressing problem empty properties in key communities including the South Telford Estates, as well as delivering wider benefits to public health.

2. RECOMMENDATIONS

- 2.1 Cabinet approves and adopts the Council's Empty Property Strategy 2021-2026.**
- 2.2 Cabinet recommends to Full Council a new allocation of £1m prudential borrowing in 2021/22 to support the Empty Property Strategy, with delegation to allocate this funding to the Director, Housing, Employment & Infrastructure in consultation with the Cabinet Member for Economy, Housing, Transport & Infrastructure and the Director, Finance & H.R, and associated changes are made to the Capital Programme.**

3. IMPACT OF ACTION

3.1 The actions in the Strategy aim to improve the overall condition of the housing stock in the Borough, increase housing choices and address the blight that empty properties can cause to local communities.

4. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-Operative Council priority objective(s)?	
	Yes	<ul style="list-style-type: none"> - All neighbourhoods are great places to live - Community focussed Council providing efficient and effective and quality services - Every child, young person and adult lives well in their community
	Will the proposals impact on specific groups of people?	
	Yes	Owners of Empty Properties and local residents including those in need of accommodation
TARGET COMPLETION/ DELIVERY DATE	It is proposed that the Strategy is adopted, implemented and reviewed from October 2021 until 2026.	
FINANCIAL/ VALUE FOR MONEY IMPACT	Yes	<p>The existing approved capital programme contains £100,000 of dedicated capital funding to support the empty property strategy as detailed in this report.</p> <p>The recommendation for a new allocation of £1m prudential borrowing will further support this strategy, and enable the establishment of a revolving fund to support the potential acquisition and refurbishment of empty properties prior to disposal. The proceeds of disposal will be ringfenced for future acquisition costs. The additional revenue cost of such borrowing is £40k per annum ongoing and will be included in the medium term budget strategy. The additional council tax income generated from the premium for long-term empty properties referred to in the report is used to support front-line services including the provision of services to prevent homelessness within the borough.</p> <p>It should be noted that in some instances the cost of bringing properties back into use may exceed the sales value. Properties will be considered on a case by case basis and delegation to acquire is recommended to be granted to the Director, Housing, Employment & Infrastructure in consultation with the Cabinet</p>

		<p>Member for Economy, Housing, Transport & Infrastructure and the Director, Finance & H.R.</p> <p>Where empty properties are acquired there will be holding costs which will need to be covered from existing budgets and any pressures will be reported as appropriate through the normal financial monitoring process. Conversely, this strategy may help to reduce other Council costs such as fly tipping and costs associated with anti-social behaviour.</p> <p>Finance will support the allocation of all funding as initiatives are brought forward for consideration</p> <p>Currently, empty properties brought back into use feeds into the calculation of the New Homes Bonus grant the council receives and provides a financial reward in relation to reducing the number of empty properties. It should be noted however that the New Homes Bonus system is currently under review and changes are anticipated wef. April 2022 which may alter this incentive.</p> <p>As mentioned in the report and strategy, the council currently charges a council tax premium on some long term empty properties. This was implemented again as an incentive to reduce the number of empty properties. The strategy identified in this report will hopefully result in reductions to the number of properties being subject to the premium and there will therefore be a corresponding reduction in council tax income. Empty property premium currently generates around £0.260m council tax income for the area per annum and changes to this figure will be taken into account as part of future Service & Financial Planning strategy alongside the many other changes which feed into the estimate of council tax, such as growth in the number of properties.</p> <p>DR 05/10/21</p>
LEGAL ISSUES		<p>There is no specific statutory duty requiring the Council to have an Empty Homes Strategy. However, the preparation of such a strategy can be undertaken to support the Council's wider objectives. The Strategy refers to the Council's main statutory enforcement options and sets out various items of relevant legislation. In cases where enforcement action is required or any legal process needs to be pursued, legal advice will be provided as required. (IR 10.08.21)</p>
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	<p>Bringing empty properties back into use will support meeting local housing need and addressing risks of criminality and anti social behaviour that maybe associated with such properties</p>
IMPACT ON SPECIFIC WARDS	No	<p>Borough-wide impact</p>

PART B) – ADDITIONAL INFORMATION

5. INFORMATION

Background

- 5.1 As at end of June 2021 (latest figures available) the number of empty properties in the Borough was 1009 and these are broken down as:

Empty between 6 months and 2 years	504
Empty over 2 years	214
Empty and exempt from council tax	291*
Total	1009

*exemptions include properties subject to probate or where owners are in hospital or care.

- 5.3 The Empty Property Strategy 2021 – 2026 outlines our approach to bring long term empty residential properties back into use by:

- proactively monitoring data and targeting those properties that have been empty for longer than 6 months prioritising those empty for over 2 years.
- launching a new communications campaign to raise awareness of the empty homes issues maximising use of social media, engagement with residents, Ward Members and T&PC and publicising our successes.
- enabling the reporting of problem empties through the “Report an Empty” mailbox facility
- providing bespoke advice and assistance based on the circumstances of the owner and property including advice on selling, renting, refurbishment and management of properties, financial appraisals, probate and access to financial assistance schemes and grants including affordable warmth
- working with Telford & Wrekin Homes to provide opportunities to acquire and/or manage appropriate empty properties benefitting local residents
- developing further grant funding opportunities to support key groups including first time buyers to benefit
- working with community and third sector organisations to explore community based approaches to property management and care
- including a focus on bringing long term empty properties within Council Tax bandings of A-C back into use, increasing the supply of affordable housing in the Borough.
- prioritising addressing empty properties in areas covered by the Safer, Stronger Communities Programme.
- implementing the Council Tax escalator maximising the financial incentive for owners of long term empties to bring them back into use.
- regularly reviewing properties exempt from Council Tax and working with owners whose properties are attracting tax penalties.
- taking a robust and strategic approach to any enforcement action, including Compulsory Purchase and Enforced Sale, where appropriate.

Monitoring

- 5.4 We are committing to bring a minimum of 375 long term empty properties back into use over the lifetime of the Strategy and will report on delivery against this target and the objectives and actions set out.

Summary

5.5 In adopting our Long Term Empty Property Strategy we aim to:

- improve the overall condition of the Housing stock in Telford and Wrekin; increasing affordable housing choice for our residents
- reduce the prospect of crime and anti-social behaviour on residents and communities
- reduce fly tipping and vandalism, and improve the visual amenity and street scene
- improve the value of surrounding property increasing the attractiveness of the Borough for investment
- support the Council's overall budget by maximising council tax collection and New Homes Bonus

6. **IMPACT ASSESSMENT – ADDITIONAL INFORMATION**

No further comments.

7. **PREVIOUS MINUTES**

Cabinet Report – 19th September 2013

8. **BACKGROUND PAPERS**

None

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