<p style="text-align:center">READING BOROUGH COUNCIL</p>

<p style="text-align:center">REPORT BY DIRECTOR OF ENVIRONMENT AND NEIGHBOURHOOD SERVICES</p>

TO:	HOUSING, NEIGHBOURHOODS & LEISURE COMMITTEE		
DATE:	16 MARCH 2016	AGENDA ITEM:	9
TITLE:	EMPTY HOMES STRATEGY UPDATE 2016		
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1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1 This paper updates on the progress of the Empty Homes Strategy, sets out performance in the past two years and considers opportunities and challenges.

1.2 The number of private homes registered by their owners as long term empty homes (LTEs[1]) was 310 in October 2014 and 341 in November 2015[2]. The general trend is for a reduction in LTEs as a result of sustained Council commitment, the national empty homes agenda, excellent working with Council Tax and the unquantifiable impact of housing market factors.

1.3 In 2014/15, 36 high priority problematic[3] LTE's were brought back into use, exceeding the annual target by 16.

2. RECOMMENDED ACTION

2.1 That the Committee notes progress made in bringing empty homes back into use since April 2014.

2.2 To note that 36 high priority long term empty homes were brought back into use in 2014/15.

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[1] Privately-owned residential property that has been registered empty for 6 months or longer. Raw data drawn from Council Tax records.

[2] November 2015 figures are raw data that has not been subject to revision to take into account those homes no longer occupied yet still registered as occupied on the Council tax system.

[3] As above, but those that are having a negative environmental or aesthetic impact on the neighbourhood, or that have been 2 years or longer.

3.   POLICY CONTEXT

3.1   Housing, Neighbourhoods and Leisure Committee of 1st April 2014 approved the Empty Homes Strategy 2014-19 and agreed that an annual update be submitted to the Committee (Minute 20 – HNL 1/4/2014).

3.2   The Strategy brings long term empty homes back into use and thus reduces the impacts of derelict property and helps to meet local housing demand.

3.3   The Council's Corporate Plan 2015-2018 (and emerging 2016-2019 Plan) under the key priority 'providing homes for those most in need' sets out the need to work with home owners to bring high priority and problematic properties back into use.

4.   PERFORMANCE SINCE APRIL 2014

4.1   EMPTY HOMES RETURNED TO USE. 36 high priority privately-owned long term empty homes were returned to use in 2014/15. Because some of these homes underwent conversions, demolitions and new-builds, these 36 homes have generated 41 units of accommodation (not including net increases through HMO conversions).

Projections for 2015/16 indicate that the annual target will be met, if not exceeded. In the last year, further measures of performance have been introduced. The annual target of 20 high priority LTEs per year counts only those properties where there has been a demonstrable and significant intervention by the Council that, on the balance of probability, is the main reason why each home was brought back into use. The Council is not responsible for every LTE returned back into use each year, but there are 83 further non-priority LTEs that have come back into use since April 2015 that have involved lighter touch Council inputs. These inputs would best described as involving two contacts with owners at Level 1 below.

There are three levels of empty homes input or intervention as follows:
- Level 1 - all LTE's are subject to the lowest level of action which involves initial contact via e-mail, letter or phone call.
- Level 2 - increased action levels (more detailed, but still informal dialogue) occur on around 100 cases at any one time.
- Level 3 - the caseload of high level intervention runs at around 20 cases at a time. These cases include owners who have not responded to informal approaches or who need assistance with the complex problems behind a home's emptiness.

Since 2014, the balance of intervention moved upwards in complexity. A significant minority of the most complex cases are not classified in Council Tax terms as LTE's, but are often cases where the owner has died intestate, moved into care or been declared bankrupt.

4.2   ESTIMATES OF TOTAL NUMBER OF EMPTY HOMES. Council Tax records provide an estimate of the total number of LTE's in Reading. Table 1 below shows the change in numbers of homes registered as LTE since 2008. There are roughly 1,500 homes of all tenures registered as unoccupied, short term or long term. The number of LTEs is replenished by newly arising empty homes.

The Council's sustained commitment since 2008 to reducing the LTE homes, the impact of government commitment and media since 2008, the efforts to improve Council Tax data on empty homes, and a housing market that has encouraged long term owners to sell, all combine to keep the total number of LTE homes 30% lower than the peak figure of 2009.

TABLE 1. PRIVATELY-OWNED LONG TERM EMPTY HOMES BY OWNER SINCE 2008								
OWNED BY	Oct-08	Oct-09	Nov-10	Sep-11	Nov-12	Oct-13	Aug.14	Nov-15
Individuals	295	319	323	281	305	236	211	260
Companies	147	157	141	67	82	60	84	54
Housing Assoc.	26	40	92	86	25	45	25	23
Public body (not RBC)	0	0	0	3	5	5	0	4
TOTAL[4]	468	517	556	437	417	329	310	341

Table 2 below sets out the location by Ward of Reading Long Term Empty homes. The order of the list has changed little in the last year, with Abbey still having the most LTEs. In previous years, Southcote has been top of the list but now has one of the lowest numbers of LTEs.

TABLE 2. PRIVATELY-OWNED LONG TERM EMPTY HOMES BY WARD Nov 2015							
WARD	Homes	WARD	Homes	WARD	Homes	WARD	Homes
Abbey	63	Minster	26	Redlands	18	Southcote	12
Battle	45	Tilehurst	20	Norcot	14	Mapled'm	9
Park	29	Whitley	20	Church	12	Kentwood	8
Katesgrove	26	Caversham	19	Peppard	12	Thames	8

2015 has seen a change in how the geography of empty homes is approached. The Private Housing Initiatives Officer used to attempt to visit all types of empty homes in 3 or 4 Wards per quarter. Fewer visits are made now, with more effort being made to contact owners by telephone then only visiting the homes where no contact can be made with owners. This weeds out low priority cases and allows more time to address cases with higher priority and greater complexity.

Since the publication of the October 2015 Council Tax Base form, the number of empty homes within RBC ownership has been examined further. Cleansing of the data has reduced the overall number. The remaining homes are essentially those within the Dee Park Estate which are due for demolition in the short or medium term. Many of these homes are now being used for temporary accommodation as set out to the Committee on 18 November 2015 as part of the Council's strategy to reduce the use of bed and breakfast accommodation.

4.3   NEW HOMES BONUS AND EMPTY HOMES. Since 2010, the New Homes Bonus (NHB) scheme has provided an incentive for Councils to reduce the numbers of

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[4] The Total for privately-owned long term empty homes does not reflect the number of long-term empty homes reported through the Council Tax Baseform each October, which includes all publicly-owned properties.

homes that are registered as LTE. No reward is given for empty homes brought back into use that were not registered as empty by their owners. NHB calculations are based on the change in numbers of occupied homes recorded in the annual Council Tax Base Form.

The empty homes figure (all tenures) used for NHB purposes in October 2015 was 423[5], a net reduction of 64 LTEs on the October 2014 figure.

The NHB regime has rewarded Reading for a net reduction of 113 LTEs since 2010. Table 3 below sets out the change in numbers of all tenure homes registered as Long Term Empty for a selection of Local Authorities between 2007 and 2014. The final column shows the Aggregate numbers of homes recognised for the five years 2011-12 to 2015-16.

Local Authority	Homes registered as LTE 2007[6]	Homes registered as LTE 2014[6]	Total LTEs returned to use as per NHB[7]
Bracknell	415	264	252
Reading	730	487	113
Slough	368	160	261
West Berkshire	1,066	317	90
Windsor & M'head	723	619	304
Wokingham	404	437	42
Luton	838	434	465
Oxford	639	212	453
Hounslow	442	738	-253
Birmingham	7,438	3,830	3,595

The NHB regime does not reward Councils for every single LTE returned to use, but rather rewards for net reductions in LTEs per year. The number of homes registered as LTE on the Council Tax system and reported via the Council Tax Baseform rarely reflects real numbers because of late or inaccurate notification of empty status by owners. There will always be homes registered as empty that are occupied, and vice versa.

4.4 HOMES AND COMMUNITIES AGENCY FUNDED 'LOAN-LEASE' SCHEMES. The Council entered into two partnerships with Radian Housing and the Flexible Home Improvement Loans Ltd (FHIL) to deliver two Housing Association lease and repair schemes using funds from the Homes & Communities Agency. The scheme involved the HAs offering loans to owners in return for the owner agreeing to lease the property to the HA who would then let the property at Affordable Rent. The scheme rules set a maximum loan per home at £16,000 that was too often lower than the cost of works required. Owners were not enthusiastic about the requirement to let their homes at Affordable Rent. Some owners went through the feasibility process (valuations, surveys, contract negotiations that were paid for by the housing associations at risk) only to decide to sell their properties.

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[5] The Total for privately-owned long term empty homes does not reflect the number of long-term empty homes reported through the Council Tax Baseform each October, which includes all publicly-owned properties.
[6] *https://www.gov.uk/government/collections/council-taxbase-statistics*

[7]

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/399894/150127_cumulative_1_to_5_for_web.xls

Radian Housing returned their allocation of £80,000 to the HCA because of deliverability problems with the programme. Radian did complete one lease-and-repair project that saw a home brought back into use at Affordable Rent after having been unoccupied for 5 years.

The FHIL scheme offered a similar 'loan-lease' product called the Affordable Homes Loans" (AHL). The AHL suffered from the same disinterest from owners as the Radian scheme.

The HCA Empty Home Programme ended in March 2015. This was not a major setback because the schemes did not prove a good fit for the Reading housing market. FHIL Ltd. is still able to offer the Affordable Home Loan product despite the Government policy to switch off Affordable rent funding in favour of Affordable Homes to Buy schemes. The service will be looking again for further housing providers that wish to bid for HCA capital to bring empty homes back into use.

4.5   THE FLEXIBLE HOME IMPROVEMENT LOAN SCHEME. Reading is one of 17 Local Authority partners to the Flexible Home Improvement Loan scheme (FHIL). The FHIL scheme offers a number of loan products, the most relevant here being the Empty Homes Loan (EHL).

The EHL differs from HCA-funded loans (4.4 above) in that there is no maximum unit cost per loan and the properties do not have to be let at affordable rent on completion of works. Furthermore, EHL's have a short loan term, the earliest of 5 years or the date the property is sold.

The limiting factor with EHLs (and other loan products under FHIL) is that the quarterly loan pot allocation (for all loan product types) is just £45,000 which means that applications that would help meet strategic aims cannot be serviced. The FHIL Ltd. Board continually seek and apply for further finance from public and private sectors to enable the partner Councils to entertain more loan applications.

4.6   JOINT WORKING. Two themes that have come to the fore in Reading's empty homes work, both have their roots in joint working.

COUNCIL TAX & EMPTY HOMES. The link between empty homes work and the Council Tax team is the most important internal relationship in empty homes work. Joint work has led to improved data confidence, sharing of intelligence on debt recovery cases and has helped numerous charge payers to get control of their Council Tax accounts by understanding their obligations.

The NHB regime increased the importance of this relationship and the need for up-to-date and accurate Council Tax data. Staff have continued to develop this relationship further and the Private Housing Initiatives Officer now spends up to two months assisting with Council Tax Baseform work and debt recovery cases.

SAFEGUARDING, SELF-NEGLECT & SQUALOR. Residents will sometimes make an empty home referral because a house looks dilapidated. On investigation, alleged empty homes sometimes happen to be occupied, often by a householder who cannot cope with their home. There are some striking

similarities between some owners of empty homes and some householders living in squalor or self-neglect. Empty home owners and those living in self-neglect are often 'difficult to engage' and the circumstances of their situation are often borne out of misfortune.

The Private Housing Initiatives Officer contributed to a multi-disciplinary Chronic Disorganisation Project which aimed to improve service responses to complex householders. Just as an empty home is an expression of the difficulties an owner might be experiencing, so too the hoarded, disorganised or squalid home is a symptom that can be addressed with the right service approach. The Private Housing Initiatives Officer has provided training to housing, social care and regulatory services staff on self-neglect and squalor. The Project has included case studies, one of which is outlined in the case studies below.

4.7 CASE STUDY 1. A property that has been empty for 12 years will soon be occupied.

The home remained empty until 2009 when the Private Housing Initiatives Officer suspected it had become a squat. He traced a pseudo-landlord who claimed he was attempting to take the property through adverse possession and had placed a 'tenant', in effect a squatter, in the property to keep it secure. Though unlawful, this act was not illegal at the time, it is however, illegal now under section 144 of the Legal Aid Sentencing & Punishment of Offenders Act 2012. The Treasury Solicitor located two potential heirs living abroad but neither could act as they were in dispute over the inheritance of the property.

The Private Housing Initiatives Officer worked on several levels with the following people;

- Squatter. To ensure he was informed of his rights and housing options and of the Council's proposed action.
- Safeguarding Adults and the Community Mental Health Team. To ensure that the squatter was recognised and treated as a vulnerable adult
- Pseudo-landlord. To ensure he withdrew his interest in the property.
- Parties disputing the Inheritance. To persuade them to come to a settlement.
- Treasury Solicitor and appointed Administrator.
- Different Courts where the inheritance dispute was being heard.
- Auctioneer. To publicise the sale of the property, and
- The buyer. He received VAT Relief and managed ASB risks at the property.

On removal of the squatter to a place of safety, Environmental Health made the property safe, free from vermin and secure through enforcement powers. The Council pushed for early sale at auction in April 2014. The buyer has completed renovations and is about to put it on the market.

4.8 CASE STUDY 2. Following the death of the occupier, a North Reading home had been empty just a few weeks before it became the cause of local complaints. No executor could be traced and there were no contact details for a next of kin. Adult Social Care advised that they had a charge relating to care home fees registered against the property. Though only a short-term empty

home, it had the hallmarks of a long winded, complex and sensitive case and so was treated as a priority.

The Private Housing Initiatives Officer traced a son whose limited knowledge of Probate and his understandable grief meant he felt he could not act. The Private Housing Initiatives Officer discovered the late owner had taken out an Equity Release mortgage that reduced the value of the Estate; advised the son of debts owed to the Council registered against the property; advised the son how to apply to administer his late Father's estate; and discussed with him what best to do with the property. The son administered the Estate, sold the former family home and settled all debts to the Council (care fees and Council Tax arrears) from the proceeds of sale. The son expressed his gratitude for helping deal with this difficult process at a difficult time.

4.9   CASE STUDY 3. A West Reading home was sold, renovated and occupied in 2014, but only after extensive management and involvement over a prolonged period by officers. Some of the issues faced by the Private Housing Initiatives Officer in bringing this long term empty home back into use included the former owner:
- Continued and repeated avoidance of the Private Housing Initiatives Officer.
- Repeated instruction and dismissal of numerous agents and contractors.
- Sleeping in the unfurnished property periodically to avoid paying full rates.
- Claiming to be carrying out the £60,000 worth of improvement works themselves, yet only ever stripping the wallpaper.

4.10   CASE STUDY 4. A Reading home that had been empty for 3 years was the subject of ownership and rights of occupation disputes between the owner, his tenant and other tenants to whom the main tenant had sublet the home illegally. The main tenant, well-known to the Police, claimed to have a lawfully written lease. Despite the parties contesting ownership in the Courts, neither proved keen to fulfil the usual responsibilities of property ownership such as proper maintenance and payment of Council Tax liabilities. All parties proved difficult to work with. Enforcement and debt recovery techniques proved the key to unlocking the case. The threat of having charges registered against the property that would confer upon the Council the power to sell it at auction proved persuasive. The owner settled with the main tenant, carried out works and let the property.

5.   CONTRIBUTION TO STRATEGIC AIMS

5.1   Safeguarding and protecting those that are most vulnerable -

5.2   Providing homes for those most in need – a key approach to empty homes work is through strength based working, rather than 'doing to' an empty homeowner, the Strategy sets out to co-produce shared prosperity and additional outcomes that are mutually beneficial. The empty homes approach is built on maximising each customer's strengths and thus reducing reliance on the State for assistance.

5.3   Keeping the town clean, safe, green and active - the strategy rids localities of dangerous buildings, of honey pots for anti-social behaviour and crime. This

helps reverse the 'broken window syndrome' that can drag localities down further

Sustainability standards of renovating empty homes, meets or exceeds Building Regulations by pushing for low carbon alternatives and a reduced ecological footprint in design. In using previously un-used housing units, the strategy helps reduce the overall ecological footprint of wider housing development.

5.4 <u>Providing infrastructure to support the economy</u> - renovation and property management contracts arising from the strategy offer improved employment and opportunities for local businesses.

6. COMMUNITY ENGAGEMENT AND INFORMATION

6.1 As this is an information report only, there has been no community engagement.

7. EQUALITY IMPACT ASSESSMENT

7.1 No equality group is affected by the content of this report.

8. LEGAL IMPLICATIONS

8.1 There are no legal implications arising from this report.

8.2 The legal implications of the Strategy itself are set out in the previous report of 1st April 2014.

9. FINANCIAL IMPLICATIONS

9.1 The continuation of the Empty Homes Strategy requires revenue expenditure that is being met from existing budgets. From 2014/15 the Private Housing Initiatives Officer post is being part funded by the Flexible Home Improvement Loan Scheme.

10. BACKGROUND PAPERS

10.1 'Empty Homes Strategy 2014-2019'- Reading Borough Council. April 2014