

## **1. Introduction**

North Somerset Council published the Empty Property Delivery Plan in December 2011 which set out the Council's vision, key achievements, issues and challenges and how we are targeting our work to maximize the available opportunities to bring empty properties back into use. This review highlights the progress made since the Plan was adopted, and explains how delivery of the Plan's aims has been affected by internal and external factors.

Since the introduction of the Delivery Plan, the national picture has changed considerably. The ongoing implementation of Welfare Benefit and Council Tax reforms will have an impact on empty properties, as changes have been made to the way they are assessed and recorded for Council Tax purposes.

The details of these changes are discussed further below, as well as the potential impact on future identification of empty properties for targeted action and options for bringing them back into use.

Please note: this update should be read alongside the North Somerset Empty Property Delivery Plan 2011-2015.

## **2. Factors affecting our Delivery Plan**

### **Policy Changes – National Context**

#### **Welfare Reform**

The implementation of the Welfare Reform Act 2012 is ongoing, and although it will take some time for the impact of the changes to be fully known, early indications are that the private sector is already starting to experience a negative impact.

Key changes include:

- How the Local Housing Allowance (LHA) is calculated. This is the maximum amount that Housing Benefit (HB) will pay for properties.
- Claimants under 35 years (without children) will only be eligible for HB at the bedsit or single room shared house rate (previous age limit 25 years). If over 35's occupy larger accommodation, they will have to make up the difference between their HB allowance and the rent amount.
- Deductions made from the HB of those households who have non-dependants living with them.

- The introduction of the “bedroom tax” which means anyone living in social housing who under-occupies by one or more bedroom will have their HB reduced.
- A cap is to be introduced on the total amount of benefit most people can receive between the ages of 16 – 64.
- In most cases, housing benefit will be paid to tenants rather than directly to landlords.
- Universal Credit will be implemented in October 2014 This will combine all recipients’ benefits into one direct monthly payment.

It is anticipated that these changes could result in increased rent arrears, through reductions in HB due to social housing tenants having a spare bedroom(s), or non-dependent household members. Larger families could be affected by the benefit cap, and there is likely to be an increased demand for smaller and shared accommodation in the private sector.

### **Council Tax Reform**

As part of the recent Council Tax reform Local Authorities have been given discretionary powers to determine their own Council Tax discount structures including the level of discount awarded to empty properties.

North Somerset Council reviewed its discretionary discounts and decided properties which are unoccupied and unfurnished will no longer be granted a full Council Tax exemption for the first six months. As from 1 April 2013 this exemption became limited to the first six weeks that the property is unoccupied and unfurnished. Once the exemption expires full Council Tax is payable.

Properties in need of or are undergoing major repair or structural alteration are no longer entitled to a Council Tax exemption. From 1 April a 50% discount has been awarded for the first 12 months. Once this discount period has ended full Council Tax is payable.

These reforms may act as an incentive to owners to bring their properties back into use quicker than originally planned but it may potentially make it more difficult to identify empty properties (and therefore target them for action) through Council Tax records if owners decide not to claim the discount.

### **Local and Regional Context**

#### **Financial Challenges**

By 2018 the Councils net revenue budget will have reduced by approximately 50% compared to 2010/11. Making best use of existing stock by bringing empty properties back into use is therefore even more important, but also more challenging with limited financial incentives available to owners. We were successful in a bid to fund an additional post in 2012, although the funding was only available for a period of 8 months. Given the success of this arrangement and in order to continue with our empty property work we will allocate some further one off funding to our empty

property work until March 2014. This will enable our existing Housing Development Officer (HDO) to continue to focus on this area of work.

Looking beyond March 2014 particularly with current and future budget pressures, we will continue to monitor our empty property performance and will consider continuing the arrangement beyond this date if there is a strong case to do so. This could be resourced using funding that is ring-fenced for increasing private sector housing supply, which was negotiated as part of the S106 for the construction of Hinckley C in West Somerset, however, that is dependent on construction being started.

### **The Current Picture**

In March 2013 a total of 2,633 residential properties in North Somerset were unoccupied. Of these, 536 properties had been empty and unfurnished for six months or more. These properties remain our priority for targeted action, although all empty properties that are brought to the Council's attention are investigated.

There were 6,965 households on the Council's Homechoice register in March 2013 (compared to 9,126 households when the Delivery Plan was adopted) of which 4,348 households were in priority bands A - C (an identified need for affordable housing). The reduction in the overall number since 2011 followed a review asking households whether they wished to remain registered on Homechoice, so does not signify a decrease in the need for affordable homes.

The 2009 Strategic Housing Market Assessment identified a net need for an additional 904 units of affordable housing per year. However, it is recognized that this figure is not achievable without it affecting the viability of new development; therefore the Council's target is for a minimum of 150 new affordable homes to be delivered per year. Although this target was exceeded in 2012/13 with 211 additional affordable homes delivered, only 42 units completed in 2011/12, neither figure being representative of the evidenced need.

### **3. Achievements to Date**

Since the adoption of the Delivery Plan in 2011, we have:

- Worked closely with, and contributed to support a Registered Provider's successful bid for funding in order to bring empty properties back into use. Unfortunately, due to external factors it was not possible for the Registered Provider to take up the funding;
- Improved our existing relationship with council tax colleagues and successfully maximized New Homes Bonus income by sharing information, and coordinating visits between teams to avoid duplication;
- Exceeded our target to bring empty properties back into use during 2012/13, with a figure of 42 against the target of 40. This was achieved by working with

and advising owners of the options available to bring their properties back into use;

- Referred two properties to the Enforcement Team who served notice to secure access and remedy water damage caused by damp from an adjoining property. Another five long-term empty properties are currently being considered for enforcement action;
- Started working with our legal team to pursue Compulsory Purchase Orders on two properties in the area that have been empty for a number of years, attracting a high number of complaints. This is very much a last resort, after all options to work with the owners have been exhausted;
- Resurrected the Empty Property Steering Group with the aim of raising awareness of empty property issues and encouraging more joined up working. The membership of the group has been expanded to include Housing Association representatives, and the frequency of meetings has been increased;
- Secured funding for an additional full time Empty Property Officer post for eight months during 2012, to concentrate on maximizing New Homes Bonus income.

#### **4. Challenges**

The Delivery Plan sets out the key issues and challenges in bringing empty properties back into use. These challenges remain, and since the adoption of the Delivery Plan, the following additional challenges have been identified:

- The Welfare Reform Act is likely to result in an increased demand in the private sector for smaller, single occupancy and shared accommodation which will add to the continuing shortfall of affordable and low cost housing;
- Although the formula for calculating New Homes Bonus remains unchanged, previously exempt properties will now be included in the calculation when they have been empty for six months. If there is a net increase in the number of empty properties, the number by which they have increased will be deducted from any New Homes Bonus payment which is why we must continue to work with council tax to minimize this risk;
- Empty flats above shops still pose a challenge. Although planning rules have been relaxed and it is now possible to convert up to two flats without planning permission, owners are still faced with problems of access, noise etc;
- Financial incentives for empty property owners continue to be limited. There has been little interest/take up of the loan facility and the criteria is now under review to establish what the issues are and whether loans can be made more attractive to owners.

## **5. Our Priorities**

Our focus remains to reduce the number of empty properties in the district and in addition to the priorities already identified in the Delivery Plan we have created a top 20 list of properties where numerous complaints have been received and/or are in the poorest of condition. We continue to work with owners using all available options and tools to bring long term empty properties back into use. For example, offering advice on financial assistance, help with letting or selling the property, and promoting the tenant finding and Private Sector Leasing Schemes. If these methods fail then enforcement action may be considered as a last resort.

We also work on preventative measures, targeting properties that are approaching six months empty, by contacting owners to make them aware of all the available options.

Government is encouraging Councils to make better use of the private sector. We are currently working with two Housing Associations to develop Private Sector Leasing Schemes, where owners lease their empty properties to the Housing Association for minimum one year, with the Housing Association taking over the management role. Tenants can be referred via a number of Agencies and the owner is guaranteed a rental income for the length of the lease whether the property is tenanted or not. A publicity campaign is planned to raise awareness of empty homes in general and the options available for bringing them back into use. Ideas being explored include radio advertising, an NS Life magazine article, advertising on the TV screens in the public areas in the Town Hall, speaking to Estate Agents and writing to empty property owners.

## **6. Conclusion**

Looking ahead we continue to face challenges. Financial constraints remind us to use the resources we have efficiently and the Welfare Reform Act will have an impact on empty properties, putting additional pressure on the private sector.

We will continue to work with partners and external agencies to meet the priorities identified in the Plan and will investigate any new funding options for empty homes which become available. We will continue to explore new initiatives and good practices to reduce the number of empty properties in North Somerset.

We have committed to further resource our empty property work until 31 March 2014. We will consider funding the additional resource beyond March 2014 through funding ring-fenced for increasing private sector housing supply, which was negotiated as part of the S106 for the construction of Hinkley C in West Somerset, however, that is dependent on construction being started and on the outcomes from out empty property work.



## Action Plan

A progress column has been added to the action plan to show progress to date.

Priority	Action	Target date	Lead	Resource	Performance measures	Progress
<b>Working with empty property owners</b>	Raise the profile of empty properties through publicity campaigns and send out letters/leaflets to Estate Agents, Solicitors and Care Homes outlining options to owners and targeting key areas and improve our understanding of empty properties including rural areas	Ongoing	Housing Development Officer	Housing Development Officer's time	Number of responses to relevant campaigns	Empty Property Event and publicity drive planned for spring 2014
	Consider and pursue enforcement action where negotiations fail	Ongoing	Housing Development Officer/Housing Renewals Team/Planning/Legal Team	Internal officer's time and CPO funding	Number of empty properties where enforcement cases are in progress	Enforcement action taken on two properties, a further five are being considered for action
	Implement Private Sector Leasing Scheme with Registered Providers to offer flexible options including guaranteed rent for term	Ongoing	Housing Development Officer	Housing Development Officer's time	Number of empty properties involved in the scheme	PSL scheme set up with Chapter 1 HA, starting to refer potential properties
<b>Making the best</b>	Adopt a systematic	Ongoing	Housing	Housing	Number of	Each new

<b>use of resources</b>	approach to categorizing empty properties and direct resources to agreed priorities		Development Officer	Development Officer's time	properties categorized and priority allocated.	identified empty property is categorized following an agreed criteria
	Work with council tax to manage impact of New Homes Bonus	Ongoing	Housing Development Officer	Housing Development Officer's time	Number of properties reduced in priority categories	80 properties removed from priority category in 2012/13
	Explore good practice with other local authorities and West of England group, internal joint working and keep up to date with best practice	Ongoing	Housing Development Officer	Housing Development Officer/Empty Homes Network/Other LA's and West of England Empty Property Group	Instances of good practice/joint working identified.	Development of 'No Use Empty' website and group stand at Landlords Exhibition. Referral of properties for enforcement action
	Support Registered Providers bidding for HCA funding to bring empty properties back into use	April/May 2011	Housing Development Officer	Housing Development Officer and Registered Providers time	Number of successful HCA bids for funding	Supported one successful bid, exploring other potential sources of funding