



Overview & Scrutiny

**EMPTY HOMES – BRINGING THEM
BACK INTO USE**

Report by Luton Borough Council's
OVERVIEW AND SCRUTINY BOARD
Task and Finish Group

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Chair's Foreword

I am very pleased to present this report on empty homes in Luton on behalf of the Scrutiny Task and Finish Group. When the Overview and Scrutiny Board asked people in Luton what concerned them most; empty homes in the town came through loud and clear as a key concern.

There are currently 1,344 empty homes in Luton – 659 properties have remained empty for more than 6 months, with the vast majority of those in the private sector. To give people some context, the Task and Finish Group found that Luton's empty homes situation compared favourably with other places in Bedfordshire and similar areas.

The Task and Finish Group also found there was a lot of work aimed at keeping the number of empty properties in Luton as low as possible. Most importantly, that work was having the intended impact for the town.

The Council is making a conscious effort to reduce the number of empty homes within the borough, and has achieved a number of successes in bringing empty properties back into use. The report also highlights the Council's future plans and partnership arrangements with Aldwyck Housing Group to bring six long-term empty properties back into use over a three-year period. This involves money gained from the Empty Homes Fund, which is administered by the Homes and Communities Agency. There are other Council ventures, to tackle the empty homes situation such as utilising decant properties programmed for demolition for short term temporary accommodation for the homeless.

The Task and Finish Group thought one of the most important actions for the Council going forward was to make people in Luton more aware of the overall situation and what is being done to manage it under difficult circumstances. It also wanted the pros and cons of a dedicated budget to remain prominent in the minds of members when making difficult decisions on relative budget priorities moving forward.

Finally, I wish to record my thanks and appreciation to my elected colleagues on the Task and Finish Group, and, in particular, all those who gave evidence. I would also like to thank the Democracy and Scrutiny Officer for her enthusiastic support throughout the review.

Councillor Mel Cato

Chair of the Empty Homes Task and Finish Group

Task and Finish Group Recommendations

- 1. The Council's Executive should ask officers within Private Sector Housing to make more transparent the extent of Luton's empty homes situation. The Council should clearly distinguish between private and council-owned properties, which should be published on the Council's website and in any leaflets produced on empty homes.**
- 2. The Council's Executive should continue to support all future ventures that help to bring long term empty properties back into use, which include the short term temporary measures for housing the homeless. These help reduce bed and breakfast costs and, most importantly, avoid placing residents in over-crowded accommodation. Again, this information should be widely publicised on the Council's website.**
- 3. The Council's Executive should request that officers within Private Sector Housing arrange regular liaison meetings with officers within the Planning division and legal services for information on pending cases on empty homes to be shared and for discussions to take place on the appropriate enforcement action needed.**
- 4. The Council's Executive should ask the Strategy and Development Manager to look into the possibility of including delegated powers in the post of the Empty Homes Officer for a planning enforcement role to assist with properties and advise on appropriate legislation such as the Town and Country Planning Act s. 215, which would force home owners to comply.**
- 5. The Overview and Scrutiny Board should acknowledge that there are limited capital resources available to fund enforcement action and to buy empty properties from willing home owners, and request that the Council's Executive balance the need for a dedicated budget for empty homes against other priorities in the 2014-15 capital programme.**

'Empty Homes' Task and Finish Group

A recent survey carried out by the Overview and Scrutiny Board found 64% of 71 respondents gave as their top priority 'empty homes'- bringing them back into use in Luton and in public consultation carried out on the Housing Strategy in April 2010 which found the lack of affordable housing as the most serious problem (60%), followed by empty properties (33%); and a Citizen Panel Survey in September 2011 found 1 in 10 respondents perceive affordable housing as a big problem (37%) and empty properties to be a very big problem (13%).

The following outcomes and objectives were determined for the Task and Finish Group, and approved by the Overview and Scrutiny Board:

- To understand the extent and impact of empty homes in Luton and raise awareness.
- To identify the Council's priority objectives for tackling empty properties in Luton and whether these have been met.
- To identify the main drivers for increasing social housing and to reduce housing register numbers and those in temporary accommodation.
- To identify what resources and funding is available to tackle empty homes in Luton
- To identify best practice used elsewhere in tackling empty home which can be used at Luton.

The Approach taken by the Task and Finish Group

The 'Empty Homes' Task and Finish Group was set up by the Overview and Scrutiny Board in December 2011. The first meeting was held on 1st February, 2012, at which Councillor Melvin Cato was elected as Chair of the Group. The other Members of the Group were Councillors: Waheed Akbar (Lab), Keir Gale (Lab), Mark Rivers (Lab) and Roxanna Whittaker (Lab) and supported by the Empty Homes Team in Private Sector Housing and the Democracy and Scrutiny Officer who project managed the review.

In total the Task and Finish Group held 4 meetings taking evidence from a wide range of witnesses such as: Ken Pinder, Housing Development and Enabling Officer (LBC), Martin Samuels, Housing Development and Enabling Officer (LBC), Pam Scott, Interim Empty Homes Officer (LBC), Sue Nelson, Head of Revenues, Benefits and Customer Services (LBC), Julie Durn, Council Tax Team Leader, Liam Dawson, Housing Manager (LBC), Jackie Barnell, Development Control Manager (LBC), Brenda Vale, Property Solicitor (LBC), David Kempson, Head of Corporate Finance (LBC), Councillor Tom Shaw, Portfolio Holder for Housing (LBC), Lynda Rees, Chief Executive of Luton Community Housing Association, Keith Edwards, Head of Development and New Business at Aldwyck Housing Group, Alan Thompson, Strategy and Development Manager (LBC), Dave Adams, Team Manager (HMO) Private Sector Housing, Richard Morgan,

Development and Investment Advisor (LBC) and Nick Pritchard-Gordon, Empty Homes Officer at Reading Borough Council and member of the Empty Homes Network.

A press release by the Task and Finish Group was published on the Council's website and in the local papers to raise awareness and to encourage public involvement in the review.

Other Research Undertaken

Best practice by other authorities and two recent consultations commissioned by the Council on the Council's Housing Strategy (2010 and the Citizen Panel Survey (2011) were included in the evidence. As well as relevant legislation used as enforcement powers by the Council such as: the Town and Country Planning Act 1990 s. 215 and s.219, Building Act 1984 s.76-79; Local Government Act s.29 and Environmental Protection Act s.79-82. Desktop research of Government policies and websites such as: Homes and Communities Agency and the Council's internal policies on the Empty Homes Strategy 2007-2011 and Housing Strategy 2009-2014.

The Task and Finish Group invited a representative from the Empty Homes Agency to give evidence who were unable to attend any of the meetings. Instead Nick Pritchard-Gordon gave evidence on behalf of the Empty Homes Network and desktop research of the Empty Homes Agency website was undertaken with some of this information used as evidence to support the review.

The Evidence

Review and Analysis of the National Context

The Barker Review on Housing Supply in March 2004 published by the previous government raised the profile of tackling empty properties which subsequently became of national importance and led to a number of responses through strategies and legislation such as: the Sustainable Communities: Homes for All and Housing Act 2004. The Coalition Government in 2010 regard empty properties as a policy priority and announced a £100 million Empty Homes Fund to assist local authorities to bring back long term empty properties into use for affordable housing; and a further £50 million to tackle the worst concentration of empty homes across the country.

Towards the end of last year the Government consulted local authorities through a White Paper on reforms to Council Tax with proposals to devolve more discretion in terms of reliefs to council tax available in respect of empty homes. Specific changes include: billing authorities to be given powers to levy full council tax on second homes; replacing certain exemption classes to empty properties with discounts and to determine a rate of discount applicable; and to levy an 'empty homes premium' on dwellings that remain empty for more than two years.

The Coalition Government's commitment in their 2010 Manifesto to empty homes through the Localism Bill:

"to explore a range of measures to bring empty homes into use",

and clear guidelines on the approach to tackle the problem:

"The Government believes that it is time for a fundamental shift of power from Westminster to people. We will promote decentralisation and democratic engagement, and we will end the era of top-down government by giving new powers to local councils, communities, neighbourhoods and individuals".

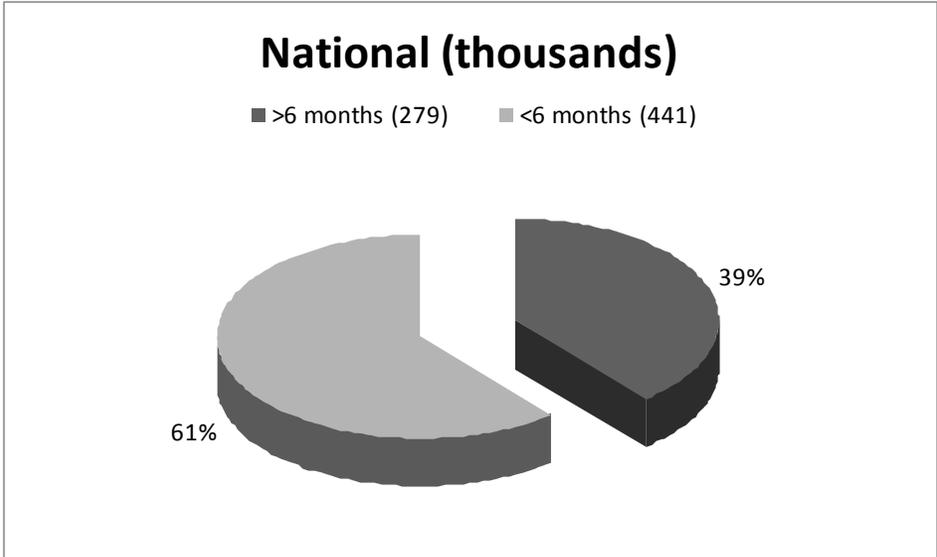
www.communities.gov.uk/housing/housingsupply/newhomesbonus

Empty homes is regarded by the Governments Community Action Group as a disincentive to people wishing to stay or move to an area due to them being visually unattractive and create an impression of neglect and decline.

Reducing the numbers of empty properties would:

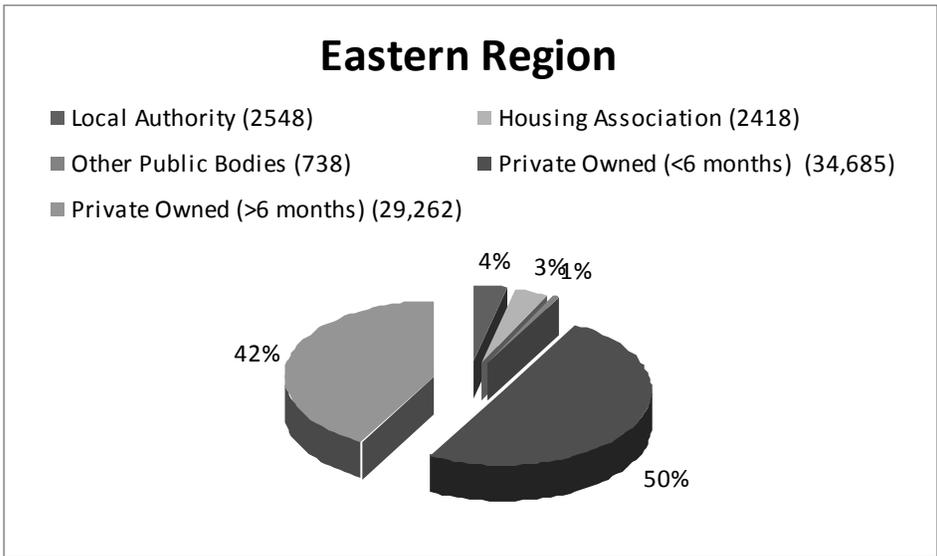
- enhance local pride in an area;
- help meet the increase in demand for homes as the number of households increase;
- encourage economic vitality which creates a positive impact on regeneration by stimulating local trade;
- discourages the fear of crime and vandalism which is often associated with derelict properties.

According to the Empty Homes Agency in 2011 the total number of empty properties nationally is 720,000 in England of this 279,000 are long term empty for more than six months.



Source: <http://www.emptyhomes.com/emptyhome-stats-2011>

The chart below shows the total number of empty properties in the Eastern Region in 2010-11 published by the Empty Homes Agency.



Source: <http://www.emptyhomes.com/emptyhome-stats-2011>

Review and Analysis of the Local Context

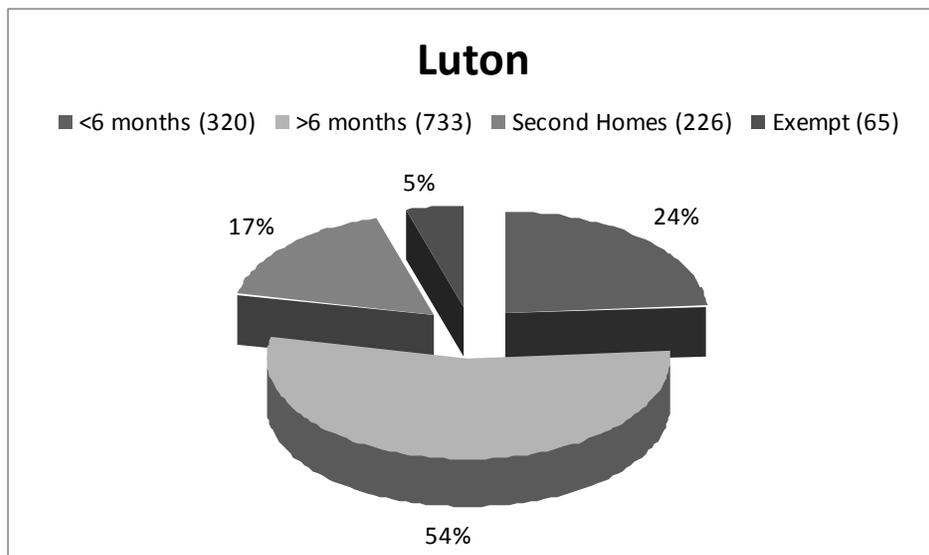
Luton's Empty Home Strategy (2009-14) defines an empty home as “*a property which has been empty for more than 6 months*”.

The following reasons are why properties become and remain empty in Luton:

- The property is inherited and the new owner is unsure what to do with it;
- The money runs out part way through renovation;
- The property is a second home;
- The owner suffers from mental health problems which can curtail their ability to use the property;
- The property is vacant for so long and used as a squat and the owners find it difficult/expensive to evict the squatters;
- The property is subject to probate, or locked into legal dispute such as a marriage breakdown.

Consultation by the Overview and Scrutiny Board found 64% of 71 respondents identified ‘empty homes’ as their top priority and the issue was also identified as a major problem in recent consultations carried out by the Council.

The chart below shows the total number of empty properties in Luton in 2011 found on the Empty Homes Agency website.



Source: <http://www.emptyhomes.com/emptyhome-stats-2011>

The chart also shows the highest proportion of empty properties are privately owned (54%), 733 of these remained empty for more than six months.

The Task and Finish Group found no previous performance measures which monitored empty homes in Luton. However, quarter performance monitoring for 2012-13 on the number of empty properties bought now takes place, and an annual target of 20 empty properties per year has been set and on target.

Some successful achievements were made to bring empty properties back into use. 50 homes have been bought back in total over the last eighteen months, of which 38 had the direct involvement of the Council. Figures prior to that were not available for the Task and Finish Group to make comparisons.

“the Council achieved some good successes to bring empty homes back into use which resulted in properties being rented out on a long term basis e.g. Wordworth Road, which were empty for many years and used as squats. Three of these properties were acquired by developers and 1 house purchased by the Council in partnership with a housing association which is now let through a shared ownership scheme”.

Liam Dawson, Housing Portfolio Holder giving evidence to the Task and Finish Group on 2nd May 2012

The Council's main approach in tackling empty properties in Luton was through the use of persuasion, persistency and consistency. Responsibility for empty homes is within the Housing and Community Living Directorate, Private Sector Housing Division, managed by a team of three officers: Housing and Development Enabling Officers (x 2 job share) and an interim Empty Homes Officer (EHO) in post since October 2011 and funded by a £50,000 grant from the Empty Homes Agency which ended in March 2012. During the review the Empty Homes Officer post was reviewed which resulted in the post being fully funded by the Council.

Use of Council Tax Data

Most local authorities use Section 85 of the Local Government Act 2003 and paragraph 18A Schedule 2 of the Local Government Finance Act 1992 which allows the use of council tax data to identify vacant properties as their main source of information. Luton is no exception and also uses the land registry to identify property ownership and acts upon reports from the public and council colleagues within other departments.

“Most local authorities use council tax data as their main source of information for identifying empty dwellings. Council’s should be aware of their limitations in terms of council tax data, authority to access data, understanding the different types of exemptions which apply to individuals, companies, registered social landlords, agents and other public bodies”.

“The top 30 properties should be pursued through debt recovery and data and shared from other sources such as community safety and enforcement teams which help build up a profile for the investigation”.

Nick Pritchard, Empty Homes Officer at Reading Borough Council giving evidence to the Task and Finish Group on 4th April 2012

A set procedure is followed by the empty homes team which consists of a series of letters. The first of which includes an empty homes questionnaire to identify homeowners intended use for their property and to advise on the options open to home owners in which the Council can assist such as the empty homes grant. Home owners are classified into those who are willing to engage with the council and those that are unwilling where threats of enforcement action are often used as a last resort to force engagement. The main concentration of work by the empty homes team has been on 130 high profile cases which had been empty for a long period and prioritised using a points system based on length of time the property has been empty; the condition of the property and the effect on the area.

Enforcement Powers used by the Council

Compulsory Purchase Orders (CPOs)

The Housing Act 1985, s.17 allows local authorities to acquire under-used or ineffectively used properties for residential purposes if there is a general housing need in the area. Evidence to the Task and Finish Group found CPOs were used albeit on rare occasions as a last resort to uncooperative home owners once all other processes had been exhausted. These are a reliable option to tackle long term empty properties. However, the downside is they are costly, resource intensive and time consuming especially if objections were made, which can delay the final decision from 18 months to 2 years.

The Council uses CPOs which is intended to put pressure on uncooperative homes owners to enter into constructive dialogue with the Council to avoid unnecessary expense. CPOs have only been used on two occasions and resulted in successful outcomes with properties used and rented out for social housing.

There was found to be a general reluctance in the use of CPOs due to there being no dedicated budget being in place to support such action, and on occasions where they have been used meant finding money from other departmental budgets to carry out the work or the Council can enter into an agreement with a registered social landlord (RSL) to purchase and manage the property with the Council having nomination rights once renovation work has taken place.

Desktop research of the use of CPOs at other Council's found they were more widely used proactively for enforcement action to reduce their empty homes stock, which was due to a dedicated budget being in place to deliver the service and regarded as good practice for councils to use as and when necessary.

“Reading Borough Council in the 1980s were proactive in their use of CPOs to tackle empty properties, which should be used as a regular course of action by Council's and as good practice need to be adequately financed”.

Nick Pritchard, Empty Homes Officer at Reading Borough Council giving evidence to the Task and Finish Group on 4th April, 2012.

Town and Country Act 1990 s. 215

This is a discretionary power available to local planning authorities to take steps that require land to be cleared when its condition adversely affects the amenity of the area or if properties adversely affect the neighbouring land or buildings. Home owners are required to remedy the situation when a notice is served by the Planning Division which must be carried out. Property owners can appeal against the notice to the Magistrate Court and non compliance is liable to prosecution and a fine. Planning authorities also have powers within the Act under s.219 which allows work to be carried out in default and to recover their costs through a land registry charge placed on the property.

The evidence from the Development Control Manager to the Task and Finish Group found such powers were rarely used by the Planning section due to budget constraints which had led to a reduction in the number of planning enforcement officers and therefore were unable to provide a dedicated planning enforcement officer to support the Empty Homes Team and no budget to carry out work in default.

“whilst the planning service is a willing participant in this process, there are limited staff and financial constraints that act as a barrier to enable successful outcomes to be achieved, and the loss of the Planning Enforcement Manager in recent budget cuts at the Council act as a barrier to fully support this area of work”.

Jackie Barnell, Development Control Manager giving evidence to the Task and Finish Group on 4th April 2012

Empty Dwelling Management Orders (EDMO's)

Introduced in the Housing Act 2004 and came into force in 2006. EDMOs allow Council's to manage properties and act as landlords on behalf of the owner but not own the property. The property is renovated to decent homes standards and rented out for a fixed period. An interim EDMO normally last twelve months and can be made final through the Residential Property Tribunal for to seven years. EDMOs were considered to be time consuming and costly, and were not used by the Council.

Enforced Sale under s.103 of the Law of Property Act

The Enforced Sale Procedure is a power under the Law of Property Act 1925 s103. It is used by local authorities in conjunction with 'Works in Default' where notices have been served on owners insisting the works be carried out. Failure to comply allows the local authority to carry out the work in default of the notice served. These can only be applied to recover 'debt' owed to the Council.

Other powers available to the Council's:

Statutory Nuisance (Statutory nuisance or premises which can affect health) Environmental Protection Act 1990, s80 - Building Act 1984, s76. The Council can order an owner to make their property safe or allow the Council to take emergency action to make the property safe.

Environmental Protection Act s.79-82 – allows local authorities to serve notices on buildings that create a prejudicial health or a nuisance in an area.

Incentives

Empty Homes Grant

An Empty Homes Grant is available from the Council to home owners to undertake repairs to an empty property when it had been empty for two years or more. The grant is for a maximum of £30,000 which has to be matched funded by the homeowner. A condition to the home owner is to agree to lease the property for 5 years which is managed by a housing association.

Desktop research of Milton Keynes Council found that they are in partnership with 14 other local authorities in Berkshire, Buckinghamshire, Oxfordshire and Surrey which offer a flexible five year loan up to £100,000 to renovate an empty property. The loan is dependent on the amount of equity in the property and subject to credit and bankruptcy checks with the option to make repayments monthly, occasionally or delayed until the end of the loan when all money must be repaid or settled on sale of the property.

New Homes Bonus

The New Homes Bonus introduced by the Government in April 2011 (£250 million pound national pot of money) over a six year period, which acts as an incentive to encourage local authorities to grant planning permission for new home builds. The new homes bonus provides the equivalent of the average Band D council tax on each net home built and on empty property brought back into use in a year. The Government regard the extra funding would benefit local communities in areas such as: council tax discounts, boosting local services, renovating empty properties or improving local facilities.

The Task and Finish Group found Luton's allocation of New Homes Bonus in 2011/12 was £575,000 and in 2012/13 which decreased to £470,000. The Task and Finish Group explored options for using this money such as funding enforcement action taken by the Council. The total savings achieved so far through the New Homes Bonus was £350,000, which been committed to balance the revenue budget a Council priority that would lead to fewer budget cuts in future years.

The Extent of Empty Properties in Luton

The Task and Finish Group found perceptions of empty homes to be a major problem for Luton which was an issue also identified in consultations undertaken by the Council and raised at public meetings such as area committees. However, these perceptions were not supported in the evidence which according to Luton's Empty Homes Officer "*Luton was no worse than other areas*" and had no pockets of empty properties which can be found in all areas across the town. What was evident was the highest proportion of empty properties were privately owned viewed as eyesores and led to negative perceptions by the public and media reports.

"Council tax exemptions allow families to leave properties empty for up to six months following probate. Thereafter the standard council tax charge is applied".

"The Council makes a conscious effort to tackle empty properties that remain empty for a long period of time but this can be difficult when owners have mental health capacity issues".

Pam Scott, Empty Homes Officer giving evidence to the Task and Finish Group on 2nd May, 2012

"some owners are reluctant to work with the Council due to perceptions of "council house tenants". In reality the private sector leasing scheme (PSL) guarantees not only the rent but also the condition of the property returned to the owner at the end of the leasing period".

Councillor Tom Shaw, Housing Portfolio Holder giving evidence to the Task and Finish Group on 2nd May, 2012

The empty homes team supports the national campaign on empty homes and a stall was set up in The Mall for a week to raise awareness and to promote the Council's position in relation to empty homes.

A general lack of understanding of the types of powers and responsibilities of the Council was found by the Task and Finish Group which devised more publicity to portray the extent of the problem in Luton was needed and publicised on the Council's website.

In relation to council owned stock evidence given by the Housing Manager (Tenancy Management) to the Task and Finish Group found the council's empty property stock is categorised into three areas: (i) decanted properties (i.e. flats at Purely Centre and programmed for demolition) which were used on a short term basis for temporary accommodation for the homeless; (ii) hard to let properties which in the main refers to sheltered accommodation. This includes Acworth Court where 14 flats were still vacant due to location and perceptions of sheltered accommodation being for the elderly. To negate such perceptions the Council had run an advertising campaign to promote sheltered accommodation as an alternative housing option, and landscaped the garden area around the flats to encourage more take up; and (iii) void properties which refers to vacant council properties that were re-let as soon as they become vacant unless major work is needed which can delay the turnaround times.

"A close working relationship is maintained between tenancy management and temporary accommodation to utilise decant properties for short term lets, which is cheaper than placing the homeless in expensive bed and breakfast accommodation".

"re-Letting council owned properties was not a problem in terms of bringing them back into use. What does cause problems are ex-council properties that are sold and no longer the council's responsibility and subject to repossession orders or abandoned. The Council's places void properties as a high priority, which can in some circumstances take longer to turn around depending on the condition they have been left in from previous tenants".

Liam Dawson, Housing Manager (Tenancy Management) giving evidence to the Task and Finish Group on 4th April, 2012

The average void time for sheltered housing in 2011/12 was 141 days which includes long term voids; the average void time for general needs housing in 2011/12 was 34 days and the total loss of rentable income to the council totalled £309,420.55 which equates to 1.05% of rentable income.

“Luton’s performance rate is the best in the area in terms of the number of voids turned around and rent collection rates”.

Liam Dawson, Housing Manager, Tenancy Management giving evidence to the Task and Finish Group on 4th April, 2012

RECOMMENDATIONS

- 1. The Council’s Executive should ask officers within Private Sector Housing to make more transparent the extent of Luton’s empty homes situation. The Council should clearly distinguish between private and council-owned properties, which should be published on the Council’s website and in any leaflets produced on empty homes.**
- 2. The Council’s Executive should continue to support all future ventures that help to bring long term empty properties back into use, which include the short term temporary measures for housing the homeless. These help reduce bed and breakfast costs and, most importantly, avoid placing residents in over-crowded accommodation. Again, this information should be widely publicised on the Council’s website.**

Communication

Communication and support for the work of the Empty Homes Team is an area highlighted in the evidence to the Task and Finish Group where little support and involvement was received from relevant departments to take forward enforcement action when necessary. Although evidence from the Development Control Manager stated regular liaison meetings take place with Planning and the Strategy and Development Manager and contact made with the Empty Homes Officer on a case by case basis. However, very little involvement/support was received from Legal Services and no contact was made with the Planning section or Housing Services other than when there was application for a Compulsory Purchase Order.

There was found to be a lack of support for the work of the Empty Homes Team due to staff reductions following budget cuts which affected all departments within the council and other work load commitments which took priority and delayed work from being progressed.

“The powers that area available within the Council in departments such as Planning are not able to support the work of the Empty Homes Officer due to resourcing issues. Ideally private sector housing would welcome the support of the planning enforcement role to assist with properties and advise on appropriate legislation such as the Town and Country Planning Act 1990 s.215 which would force home owners to comply”.

Alan Thompson, Strategy and Development Manager, giving evidence to the Task and Finish Group on 2nd May, 2012

Evidence from the Empty Homes Officer at Reading Borough Council found regular meetings took place on a quarterly basis at a strategic level with relevant officers within council departments and included community safety and enforcement teams. At these meetings information is shared, updates and advice received on ongoing cases; and the appropriate enforcement action discussed once all formal processes had been followed.

The council had run various publicity campaigns to raise awareness of Luton’s empty homes situation in the local newspapers, Lutonline and general information available about empty homes can be found on the council’s website. There is also an empty homes hotline number for reporting purposes and an empty homes leaflet has been produced and available in public facilities in the town.

“ leaflets were printed with officer contact details to raise awareness of empty properties and placed in public areas across the town”.

Councillor Shaw, Housing Portfolio Holder giving evidence to the Task and Finish Group on 2nd May, 2012

“the empty homes team is a member of the Herts, Beds and Bucks empty homes forum where information and ideas are shared”.

Pam Scott, Empty Homes Officer giving evidence to the Task and Finish Group on 4th April, 2012

The Task and Finish Group found that the empty homes web page would benefit from an overhaul to be more informative and interactive, which should include the successes achieved by the Council; and an external link to Kent County Council web page ‘No use Empty’ which contains an extensive range of information/advice on empty properties.

RECOMMENDATIONS

3. **The Council's Executive should request that officers within Private Sector Housing arrange regular liaison meetings with officers within the Planning division and legal services for information on pending cases on empty homes to be shared and for discussions to take place on the appropriate enforcement action needed.**
4. **The Council's Executive should ask the Strategy and Development Manager to look into the possibility of including delegated powers in the post of the Empty Homes Officer for a planning enforcement role to assist with properties and advise on appropriate legislation such as the Town and Country Planning Act s. 215, which would force home owners to comply.**

Funding and Dedicated Budget

A dedicated budget was found to be a key element to fully support the work of the Empty Homes Team especially when the need for enforcement action arises. Research undertaken of other local authorities found funding/dedicated budgets were in place to proactively assist the empty homes team to fully enact enforcement action which resulted in more properties being brought back into use.

The Task and Finish Group found no dedicated budget in place at Luton for enforcement action, rather the use of persuasion was more widely used than going down the enforcement route which would act as a deterrent to unwilling property owners, and show the Council is prepared to take this form of action.

The need for a dedicated budget was supported in evidence from the Housing Portfolio Holder and the Strategic Development Manager where it was regarded as essential. The lack of a budget prevents the council from buying property from owners willing to sell and pursuing enforcement options. The Task and Finish found the number of empty properties brought back into use varies among Councils which is dependent upon the amount of financial resources available that determines the success achieved. In the evidence from Reading Borough Council it was found twelve properties were brought back into use over a 12 month period, which had the direct involvement of the Council and access to a dedicated budget. Desktop research of other Councils found Birmingham City Council 800 properties were bought back into use and the London Borough of Lewisham 400 properties were bought back into use. These successes were due to a much larger financial investment being in place and larger empty homes teams.

“it does help to have a pot of money to pursue threats of enforcement. However the Council is not in a position to do this. For this to happen would mean taking money away from other competing service priorities”.

David Kempson, Head of Corporate Finance giving evidence to the Task and Finish Group on 14th May, 2012

The Head of Corporate Finance supports the need for a pot of money to follow-up threats of enforcement action. However, the Task and Finish Group devised that although empty properties were a council priority it was not considered high enough when compared with other more competing priorities which scored more highly and were supported in the capital programme. The Council has limited capital resources made up from Airport dividends, receipts from right to buy purchases and prudential borrowing, which all contribute to funding the capital programme.

The Task and Finish Group found that it was unlikely a dedicated budget would be made available to take forward enforcement action or to buy empty properties unless a viable case was put forward. The service would need to give assurances that most of the budget to acquire the property would be returned to the Council on a future sale, housing association or private individual.

RECOMMENDATION

- 5. The Overview and Scrutiny Board should acknowledge that there are limited capital resources available to fund enforcement action and to buy empty properties from willing home owners, and request that the Council’s Executive balance the need for a dedicated budget for empty homes against other priorities in the 2014-15 capital programme.**

Future Plans

Empty Homes Fund

The announcement of the £100 million ‘Empty Homes Fund’ by the Government to local authorities, house builders and developers, affordable housing providers and local community groups to bid for a share of the funding to bring long term empty properties back into use. Luton Borough Council, Aldwyck Housing Group and Bedford Council submitted a joint bid in January 2012. The outcome was announced in March 2012 and the total grant received by Aldwyck Housing Group was £180,000 which will go towards purchasing 12 long term properties (6 in Luton and 6 in Bedford) over a three year period. The total cost to renovate all 12 properties is £1.6 million. The Council has supported the scheme by providing Aldwyck Housing Group with £7,500 per property (totalling £45,000). Due to

money received from the Homes and Communities Agency being insufficient to fund the project additional funding has been sought by Aldywck Housing Group through Private Finance. The Council will have first nomination rights on completion of the properties.

Bletchley Project

The evidence from the Development and Investment Advisor to the Task and Finish Group found that £2.5 million had been set aside from Prudential Borrowing to acquire investment opportunities, which were mainly office buildings to convert into flats. As part of this the Council is in the process of purchasing an office building in Bletchley which is to be converted into 9 two bedroom flats to be used to house some of Luton's homeless families and reduce costs of bed and breakfast accommodation. Potential office buildings in Luton had been looked at by the Council which were found to be unsuitable. The Task and Finish Group considered the possibility of the using some of the £2.5 million allocation to this project to purchase which was not found to be a feasible option as investments made needed to cover the cost of borrowing and ensure the Council receive a return on their investment. There was also the fact of the unpredictability of the housing market.

Luton Community Housing Future Plans

Evidence to the Task and Finish Group from Luton Community Housing found they were invited by the Council along with other local housing associations to put in a joint bid for the 'Empty Homes Fund'. Having considered options the Association decided not to proceed with the bid and took the decision to raise all the funds needed on their uncharged properties estimated to be around £6 million. The funds raised would go towards buying a portfolio of different size properties which are much in need in Luton

Conclusion

Luton's empty homes is viewed as a major problem by the public but was found to be no worse when compared to other areas in Bedfordshire. The Task and Finish Group acknowledge the good work of the empty homes team so far in reducing the number of empty properties which are found in all areas across the town and were exclusively privately owned. Although some good practices and achievements were made by the Council more can be done with a dedicated budget to force compliance from unwilling home owners.