

LONDON BOROUGH OF RICHMOND UPON THAMES

EMPTY PROPERTY STRATEGY 2011 – 2015

Background

1.1 The Empty Property Strategy (EPS) aims to encourage owners to bring empty domestic properties in this borough back into occupation. This will be achieved by:

- Maintaining up to date information on empty properties
- Making people aware of empty properties
- Liaising with internal and external partners to bring empty properties back into use.

The main focus is on vacant private sector residential properties as this is where the majority of empty homes are located.

1.2 There are two slightly different issues to deal with – long term empty homes which are defined as properties which have been vacant for six months or longer, and short term empty homes which have been vacant for less than six months. This strategy focuses on long term empty properties which can be vacant for a variety of reasons which are explored later. In contrast, properties which have been empty for less than six months are very often just vacant between tenancies (if they are being rented out) or vacant while they are being sold and are empty as a natural part of the housing market cycle.

1.3 Empty homes are a wasted resource, as well as being expensive for owners to maintain. Empty properties are unpleasant for local neighbours and can devalue the adjacent properties; they can attract squatters and put extra pressure on Council resources. The advantages of bringing empty properties back into use includes maximising housing stock in the borough, some of which may provide more affordable homes.

1.4 The number of long term empty properties in the borough has declined over the last three years and as at the 1st April 2010 there were 377 empty private sector properties in the borough and a total of 401 long term vacant dwellings (which also includes public sector empties), a total of 0.49% of all dwellings in the borough, well below the Mayoral target that no more than 1% of properties are empty for six months or more. This strategy outlines our plans to maintain the current target and continue to address the issue of long term empty properties.

Case Study

2.1 The benefits of bringing long term empty homes back into use are demonstrated in a case study. A three bedroom semi detached house in Teddington had been empty for over six months. The house was in poor condition and required repair and improvement works and the owner agreed with the Council to convert the property into two self contained flats. The owner received an Empty Property Grant (EPG) and an Energy Efficiency Grant (EEG) for each unit (totalling four grants). The EPGs were £25,000 per unit, and the EEGs were approximately £4,700 for one unit and approximately £3,600 for the second unit.

2.2 The refurbishment work included division into two self contained units with a new internal staircase; overhauling the roof; installation of new kitchens and bathrooms; partial window replacement; rewiring; installation of two new separate gas central heating systems (with energy efficient boilers) and sound insulation. A new single storey rear extension was also constructed. As a condition of receiving the EPGs, the owner is leasing this property through the Council's Rent Deposit Scheme, to homeless households, and in July 2009 two families moved into these newly refurbished flats.

The benefits of bringing empty homes back into use



Front Elevation Before



Front Elevation After



Rear Elevation Before



Rear Elevation After



Toilet Before



Toilet After



Kitchen After

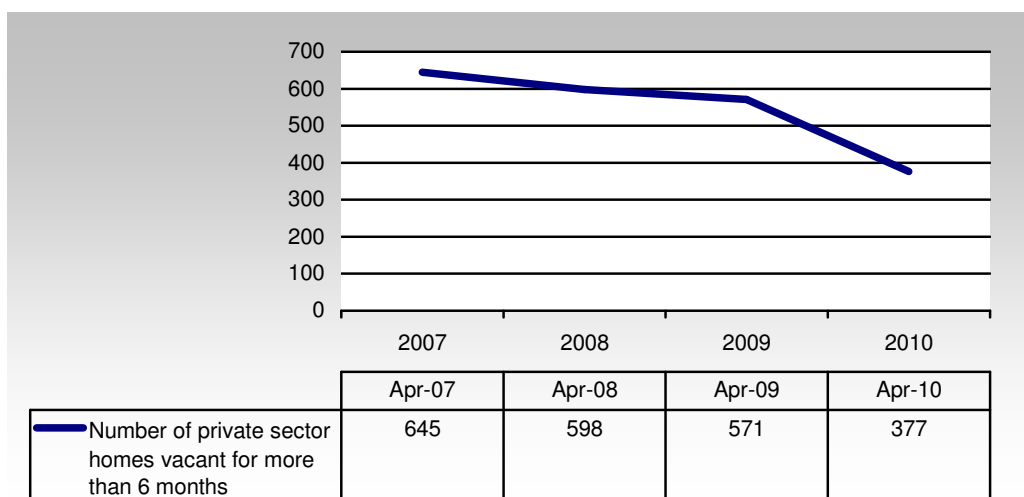
National and regional evidence on empty homes

- 3.1 Nationally, there has been a steady decline in the number of empty homes – 660,000 in 2006. Approximately 80% of empty homes are in the private sector. Nationally the number of long term empty properties within the private sector is approximately 1.6% of stock. Greater London has 35,000 long term empty properties, approximately 1.1% of the region's housing stock (London Housing Strategy 2010).

Local evidence and empty property audit

- 3.2 Using Council Tax data from 2010 it was shown that the 377 long term empty private sector properties were scattered all over the borough and 401 in total across all tenures.
- 3.3 The table below shows the steady decline of empty properties over recent years.

Number of private sector homes vacant for 6 months or more April 2007– 2010



Source: Calculations based on council tax data 2007-2010

- 3.4 A study of properties which have been empty for a period of at least twelve months began in 2009. An audit was undertaken using data from Revenues and Benefits Department which showed the number of properties which had been reoccupied. Other properties were either undergoing renovation or waiting to be sold or let. The remaining properties were “risk rated” according to the impact which their deterioration caused on the local neighbourhood.

The Main Factors as to why Dwellings become Empty within the London Borough of Richmond upon Thames.

- 3.5 The main factors as to why dwellings in this borough become empty are: the occupant going into long term residential care; probate cases or bankruptcy. Other reasons include the following: repossession, a lack of cash-flow to bring it into use, the owner not appreciating the financial benefits of bringing the property into use or the property may have been the result of “buy to sit” where it has been acquired solely for investment purposes and intentionally left empty.

Services around empty properties

- 3.6 The borough's Residential Team employs Environmental Health Officers (EHO) who as part of their duties carry out regular inspections of empty properties in the borough and liaise with the owners regarding grants and other improvement works. A planned appropriate course of action is carried out for each property that has been empty for a long time and/or is in poor condition.

The Team also have a part time Empty Property Officer (EPO) who works 2 days per week for the borough financed via the South West London Housing Partnership (SWLHP). This Officer, working in conjunction with the EHOs, visits all properties that have been empty for twelve months or longer and has undertaken an audit of such properties. He tries to engage with owners of these long term empty properties to bring them back into use by offering advice and information. Up to three letters are sent to owners but where they fail to engage, each case is reviewed for enforcement action.

In 2010 the Residential Team sent out 77 letters to owners with 29 properties being brought back into use through the Council's intervention via letters and site visits.

For properties where owners fail to engage the Residential Team consider the use of a range of enforcement action including Compulsory Purchase Orders. A report to Cabinet in November 2010 requested authority to pursue CPOs on four long term empty properties. Three of the four have been sold since CPO action was agreed and the completion of the fourth sale is due in June 2011. If CPO action had not been initiated all four properties would have remained empty.

- 3.7 The Residential Team administer renovation grants which they offer to the owners of empty properties. The scheme is open to anyone with a property that has been vacant for a minimum period of 6 months and who is willing to offer the property (once repaired) for let to the Council's Rent Deposit Scheme. The renovation grant varies in amount depending on the size of the property. The maximum grant is £27,000 per unit. The works that qualify for grant aid can include, for example, roof repairs, new windows, damp proofing works, general disrepair, rewiring, decoration, insulation work and security issues. These grants are not means tested. Take up of grant aid has been varied throughout the South West London sub region. The reasons are complex and varied but in many cases owners claim that the grant is not enough to cover the cost of works and they have no access to additional funds. Some owners are also unwilling to agree nomination rights as a condition of the grant.

In the last two years eight properties have been brought back into use via grant aid and a further 11 properties are in progress.

Policy context

National and Regional context

- 4.1 As well as important locally, bringing vacant properties back into use supports broader government objectives and is covered by the following legislation and strategies:-
- Local Government Act (2003) allows information from Council Tax records to be used for the following: identifying vacant dwellings, taking steps to bring vacant dwellings back into use, and this act also allows Local Authorities to reduce or remove discounts for homes vacant for over six months. In 2003 the CLG issued 'Unlocking the Potential' which provides guidelines on bringing vacant properties back into use.

- The Housing Act (2004) provides Local Authorities with powers to tackle long term vacant properties. It introduced EDMOs to enable local authorities to take over the responsibilities of the owner and to refurbish and subsequently rent out the property. The Act also introduced the Housing, Health & Safety Rating System to assess hazards in dwellings. Planning Policy Statement 3 (2006) encourages local planning authorities to bring vacant dwellings back into use.
- 4.2 'The Coalition: "Our Programme for Government" (2010) outlines plans to "explore a range of measures to bring empty homes back into use". The Government is currently consulting on providing financial incentives to bring back empty properties into use under the New Homes Bonus scheme. The Comprehensive Spending Review also announced £100 million in funding to housing associations to refurbish empty homes and manage them as affordable housing for ten years. Further policy proposals around empty homes are expected in early 2011.
- 4.3 The London Housing Strategy (2010) also includes plans to reduce the number of long term empty homes. This includes £60 million funding from the Targeted Funding Stream. The Mayor's strategy outlines three key objectives; to ensure that no more than 1% of houses are empty for more than six months, to improve information on long term empties via sub regional audits and encouraging the removal of financial incentives to leave properties empty.
- 4.4 The Mayor's Housing Strategy gave a commitment to devolve housing powers to boroughs and recently the GLA have outlined proposals for Devolved Delivery Agreements (DDA). This will be an agreement between boroughs, the HCA and the GLA defining local investment priorities (via Borough Investment Plans), highlighting how boroughs are meeting the Mayor's housing objectives and providing a 'single pot' allocation covering all housing investment. This will provide boroughs with greater autonomy and flexibility over the delivery of affordable housing within boroughs. Devolved Delivery Agreements could become operational from April 2012.

Sub-regional and local context

- 4.5 The SWLHP has produced a South West London Housing Strategy (2008/2012) with a key priority to make best use of existing stock. The partnership has also developed an Investment Framework for 2008 - 2011 which sets out the funding priorities for affordable housing including borough specific requirements in terms of tenure mix and bedroom size. Should the HCA decide to fund grants around empty homes the Framework would be updated to reflect this.
- 4.6 The EPS fits within the borough's work around addressing housing issues in the private housing sector and contributes towards the Council's vision of creating a safer borough and ensuring local communities thrive, by reducing opportunities for anti social behaviour e.g. graffiti, arson and squatters, which are associated with empty buildings. Also, the Council recognises that working in partnership, such as with housing associations, is of increasing importance in delivering the Empty Property Action Plan.
- 4.7 The Borough Investment Plan outlines the borough's affordable housing investment priorities. The plan includes the issue of long term empty homes and there will be a need to review the effectiveness and potential use of long term empty homes in the delivery of affordable housing within Richmond compared to other delivery mechanisms.

London Borough of Richmond upon Thames Empty Property Strategy 2011-2015

Key strategy objectives

5.1 The policy objective is to bring long term empty homes back into use and stop short term empty becoming long term empty. This will be achieved by:-

- Maintaining up to date information on empty properties
- Making people aware of empty property issues
- Liaising with internal and external partners to bring empty properties back into use

Maintaining up to date information on empty properties

5.2 Empty properties are identified from various sources including: landlords or owners requesting advice or help, local residents' associations, Council Tax records, complaints from residents and referrals from both council officers and from the Empty Homes Agency (EHA). It is very important to maintain a good record of the location of empty homes in the borough and we will expand our empty property database to include (in addition to other details) the conditions of the properties and the reasons why they are empty. This database will be used to identify priority properties according to property type, condition and length of vacancy. The properties in the worst condition will be the first priority.

Making people aware of empty property issues

5.3 We will send staged letters to long term empty property owners advising them of the choice of alternatives which they have for bringing their properties back into use. The very long term empty properties are being considered for either an EDMO or CPO. Both of these enforcement measures are described later in this chapter under "Liaising with Internal and External Partners to Bring Properties Back into Use."

5.4 We will liaise with the SWLHP regarding using some of the sub regional funding for marketing our EPGs through the press and other media. We will promote the Empty Property Scheme and ensure we co-ordinate any events with the EHA's London and National Weeks of Action.

Liaising with internal and external partners to bring properties back into use

Partnership working

6.1 Adults and Community Services; Revenues and Benefits; Legal Services and the Environmental Directorate work collaboratively to raise awareness and implement a wide range of measures using both planning and housing legislation.

6.2 The Private Sector Housing Forum (PSHF) has a broad membership including mainly private sector landlords, but also local letting agents, surveyors, architects, rent officers, National Landlords' Association, Residential Landlords' Association and estate agents. This forum allows landlords to provide their perspective on a number of issues including empty properties and to express their views.

- 6.3 Properties may be left empty when a person enters residential care. ACS Finance will work with individuals and family members to explore the potential to lease properties to the Council through the Short Term Leasing scheme, with a view to providing both an income for the resident to support their residential placement and as potential to provide accommodation for homeless households.

Grants & loans

- 7.1 We will incentivise owners via the following programmes of grants and loans to assist owners to pay for the necessary refurbishment work to bring their vacant property up to a decent standard. Owners receiving Empty Property Grants are required to rent their properties through our Rent Deposit Scheme or our Temporary Accommodation Scheme for three years. Owners receiving loans are not required to rent through our Council Schemes.

Standard empty property grants

- 7.2 We currently offer Empty Property Grants to owners of properties vacant for six months or longer, up to a maximum grant of £27,000 for a property with three or more bedrooms.

Conservation area empty property grants

- 7.3 Conservation Grants are available for vacant buildings which are on the English Heritage Register of Buildings at Risk as well as “eyesore” properties within Conservation Areas. The maximum grant is £15,000 for each bedroom provided that the Grant must be match funded at 50% of eligible expense.

Local authority loans to empty property owners

- 7.4 It is anticipated that Empty Property Loans from the SW London sub region will be available for a two year period with a simple variable interest rate. The loan will have to be repaid at the end of the two year period or when the property is sold, whichever comes first.

Enforcement action

Enforcement powers for empty properties

- 8.1 The Council has a number of options with regard to enforcement action that it can adopt in cases where persuasion or the use of incentives has proved to be unsuccessful in dealing with the owners of empty properties. The options are summarised below.

Enforcement notices

Statutory nuisance

- 8.2 Enforcement notices can be served under Section 80 of the Environmental Protection Act 1990, when the condition of the property is affecting another property and causing a statutory nuisance. Such notices mainly deal with a particular problem with the empty property and cannot require the owner to bring it back into use. However this enforcement action can stimulate owners to take action to deal with the property as a whole. If the owner fails to comply with the notice, the Council is entitled to carry out the works and reclaim the costs, which are registered as a local land charge. The Council can also prosecute the owner for non-compliance. This power is delegated to officers in the Residential Team.

Unsecured property

- 8.3 When empty properties are not secure and are susceptible to squatters, vandalism, arson etc. The Local Government (Miscellaneous Provisions) Act 1982, Section 29 allows the Council to: make the property secure or board it up in an emergency, or allow the property to be fenced off. If the owner fails to comply with the notice, the Council is entitled to carry out the works and reclaim the costs, which are registered as a local land charge. This power is delegated to officers in the Residential Team.

Unightly land or external appearance

- 8.4 Section 215 of the Town and Country Planning Act 1990 allows the Council to serve notice on the owner of land where the condition is adversely affecting the amenity of the area. The notice requires the owner to address the property's unsightly external appearance. Timely use of this action may prevent properties from falling into serious disrepair. If the owner fails to comply with the notice, the Council is entitled to carry out the works and reclaim the costs, which are registered as a local land charge. The Council can also prosecute the owner for non-compliance and if convicted, the owner can be fined and have a criminal offence registered against them. This power is delegated to officers in the Planning teams.

Enforced sales

- 8.5 Enforced sale is a procedure that enables local authorities to recover debt but can also serve as a way of bringing empty properties back into use. In cases where the Council has incurred debt on an empty property, an application for an enforced sale Order can be made to the County Court. Section 103 (i) of the Law of Property Act 1925 involves forcing the sale of the property through the Court in order to recoup a debt owed to the Council. The property can then be resold for redevelopment. In order to use this option, the Council must have a land charge debt registered against the property, such as Council Tax debt or work in default charges. If some or all of the outstanding money is repaid at any stage before the court order is made, the process ends. Enforced sales may be justified for properties that are a nuisance to the public and where the Council has had to use its resources (e.g. removing rubbish, securing the property).

Compulsory Purchase Orders (CPO)

- 8.6 A CPO can be made under Section 17 of the Housing Act 1985 (as amended) which gives local authorities the power to take over land, houses or other properties. This involves the Council purchasing the property (without the consent of the owner) then selling it on for redevelopment. It can be a condition of sale that the new owner must bring the property back into use within a set timescale. The use of a CPO is a lengthy, time-consuming process and will be used only when other approaches have not been successful. CPO powers are used where all reasonable attempts have been made with the owner to bring the empty property back into use and the continuation of the situation will have a detrimental effect on the neighbouring and surrounding environment. This is a complex legal procedure and the Council must demonstrate that the sale will meet a general housing need in the area.

Empty Dwelling Management Orders (EDMO)

- 8.7 The Housing Act 2004 came into force in April 2006 and made a new range of powers available to local authorities to deal with unsatisfactory housing conditions. EDMOs are not designed to be used as a first response to empty properties and in all cases attempts at voluntary agreements should be exhausted before they are considered. EDMOs were introduced as an additional enforcement option and can only be served if the following criteria are met.
- There is no reasonable prospect of the property becoming occupied in the near future
 - If an EDMO is made, there is a reasonable prospect that it will become occupied

- The LA has complied with all relevant sections of the Act
- The case does not fall into a prescribed exemption.

There are 14 different exemptions prescribed where an EDMO could not be used, such as when the owner is temporarily absent, the dwelling is a second home or where it is being genuinely marketed. Recent government changes have included suggestions of using EDMO's on properties which have been vacant for a minimum period of two years and a cause of nuisance to the local neighbourhood.

- 8.8 The procedure for obtaining an EDMO is complex and lengthy. The first stage is an application to the Residential Property Tribunal (RPT) which has quasi-judicial status. The RPT needs to be satisfied that the Council has already taken all reasonable steps to try to bring about the reoccupation of the building. If the RPT agrees with the Council they will issue an interim EDMO. This gives the Council the right to possession of the property but occupation is subject to the consent of the owner. If the owner does not agree to the Council setting up tenancies, the order must be revoked or a final EDMO must be made. The interim EDMO can last for up to 12 months.
- 8.9 A final EDMO does not require further agreement from the RPT. An owner's consent is not required before occupation of the property and the order can be in force for up to seven years. A final EDMO must contain a management scheme showing how the Council will secure occupation of the property and how it will be managed. Under the final EDMO the Council can carry out works, let and manage the property either directly or indirectly through an agent.

Richmond Perspective

- 8.10 In Richmond we encourage owners to use grant aid to bring the property back into use. We also offer advice and assistance in obtaining estimates etc, quotes from builders and applying for planning permission if required. In parallel to this we visit all known long term empty properties and undertake an audit. We write to the owners of such properties in three stages. The initial letter offers encouragement whilst the final letter warns of possible enforcement action. We then form a shortlist of the worst properties to determine the most suitable action. Currently we are preparing cases for EDMO's and CPO's. Other forms of enforcement action are taken when appropriate.

Existing housing development challenges around empty homes

- 9.1 One option for long term empty homes is to redevelop them for permanent social housing. As well as dealing with the negative impact of the empty property, developing individual units for affordable housing can help create mixed sustainable communities.
- 9.2 However, there are several factors that currently make this more difficult to achieve successfully. The first step is to try to give landlords advice and encouragement to bring the property back into use on a voluntary basis. There is a need to map the size and type of long term empty properties available in the borough to see if it meets housing need. Also social housing providers need to apply to the Homes and Communities Agency (HCA) for grant. While the HCA can make exceptions in some cases, they generally require all units to meet very specific size and quality standards; the existing layout of the empty home will therefore impact significantly on the ability to meet these standards. One requirement that can be particularly expensive to achieve is that for environmental performance. In this period of economic austerity value for money is a key factor. Grant funding agencies are looking to achieve value for money and investment in Richmond will be compared with other boroughs.
- 9.3 A particular challenge to working in Richmond is the "existing use" value of the property which also makes it difficult to achieve social housing. This is where a property is worth more left as it is than worked on and converted to another use. If the property is being sold as a result of a Compulsory Purchase Order (CPO) or Enforced Sale, then the Council has a duty to achieve

best value for money. As housing associations are limited in the rent they can charge, the amount of grant required to meet best value in an expensive area would be significantly above average. Best value is often demonstrated at auction therefore it is a useful way to dispose of an empty home. This is not the best way for RSL's to acquire property as they need to have undertaken more investigations than a small scale investor/developer who is willing to take a greater risk to achieve greater profit. Also Empty Dwelling Management Orders (EDMO) do not result in permanent tenancies which is one of the reasons why they are not eligible for HCA funding.

Resources

Staff

- 10.1 The Residential Team have a major input on the front line service delivery of the Empty Property Scheme through the work of several members of staff who carry out site visits and liaise with owners regarding EPGs from inception to completion. Staff also input into work relating to empty properties, such as Housing Policy keeping up to date on new national initiatives and how they can be incorporated and benefit residents at a local level.

Capital budget

- 10.2 The capital budget for the South West London sub region to be distributed for Grants is £8.4 million. The capital pot of funding for our borough is £928,377 for 2008/11 for EPGs and loans. This borough has contributed £30,000 from its Capital budget into the Empty Property Scheme to be used to top up ten EPGs at £3,000 per property. This is because there is a high demand within the borough for one and two bedroom properties for the Rent Deposit Scheme, and the standard EPG is only £22,000 for this size of property, which was insufficient for the high property prices within this borough. This raises the maximum grant for a one or two bedroom property to £25,000. The maximum EPG of £27,000 for a three bedroom property stays the same for all seven boroughs in the sub region.

Temporary social housing grant (TSH)

- 10.3 TSH grant is paid to Housing Associations to cover the capital costs of bringing properties into temporary social housing use. The length of the lease is for a minimum period of two years and up to a maximum of twenty nine years. The TSH grant can be used for a wide variety of refurbishment work ranging from redecorating and rewiring to the conversion of a large house into self contained flats. Some examples of the types of vacant properties which would potentially be suitable for this scheme (where other criteria are met) include the following: long term privately owned properties; properties over shops in town centres; some properties which are subject to CPOs and EDMOs and properties awaiting redevelopment or sale.

National Funding via CLG / Homes and Communities Agency (HCA)

- 10.4 The Government announced in the 'Local Decisions' consultation paper (November 2010) that £100 million will be available nationally to bring back empty properties into use. Details are still forthcoming but the sub region and borough will work to utilise available funding to bring empty properties back into use. This is likely to involve working with Registered Providers (RPs).

Action Plan

- 11.1 A short action plan containing key actions is attached. Further actions will be included on a yearly basis within Team and, where appropriate, Service Plans.

Contact Details

- 12.1 If you wish to report an empty property or are an owner of an empty property please contact the Private Sector Housing Team; email residential@richmond.gov.uk or telephone 020 8891 7857.
- 12.2 Information on the Council's Empty Property Scheme is available at http://www.richmond.gov.uk/empty_property_scheme

Action		Timescale	Lead AD	Lead Officer	Team	Resources
1	Write to all owners of properties empty for more than 12 months advising of the availability of grant and the enforcement options available to the Council	2011 & Ongoing	AD Community Service Operations	Private Sector Housing Manager	Residential Team	Existing Resources
2	Initial visits to all properties vacant for 12 months (or longer) and Risk Rating (and follow up visits where further action required).	2011 & Ongoing	AD Community Service Operations	Private Sector Housing Manager	Residential Team	Sub-regional funding (salary of EP Officer paid by Sub-region)
3	Carry out case reviews on all properties receiving 3 letters to decide the most appropriate course of action.	2011 & Ongoing	AD Community Service Operations	Private Sector Housing Manager	Residential Team	Existing Resources
4	Consider the use of Compulsory Purchase Orders where owners fail to engage over long term empty properties	2011/12 & Ongoing	AD Community Service Operations	Private Sector Housing Manager	Residential Team	Existing Resources
5	Visit managing agents within the borough to highlight issue of long term empty property	2011/12	AD Community Service Operations	Private Sector Housing Manager	Residential Team	Existing Resources
6	Work with and support the South West London Housing Partnership bid to access capital funding opportunities from the HCA 2011-15 funding programme	Ongoing	AD Commissioning Corporate Policy and Strategy/ AD Community Service Operations	Private Sector Housing Manager	Housing Policy / Residential Team	Existing funding and sub regional funding
7	Review new national and regional policy and funding initiatives around empty homes and implications/opportunities for the borough working with Registered Providers where appropriate.	End of March 2012	AD Commissioning Corporate Policy and Strategy	Housing Policy Manager & Development Manager	Housing Policy Team	Existing Resources

Action		Timescale	Lead AD	Lead Officer	Team	Resources
8	Review the Deferred Payments policy to encourage people going into residential care to bring empty properties back into use. Liaise with Housing Operations to identify potential opportunities to increase supply of temporary accommodation to support homeless households.	Sept 2012	Head of Finance	Assessment Manager – Finance & Head of Housing	Finance ACS & Residential Team	Existing Resources