

CITY OF
Lincoln
COUNCIL

Empty Homes Strategy

Implementation of actions under the Lincoln Housing Strategy 2017-22

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1. Introduction

- 1.1 The City of Lincoln has a large private housing sector, with 77% of the housing stock (33,205 homes) being either owner occupied or privately rented (BRE Dwelling Level Housing Stock Modelling and Database for City of Lincoln Council, 2014).
- 1.2 Most of the city's long term empty homes are privately owned. As of 1st January 2018 there were 419 long term empty privately owned homes in the City. This figure is taken from council tax data and is the number of residential dwellings which are subject to an exemption, discount or premium on the council tax relevant to the property being unoccupied, showing they have been empty for six months or more.
- 1.3 105, or 25%, of these properties had been empty for two years or more.

The Need for Intervention

- 1.4 As of 1st January 2018, council tax records showed 419 homes were empty for more than six months, representing 1.26% of the private housing stock. This is higher than the 2014 figure of 0.92%, comparing with 0.95% across England and 0.99% in Lincolnshire. This figure does not include properties that are derelict and so deleted from council tax, or those used as second homes.
- 1.5 On 30 September 2017 there were 1681 households on the City of Lincoln Council housing register, with 1050 in Bands 1 to 3 on the Choice Based Lettings system representing those households who are in need of rehousing. 164 of these households are in Band 1, meaning they are homeless or unable to live in the housing that they have for example due to medical need. No specific areas or types of property are identified as a higher need.
- 1.6 The Sincil Bank revitalisation programme has identified an area of Park Ward with high levels of deprivation where community led, area based, targeted improvements are needed. The *Sincil Bank, Revisited area shaping strategy 2017* identifies concentrations of long term empty homes as a depressing blight and wasted resource, as well as an opportunity to provide skills training to young people and the long term unemployed. A Community Land Trust is being developed in the area which aims to take a community led approach to Empty Homes and other housing development for the benefit of the neighbourhood.
- 1.7 New Homes Bonus is a payment made to a local authority equivalent to the annual council tax charge. It is paid for every net addition to the housing stock, and includes homes brought back into use which have been vacant for more than 6 months. The payment is calculated from the average Band D property, and proportioned up or down depending on the actual band. The payment is received each year for 4 years. New Homes Bonus provides an economic benefit to the community of bringing homes back to use by funding local services.
- 1.8 Empty homes present problems to communities and place a strain on public services. They can present a visual blight, and become a focal point for fly tipping, anti-social behaviour and other criminal activities. They can provide harbourage for vermin. Their neglect can cause structural damage to adjoining properties. A water leak can go unnoticed causing extensive damage. Neglect of drainage, roofing and boundary structure can present hazards and dangers to the public. This all places extensive demands on

public services such as the council, Police, Fire and Rescue and local residents.

2. Strategic Background

- 2.1 The City partnered with Boston, East Lindsey, North Kesteven, South Holland and West Lindsey district councils to deliver the Lincolnshire Empty Homes Strategy 2010 to 2013.
- 2.2 The Lincolnshire Empty Homes Strategy had five aims:
- Reduce the number of long term empty homes by district specific targets each year
 - Establish a positive relationship with owners of empty properties to facilitate bringing them back into viable use
 - Increase public and organisational understanding of empty properties across the districts
 - Help to increase the supply of affordable housing, and reduce homelessness
 - Add to the number of good quality, energy efficient properties within each district
- 2.3 Two project officers developed a website, correspondence and advice leaflets, explored enforcement options such as enforced sale, empty dwelling management orders and compulsory purchase, researched the reasons why homes were left empty, and investigated the feasibility of delivering a social lettings agency. The project co-ordinated strategy development, raised the profile of empty homes work in the county, and developed a shared approach to investigation and enforcement.
- 2.4 The City of Lincoln offered grant aid to landlords and first time buyers to bring long term empty homes back into use. These had very limited uptake due to complex criteria, and reduction in mortgage availability in the case of the first time buyer grant.
- 2.5 From 2012 City of Lincoln and North Kesteven District Councils entered into a new partnership, sharing a full time empty property officer. The focus of work in Lincoln was to develop an action plan of assistance and enforcement for properties that had been empty for 2 years or more, and homes empty for shorter periods were investigated if they gave rise to complaint, or targeted if appropriate funding became available.
- 2.6 The 2011 government strategy 'Laying the Foundations, A Housing Strategy for England' identified long term empty homes as a priority. It introduced New Homes Bonus payments for bringing empty homes back into use, provided grant funding from 2012-15 to bring properties back into use mostly as affordable housing through the Homes and Communities Agency (HCA), and allowed councils to introduce an empty homes premium on council tax charges.

3. Previous Initiatives

- 3.1 Actions to bring empty homes back to us have been focussed on those homes empty for two years or longer, to make the best use of limited resources as these homes are considered to have the greatest impact on the community.
- 3.2 The City of Lincoln Council partnered with Waterloo Housing Association to access HCA Empty Homes Programme 2012-15 funding for a lease and repair scheme, which was successful in bringing 15 long term empty homes back to use under 5 to 6 year leases with nomination rights. Homes were selected that required a small amount of renovation work, but a barrier was identified in the unwillingness of mortgage companies to agree to the lease and second charge.
- 3.3 A National Empty Homes Loan Fund was proposed and supported by City of Lincoln, but difficulties in delivery and in particular mortgage criteria led to withdrawal of the national scheme.
- 3.4 The City amended its Council Tax charges from January 2013, replacing a 50% discount for the first six months empty with a full discount for the first two months, full charge from 2 to 24 months, and a 150% charge when a property became two years empty. This financial disincentive to home owners to leave a property empty was effective and from April 2017 the first 2 months discount has been reduced to 50%.
- 3.5 City of Lincoln Council engaged a contractor Capacity Grid to verify council tax information on empty homes, identifying a number of homes that had become occupied and so maximising the new homes bonus paid to the council by government.
- 3.6 Persistent use of the authority's statutory enforcement powers not only reduced the impact of long term empty homes on their environment, but also nudged owners to bring 18 long term empty homes back into use.
- 3.7 The Council's Executive Committee in 2013 approved the making of Compulsory Purchase Orders on two long term empty homes. The threat of CPO pushed one owner to sell privately, and the second case file is now being reviewed, having not been progressed through the legal procedures. Some procedural changes to the use of Compulsory Purchase Order were introduced in the Housing and Planning Act 2016.

- 3.8 Close working relationships between the Empty Homes Officer, council tax recovery officers and legal services brought about enforced sale of two properties by auction and recovery of Council debts for council tax or works in default. However in some cases debts were repaid before the process could be completed, or the new owner failed to bring the empty home back to use. The departmental budget for legal costs was not refreshed from the recovered funds, rendering the enforcement action unsustainable.
- 3.9 Empty Dwelling Management Orders have not been used in Lincoln due to the complexities of engaging a suitable organisation to manage the homes. EDMOs have been used in North Kesteven, and work has been done to identify a pilot with the City's Directorate of Housing and Regeneration managing homes subject to an EDMO.
- 3.10 The following table shows that over the period 2010 to 2017, the most successful tools to bring empty homes in Lincoln back to use have been advice, referral to a partner such as the Waterloo Housing lease and repair scheme, and the use of statutory enforcement powers. The number of empty homes varied from 12 to 28 homes per year with a mean average of 19.

Number of empty homes in Lincoln brought back to use through local authority intervention 2010/11-2016/17, classified according to action used.

Year	2010/11	2011/12	2012/13	2013/14	2014/5	2015/16	2016/17
Grants	0	0	2	0	1	0	0
Advice	5	15	25	17	15	12	16
Partner / leasing	0	0	1	6	9	0	0
Enforcement	7	8	0	0	0	1	2
Establish ownership	0	0	0	0	0	0	0
Rent Deposit Scheme	0	0	0	0	0	0	1
No. brought back to use	12	23	28	23	25	13	19

- 4.11 The successes that could be built upon were:
- The lease and repair scheme
 - The persistent engagement with owners
 - The persistent use of enforcement powers
 - The use of punitive council tax measures.
- The areas which could be improved upon were:
- The use of enforced sale powers
 - The delivery of compulsory purchase
 - The suitability of grant aid.
- The powers yet to be exploited were:

- Empty Dwelling Management Orders.

4. Aims

- 4.1 The Lincoln Housing Strategy 2017-2022 under the Vision 2020 corporate plan "...directly tackles the key issues within Lincoln's housing provision. It ...provide[s] a framework for those endeavouring to build or assist in improving housing conditions in the city."
- 4.2 Homes become vacant as part of the natural cycle of the housing market, whether for sale or between lettings. A policy of "no vacant homes" would be both unreasonable and unrealistic, but the council does not want to tolerate long term empty homes when there is an unmet demand for housing, nor does it want to tolerate the impact that problematic empty homes have on the community.
- 4.3 In the housing strategy's action plan at Outcome 4 there are two agreed actions in respect of empty homes:
- An annual target to *"Bring 50 empty homes back through council intervention."*
 - To *"Develop action plans for all homes over 2 years to enable/support it being brought back into use"*
- 4.4 The purpose of the Empty Homes Strategy is to explore the options available to the Council to enable it to deliver these Lincoln Housing Strategy actions. Four main aims of the Empty Homes Strategy are identified:
- 4.5 **AIM 1. The council will do all within its means to identify and return to use long term empty homes**

The council is committed to reducing the number of homes that are classified as long term empty. The council will assist owners and take appropriate enforcement action in respect of a property empty for any length of time. Officers will engage with owners of homes earlier than they have before, once the home reaches 6 months empty, to find reasons why the property has not been returned to use, to provide support and enable the owner to reach a satisfactory conclusion. As 75% of the long term empty homes have been unoccupied for less than two years, this is a real opportunity to bring a higher number of empty homes back to use.

The council will consider the use of empty private sector housing to meet housing need, considering acquisition and management where appropriate.

Empty commercial property is outside the scope of this strategy.

AIM 2. No residential property shall be empty longer than 2 years without a clear and defined plan to return it to use.

- 4.6 The Council will focus resources on those dwellings that are most likely to present the biggest impact on public disquiet and officer time. Support and enabling will not always work for the most difficult cases. Once a home becomes two years empty, the impact of the empty home will be assessed, and officers will consider the range of tools and powers available to determine the most appropriate course of action to bring the home back to use and avoid long term blight. These powers are outlined in Section 7 of this document.
- 4.7 The Empty Property Working Group will then lead in the development of a clear and defined plan that identifies a legislative or project framework, timescale, and resource needs for the property to be brought back to use. At any one time availability of resources may limit use of some powers, although from time to time they may be supplemented by government or other funding opportunities.

AIM 3. Reducing the impact of empty homes on their way to re-occupation

- 4.8 The long term aim is to return empty homes back to use. During the time that properties are unoccupied they can generate problems for immediate neighbours, the wider community and for statutory agencies. There is a need to deal with those immediate problems.
- 4.9 The powers available include the tidying of land, the removal of hazards, securing of buildings against unauthorised entry, and the eradication of pests. These matters can be co-ordinated through the Empty Property Working Group. This work will be recorded and may be regarded as the capture of 'journey targets' in the progression of a property to full occupation.

AIM 4. There will be effective communication with individuals and groups affected by long term empty homes

- 4.10 Problematic empty properties can be very visual and used by the public as an indicator of how well the council is performing. Many actions may be undertaken but with no obvious progression, sometimes due to limitations on how much information can be shared with complainants regarding individual casework and enforcement. Some empty properties may be unknown to the council and this could be because the full council tax continues to be paid, but the local community may know the true circumstance.

- 4.11 The authority already utilises its web site to allow members of the public to lodge a complaint, and there is communication with individual complainants. Officers attend the Sincil Bank Homes Working Group to update on Empty Homes. Regular briefings including empty homes are given to the Portfolio Holder for Housing.

5. Implementation and Resources

- 5.1 The Private Housing Team and in particular the Empty Homes Officer will lead on the implementation of this strategy. The team will engage with owners to encourage, advise and assist at an earlier stage than they have done before, once homes are six months empty, with the aim of bringing a larger number of empty homes back to use. Of the 419 long term empty homes in Lincoln, three quarters have been empty for less than two years, and one quarter for two years or longer.
- 5.2 The Empty Homes Officer will exploit existing successes such as informal persuasion and the provision of advice and guidance, partnership working and voluntary leasing.
- 5.3 Once properties are two years empty, or earlier if they are having a significant impact, enforcement options will be considered by the Empty Homes Officer in conjunction with other Council teams whose involvement will be co-ordinated through the work of the Empty Property Working Group. Legal Services, Planning Enforcement, Building Control, Public Protection and Anti-Social Behaviour, Neighbourhood officers and Council Tax are represented in the group, which enables the co-ordinated and consistent use of all of the council's information, resources and enforcement powers to tackle long term empty homes.
- 5.4 Membership, processes and governance of the Empty Property Working Group will be in accordance with the Terms of Reference (appendix 5).
- 5.5 The council will engage more effectively with external services and partners, including but not limited to:
1. Registered providers and Community Land Trusts
 2. Government offices
 3. Homes England
 4. Tracing agents
 5. Practitioner resources such as the Empty Homes charity, the Empty Homes Network, and the East Midlands Empty Property Forum.
 6. Charities and other organisations interested in funding empty homes work
- 6.6 Council officers attend regular meetings of the Sincil Bank Homes Working Group, working with the local community and strategic partners with an area based approach to regeneration of this area of the city, and the council will target its resources to prioritise empty homes in this area. Supporting the newly formed Community Land Trust is an innovative and

community led approach to bring problem empty homes back to use in this priority neighbourhood.

- 6.7 The pathways used to bring an empty home back to use are shown in appendix 2. To achieve the target of returning 50 empty homes to use annually, officers will work with those properties which have been empty for 6-24 months, in addition to the problematic longer term empty homes.
- 6.8 The initial actions required to implement the strategy are outlined in Appendix 1. Further actions will be developed for 2019-22 to take account of the initial options appraisal and implementation actions.

Finance

- 6.9 The capital resource need can be illustrated as follows.
- A notional Compulsory Purchase Order budget would be at least £130,000 per building. If 5 buildings are targeted for CPO per year that represents a figure of £650,000. This does not include any renovation costs.
 - The compulsory purchase budget at 1 April 2017 was £155,835. Where a property is acquired through CPO then the market value plus compensation has to be paid to the owner, or if the owner does not come forward it is held in reserve. There are additional costs associated with the CPO such as surveying and legal costs. The CPO budget will only be partly refreshed through a resale of the acquired property and will need to be topped up to remain viable. For leasehold schemes and management orders whereby the council improves empty homes and recovers the cost from rental income, a provisional budget of £15,000 per home is needed. If 10 buildings are targeted per year that represents a further £150,000. Properties needing major renovation would require a larger budget.
 - The Compulsory Purchase model is outlined in further detail in section 7.
- 6.10 To successfully deliver on projects the Private Housing Team would need the following support from other teams:
- CPOs. Capacity within Legal Services to make sure submissions to the minister are made promptly.
 - Empty Dwelling Management Orders. The support of the Housing and Regeneration Directorate to manage tenancies and refurbishment and maintenance works or to identify a partner organisation.

- Enforced sale. Action by recovery services, with associated Legal resources, to recover debts to the council that accrue in respect of empty homes. A legal budget is needed which should be refreshed from the debt recovered.
- 6.11 There is no specific empty homes budget other than for the Empty Homes Officer post funded jointly with NKDC. Additional funds may be required to carry out specific survey work, to engage consultants, or for legal costs. The increased work needed to target a larger number of homes empty from six months onwards, and to allocate the time of the Housing Standards and Enforcement Officers to follow through with the more complex enforcement actions such as CPO, may lead to a need for additional staff resources in the Private Housing Team which will have a revenue implication.
- 6.12 It may be appropriate to allocate the New Homes Bonus receipts to meet these financial needs. Individual case budgets will be requested through the committee process on a case by case basis.

7. Tools and Powers

- 7.1 The council's Empty Homes Project Officer attempts to engage with the owner of each empty home from 6 months empty, offering advice, assistance and voluntary options for occupation, and assessing the background, condition and impact of each property. At the two years empty stage, or from 6 months empty if complaints are received that an empty home is causing problems, the officer will determine the most appropriate way forward from the following tools and powers, to create an action plan to bring back to use each long term empty home.
- 7.2 The impact of each two-year long empty home is assessed using a scoring matrix. Those properties with the highest scores, together with those in the priority area of Sincil Bank, are those most likely to be identified for enforcement action if the initial options are unsuccessful.

Initial Options

Advice & Guidance

- 7.3 In the first instance, owners will be given advice and assistance on how to bring their property back into use. These options could be renting out the property, selling the property or advice on becoming a landlord. The aim is to encourage owners to bring the property back into use through voluntary action. This action will commence from six months empty, but the length of time it takes to bring a property back into use will depend on the owner's personal and financial circumstances.

Financial assistance

- 7.4 The Council directs owners to advice on VAT reductions which may be available when renovating an empty property and discounts from local building merchants and estate agents. However, the Council does not currently offer any loans or grants to assist owners lacking the resources to bring their properties back into use. This means certain properties remain empty for long periods of time, requiring the Council to take enforcement action. The council will look for future funding sources to enable it to offer financial assistance itself, or in partnership with other organisations, and may set conditions on such assistance around rent levels, nominations of tenants to reduce homelessness, or the management of a let property.

Voluntary Arrangement

- 7.5 The Council may facilitate the introduction of the owner to a Registered Provider, Community Land Trust or private individual(s) to sell or lease the

empty property. The Council, in this instance, will not be acting as an estate agent or providing advice or recommendation to either party. Any negotiation and sales processes would take place between the owners, interested party and their legal representatives.

- 7.6 Alternatively, the council may directly approach an owner to acquire an empty home itself.
- 7.7 It is useful to have the option to offer a voluntary lease and repair agreement to owners prior to EDMO, and necessary to offer a voluntary acquisition of the property prior to proceeding to Compulsory Purchase, in a staged approach to enforcement. Where the local authority lease homes there are legal restrictions on the tenancy type and allocation of the property. Models for voluntary acquisition need to be developed, whether for COLC housing stock, a housing company, or in partnership with a Registered Provider or Community Land Trust. Funding sources need to be identified, and the barrier of mortgage companies refusing second charges on leased properties remains a national issue.

Statutory enforcement

- 7.8 Where owners show reluctance to engage with the Council officers and continue to ignore their responsibilities in respect of the property the officers will use relevant enforcement powers to reduce the impact the property is having on the area and abate any statutory nuisance being caused to neighbouring properties. Persistent enforcement of this type can result in the owner bringing the property back into use to prevent further notices being served. A co-ordinated approach is planned by the Empty Property Working Group, and the powers available across the authority are listed in appendix 3. Non-compliance with a statutory notice can reduce the compensation costs of compulsory purchase, or lead to works in default and an enforced sale.
- 7.9 Where these initial options are unsuccessful in bringing the empty home back to use, specific empty home enforcement powers will be considered as outlined below.
- 7.10 Of the Top 50 long term empty homes that have been scored as having the most significant impact, the following most appropriate courses of action have been identified:

Most appropriate course of action identified by Empty Property Working Group for Top 50 empty homes, January 2018

<u>Action</u>	<u>No of properties</u>
Compulsory purchase Order	4
EDMO	6
Assistance	1
Enforced Sale	6
Watching Brief	23
Voluntary Solution	6
Most Appropriate Course of Action yet to be agreed	4
Top 50 highest impact empty homes	50

Enforced sale

Purpose:

- 7.10 Many statutes allow the Council to serve a notice requiring the owner of a property to carry out works, for example to deal with the dangerous or untidy condition of the property. Non-compliance of a statutory notice can lead to the council carrying works in default, which create a land charge against the property. Enforced Sale is a procedure to recover such a debt owed to the Council, and a similar procedure can be used to recover unpaid Council Tax.
- 7.11 Enforced Sale is not in itself a procedure to deal with problematic properties, but the enforced sale of empty properties brings two main benefits: a debt owed to the Council is recovered; and a change of ownership is secured with the expectation that the new owner will bring it back to use.
- 7.12 Legal costs are recouped from the sale of the property, and any surplus is paid to the owner or mortgagee.

Legislation:

- 7.13 The power to enforce the sale of a property to recover a local land charge is in the Law of Property Act 1925 Section 103. Once an initial notice is served, owners have 3 months to pay the debt before the sale is enforced.
- 7.14 Council tax debts are personal debts and not charged against a property. The process to recover a council tax debt requires an application to court for a charging order followed by an order for sale.

7.15 Considerations:

- a) The owner may pay the debt and the property remains vacant and unsold:
 - The threat of an Enforced Sale will usually be sufficient to encourage an owner to dispose of the property or return it to use voluntarily, if not other enforcement options can be explored.
 - The council is unable to recover its costs to date and these need to be offset against the recovered debt. It is recommended that the minimum debt level prior to commencing action is £1000.
- b) There is not sufficient equity in the property to recoup the costs owed to the council:
 - Where the charge is binding on the “premises and on all estates and interests therein” it is a priority charge (over mortgages etc.). In the case of those charges stated to be a “charge on the premises” there is case law to suggest the wording is sufficient to create a priority charge. Performing an Enforced Sale due to non-compliance of a S215 Town and Country Planning Notice would only be suitable if there is equity after any other registered charge.
- c) The property is sold but the new owner does not return the property to use.
 - This will remain a risk, but in most cases people purchase as they have an intention to utilise the property for income or occupation. The usual process for sale is through auction however a preferred purchaser can be used. Other enforcement options can be considered against the new owner.

Costs:

- 7.16 Relative to Compulsory Purchase Orders, Enforced Sales are swift, less complicated and economical. There is no requirement as with the compulsory purchase order to pay market value or any compensation.
- 7.17 The typical costs for the Enforced Sale Procedure are listed below. These sums are indicative as the costs will vary depending on the property itself. When the Council’s debt is a priority charge, all costs incurred by the Council in the sale process as listed below are recoverable before any third party charges on the property are repaid. As such, the procedure should be cost neutral to the Council.

7.18 An initial budget is needed to cover these costs, which should be recycled from the recovered funds.

Expense	Cost (£)
Auction fees	1,500
Local search fee	80
Land registry fee on sale	6
County Court fees	275
Land registry fees for charging order	86
Land registry fees for enforced sale	11
Legal costs on sale including attendance at auction (no VAT)	700
Property Services costs on sale (no VAT)	250
Private Housing Costs on sale (no VAT)	250
Legal costs for applications	311
Energy Performance Certificate	65
Securing property	230
Law Gazette Fee	24
Total Recoverable	3,788

Empty Dwelling Management Order (EDMO)

Purpose:

- 7.19 The intention of EDMOs is to bridge the gap between voluntary measures and existing compulsory purchase powers in order to provide better management of a property deliberately left vacant for at least two years that is having a negative impact on the community.
- 7.20 The threat of an EDMO can put pressure on the owner to engage with the authority and agree the best course of action to secure occupation of the dwelling, thereby avoiding the need for an interim EDMO or, as the case may be, a final EDMO, to be made.
- 7.21 EDMO is intended to operate alongside existing measures such as voluntary leasing schemes explored above. It will provide an effective back-up to such arrangements where owners turn down offers of assistance and do not have plans of their own to bring the property back into use. Properties subject to EDMO can be used to meet housing need without the upfront cost of acquisition, subject to risk assessment.
- 7.22 A management scheme sets out in detail how the Council intends to manage the property, to include the works it intends to undertake, Capital and Revenue estimates for the costs of these works, how much rent the Council will seek from tenants, and provisions for paying any surplus to the owner.

Legislation: Housing Act 2004 Part 4, S132–138 & Schedule 7.

- 7.23 The Council must give the owner at least 3 months' notice of their intention to make an application for an EDMO.
- 7.24 The Council applies to the First Tier Tribunal (Property Chamber) for an Interim EDMO, which lasts for one year. During this time the Council can enter the property to determine works required and make arrangements for the property's management. If the property is in reasonable condition occupation can be secured with the consent of the owner.
- 7.25 If voluntary measures fail to bring the property back into use during this interim period the Council then makes a Final EDMO to take control of the property for up to seven years, carrying out improvement works prior to renting the property out.

Costs:

- 7.26 The rental income is used to pay for any works and management costs, therefore the condition of the property is a critical consideration when

determining whether or not this is a viable financial option. A budget of £10,000 to £15,000 is needed up front for the refurbishment works.

EDMO Predictions: 2 bed flat Birchwood			
	Market rent	Affordable rent 80%	LHA rate
Income			
Market Rent pcm	575.00		
Affordable Rent pcm		460.00	
LHA rate*			434.00
Annual income (80% market rent)	6900.00	5520.00	5208.00
Gross Income 7 years	48300.00	38640.00	36456.00
Expenses (over 7 years)			
Renovation	15811.00	15811.00	15811.00
Repairs and maintenance £500/year	3500.00	3500.00	3500.00
Management 15%	7245.00	5796.00	5468.40
Void period / arrears 2 month/year	8050.00	6440.00	6076.00
Total costs over 7 years	34606.00	31547.00	30855.40
Annual expense	4943.71	4506.71	4407.91
Annual payments to owner	1956.29	1013.29	800.09
<i>*Local Housing Allowance = £100.22 pw = £434.29 pcm</i>			

7.27 Considerations:

- Property must have been vacant for 2 years, be having a negative impact, and it is useful to show community support for the EDMO.
- The council may be unable to recover the cost of the initial works from the rental income, if the home is in very poor condition or rent is unpaid.
- The owner or mortgage lender can appeal against the application for an EDMO
- Arrangements for the management of the property need to be made, through the Council's housing directorate or housing company or procurement of a private firm.
- A budget is needed for the initial capital works.
- There are a number of exemptions in the Act which make properties unsuitable for EDMO, including the home being for sale, awaiting or recently granted probate, or the owner being cared for elsewhere.

Compulsory Purchase Orders (CPO)

Purpose:

- 7.28 Many empty homes are in poor condition and an eyesore. A CPO both secures an improvement in the local environment and brings a wasted housing asset back into use. This power allows the Council to purchase a property from the owners and, depending on the specific power used, retain it as housing stock, dispose of it to a housing partner, or sell it on the open market before or after renovation.
- 7.29 The initial decision to progress with compulsory purchase arises out of exhausting all other voluntary and statutory powers and is agreed by the Empty Property Working Group. The decision in principle is conveyed to the owner and efforts continue to seek a voluntary solution throughout the process.
- 7.30 The end use will be considered for each case, but where the property is sold at auction or to a preferred partner then the funds can be recycled for further empty homes work.

Legislation:

- 7.31 The primary powers to acquire property land compulsorily, where an owner is uncooperative or untraceable, are as follows:

Statute	Purpose
Section 226(1)(a) of the Town and Country Planning Act 1990 <i>(amended by Planning & Compulsory Act 2004)</i>	<ul style="list-style-type: none"> • A local authority can CPO any land and buildings if it thinks that the acquisition will facilitate the carrying out of development, redevelopment or improvement on or in relation to the land and buildings. • The development, redevelopment or improvement must contribute to the promotion or improvement of economic, social or environmental well-being. • Where the empty home requires improvement, perhaps because of its poor external appearance or because of its poor condition inside, this power is available.
Section 17 of the Housing Act 1985	<ul style="list-style-type: none"> • A local authority can acquire a house, or houses, for the provision or improvement of housing accommodation (whether by itself or someone else).

	<ul style="list-style-type: none"> • If an empty property is in good condition and not in need of improvement, then only the housing power will be available for the CPO.
Section 47 of the Planning (Listed Buildings and Conservation Areas) Act 1990	<ul style="list-style-type: none"> • This power is available when the empty home is a listed building in poor condition. • It is a pre requisite to a listed building CPO that a repairs notice under section 48 of the Act has been served at least two months before the CPO is made.
Section 93 Local Government & Housing Act 1989	<ul style="list-style-type: none"> • This power is rarely used

7.32 If compulsory purchase is identified as the most satisfactory course of action, then from that point on legal process is followed.

Risks:

7.33 The decision to compulsorily purchase an empty property must be shown to be in the public interest, and CPO is a costly and lengthy process. This power is usually limited to where persuasion and statutory notices have failed and the owner refuses to co-operate with the voluntary measures offered by the Council to bring the property back into use; or if the owner is untraceable.

7.34 Objections may be heard resulting in a potentially costly public enquiry and the Secretary of State may or may not support the action.

Costs:

7.35 The council is required to pay compensation, comprising of the market value of the property plus, if there are no outstanding legal notices on the property, basic loss value. If the property is sold back to back to a new owner, these costs may be paid from the onward sale, but a considerable budget is needed for legal and other costs:

7.36 A summary of the estimated costs are as follows:

	Estimated Voluntary Acquisition £	Estimated Compulsory Purchase £
<u>a) Legal & Admin Costs *</u>		
Legal costs / fees	1,500	20,000 <i>estimate</i>
Advertising costs (notices in paper)	n/a	1,500
SDLT payable on acquisition (0-15% of value)	0	0
Land Registry Fees	200	200
	1,700	21,700
<u>b) Property value</u>		
Market Value of the property (assumed)	100,000	100,000
Basic Loss Payment (7.5%)	n/a	7,500
Other Compensation Costs	n/a	1,000
Council Fees and Negotiating Compensation	n/a	1,000
TOTAL COSTS	101,900	131,200
* Indicative amounts		

8. Performance and Evaluation

- 8.1 Performance will be reported through the Directorate of Communities and Environment, and where action plans have been created they will be monitored for progress. Feedback will be given to members through regular briefings to the Portfolio Holder for Housing.
- 8.2 The number of empty homes brought back into use is a corporate measure reported through IMPS. To be included within the count there has to be a significant local authority involvement. The guidelines for Monitoring Empty Homes Interventions, provided by the Empty Homes Network, and the City of Lincoln Council interpretation of these measures, are included at appendix 4 to this strategy. Although reported monthly, the properties brought back to use are mostly identified quarterly when the empty homes lists are received from council tax.
- 8.3 During the term of an empty property the council may make one or more interventions to ameliorate a problem. These events may be statutory or non-statutory. All will be recorded as part of the "empty home journey" measure.
- 8.4 There will be an annual report on the impact of empty properties and the successful interventions. The report will include
- a) The changes in the number of empty properties year on year
 - b) The number of complaints received in respect of empty homes;
 - c) Any local authority expenditure incurred in the management of neglected empty properties
 - d) The number of properties brought back to use through council involvement
 - e) The number of affordable units created
 - f) The number of interventions to reduce impact of an empty property
 - g) The amount of New Homes Bonus achieved through empty homes.
 - h) The amount of debt recovered through interventions such as negotiation and enforced sale,
 - i) External finance levered in through challenge fund bids etc.
 - j) Rental income achieved through leased or managed properties
 - k) The progress, and current circumstances of any homes vacant for over 2 years and any barriers or hold ups to identify where resources are needed.

Report detail	Frequency/ Date	Compiled By	Reported to
Monthly IMPS report. Properties brought back into use Properties improved	Monthly	Empty Homes Officer	IMPS
Number of Empty Properties	Quarterly	Empty Homes Officer	Empty Property Working Group
Progress against open case list	Quarterly	Empty Homes Officer	Empty Property Working Group
Annual impact report	Annually	Empty Homes Officer	IMPS

Appendix 1: Action Plan 2018-19

No.	Action	Baseline	Target milestone / measure	Timescale for completion	Responsible Person	Other Key contacts
1	Review the terms of reference of the Empty Property Working Group to make best use of statutory enforcement powers and other tools across the authority	Empty Property Working Group meeting at least twice yearly to share information	Terms of reference agreed by the group	Apr-18	Private Housing Team Leader	Empty Property Working Group
2	Develop procedures to prompt and record contacts with owners and interested parties, reasons empty and property data, and actions leading to occupation	Spreadsheet of addresses updated quarterly from council tax data, to include 6-24 month empty homes. Civica APP used from 2 years empty. Staged suite of template letters in place (manual input)	6 months empty: Spreadsheet and/ or IT system configured for recording initial 3 staged letters and owner responses in a reportable format, and prompting feedback to any complainant or community representative. Cross reference brought back to use list against Housing Options private sector housing scheme. 2 years empty: template for individual property action plan	Jul-18	Empty Homes Officer	Business Development and IT Team Technical Officers Technical Assistant Private Housing Liaison Officer

			developed with measurable milestones			
3	Explore community led approaches to bringing empty homes back to use including wider benefits for sustainable regeneration	Community Land Trust steering group formed. Report on CLT's formation to be funded by Esme Fairburn Foundation.	Agreed COLC's role in identifying suitable empty homes for referral into the CLT and identify models for bringing them back to use. Including opportunities for employment and skills etc.	Oct-18	Private Housing Team Leader	Empty Homes Officer Neighbourhood Manager East Midlands Community Led Housing
4	Develop reporting systems to notify enforcement teams of unpaid work in default debt, and procedures across authority for registering local land charged debts.	Debtor invoices raised following works in default. Issues in tracing owner mean some debts not demanded. Lack of consistency in registering local land charges for unpaid debts. Lack of feedback from finance to originating officer to know if debts has been paid or not.	Reporting mechanism in place between debtors and enforcement teams for unpaid Work in Default invoices. Procedures in place for registering a local land charge for all unpaid debts. Protocol in place for applying for statutory charge on land registry - amount of debt and time owed.	Oct-18	Empty Homes Officer	Debtors Local Land Charges Legal Empty Property Working Group
5	Action Plans in place for all homes empty for two years or longer	Properties impact scored at 2 years empty and most appropriate course of action for the top 50 highest scoring agreed by Empty Property Working Group. Milestones not necessarily proposed to owner. Timescales and budgets for	Template action plan populated for each home in conjunction with lead enforcement team, communicated to owner including consequences for failure to act. Resource needs for proposed enforcement action identified	Jan-19	Empty Homes Officer	Empty Property Working Group Legal Finance

		enforcement action not defined.				
6	Update and re-brand Empty Homes Information Pack for owners - discounts, agents etc.	Lincolnshire Empty Homes Project information pack developed in 2009/10 and discounts agreed with agents and builders merchants.	Legal accuracy of advice pages checked and updated. Discounting organisations contacted and reviewed. Trusted Landlord Scheme, Housing Options private sector landlord scheme and any other local schemes and national good practice included. COLC info pack completed.	Jan-19	Empty Homes Officer	Private Housing Liaison Officer
7	Engage with Sincil Bank Homes Working Group to identify problematic empty homes and suggest solutions	Private Housing Team Leader attends Sincil Bank Homes Working Group to update on numbers of empty homes.	Most problematic five empty homes in Sincil Bank identified and action plans in place	January 2019 and ongoing six-monthly	Private Housing Team Leader	Empty Homes Officer Neighbourhood Manager

8	Explore options for management of properties subject to EDMO	EDMO not yet used in COLC. Some discussions taken place with Housing. Housing Company in place. Community Land Trust proposed in Sincil Bank. Trusted Landlord Scheme in place. Basic costings estimated based on elementary market knowledge.	Options appraisal prepared for the different options. Template management scheme prepared to include works, housing demand, rental income etc. Procurement framework in place for one or more organisations to manage properties subject to EDMO in future. Procurement considered for renovation works.	Jan-19	Empty Homes Officer	Director of Housing and Regeneration Client Procurement Officer
9	Explore funding options for initial works on properties subject to EDMO	No capital or legal budget identified, although it is expected that the initial outlay is recoverable over the 7 year EDMO term	Develop business case for initial investment on a repayable basis - any surpluses must be paid to owner. Investigate if income from Civil Penalties / Rent Repayment Orders can be used to fund works under Part 4 Housing Act.	Jan-19	Private Housing Team Leader	Empty Homes Officer
10	Develop knowledge of Empty Homes Officer and Housing Standards and Enforcement Officers to apply for and manage an EDMO	Some officers have undertaken high level EDMO training. Experience of EDMO in NKDC who share Empty Homes Officer.	EDMO manual developed for key officers to understand legislation, exemptions, and steps to an EDMO. Understanding or experience of attending a First Tier Tribunal for EDMO or wider PHT functions	Apr-19	Private Housing Team Leader	Empty Homes Officer Housing Standards and Enforcement Officers

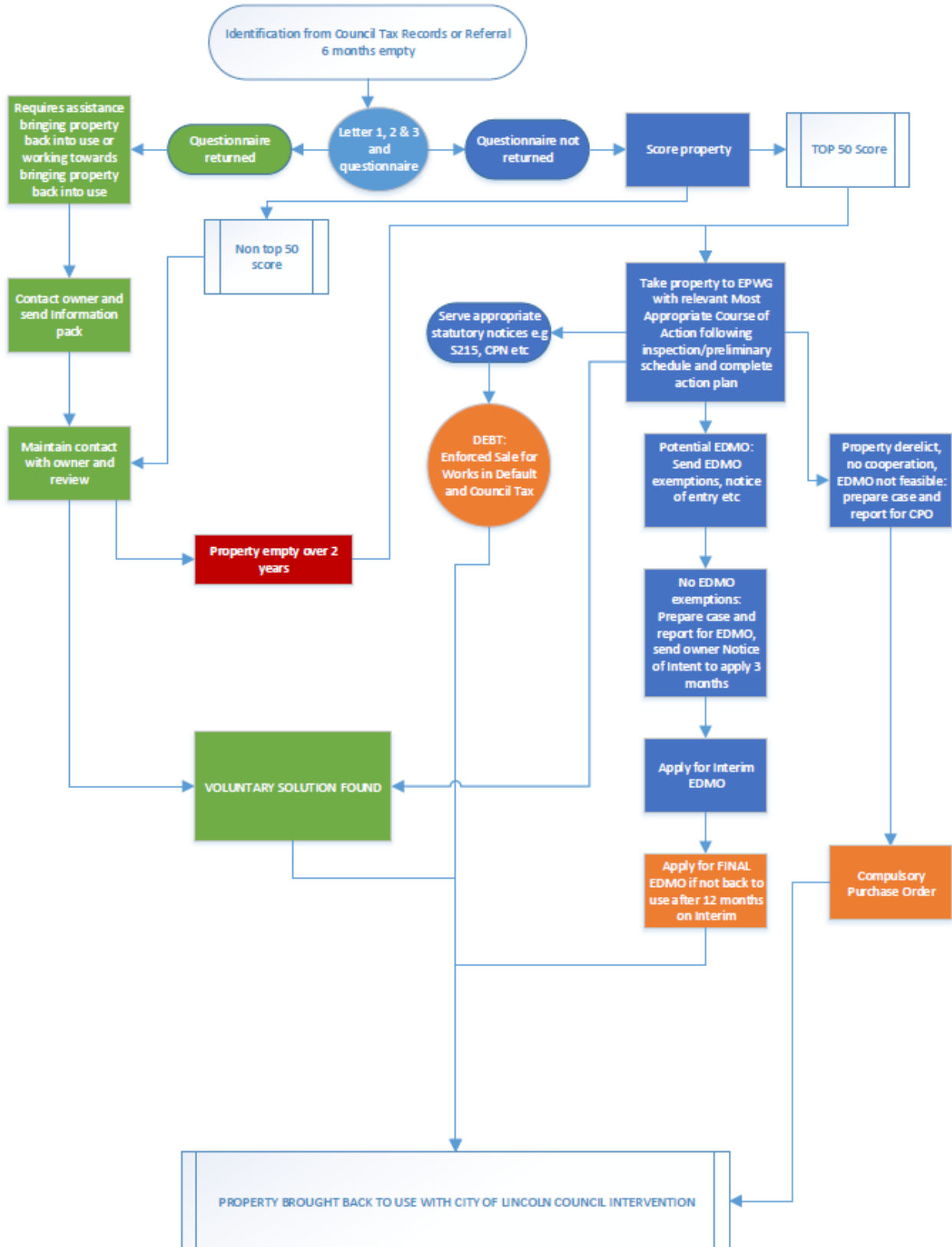
11	Develop skills and capacity of Technical Officers to inspect empty homes and prepare costed work schedules	All empty homes casework carried out by Empty Homes Officer resulting in average 19 empty homes / year brought to use. Technical Officers inspecting private rented homes and preparing schedules for grant work. Schedule of rates in place for DFG only.	Technical Officers understand outline law and practice relating to empty homes enforcement. Needlestick training up to date. Template schedule phrases available and specification guided by Housing maintenance team. Schedule of rates in place to estimate general renovation work.	Apr-19	Private Housing Team Leader	Empty Homes Officer Technical Officers "Hamilton House"
12	Develop processes and capacity in legal, private housing and planning teams to streamline CPO action	Some officers have undertaken CPO training. Private Housing Team Leader has completed a CPO in neighbouring authority (uncontested). One CPO file processed up to draft order stage.	CPO manual reviewed and updated with lessons learnt, typical timescales and budgets. Funding options explored. Officers have received relevant training to understand when to use different powers and the steps to a successful CPO.	Apr-19	Private Housing Team Leader	Solicitor (E Brownless) Empty Homes Officer Heritage & Planning Enforcement Team Leader
13	Develop knowledge and resources Private Housing Team, Revenues Team and Legal to carry out Enforced Sale for WID debt and Council Tax debt.	Some officers have undertaken high level training on enforced sale. Private Housing Team Leader has completed process in neighbouring authority. Enforced sale completed in COLC by previous post holder. Lack of budget for legal costs and departmental	Enforced Sale procedure manual prepared. Empty Homes Officer and Housing Standards and Enforcement Officers received appropriate training on LPA 1925 enforced sales. Protocol agreed between legal and EPWG - amount and age of debt thresholds. Budget agreed for legal costs and	Apr-19	Private Housing Team Leader	Empty Homes Officer Housing Standards and Enforcement Officers Legal

		budgets not being topped up from moneys recovered.	understanding of how recovered debts reallocated to budgets. Preferred purchaser route for disposal to an RP or CLT explored			
14	Consider the commercial and strategic opportunities of renovating and / or retaining poor condition empty homes acquired through CPO	Properties identified for CPO are often in uninhabitable condition, restricting options for disposal on open market. End use of a property guides which legislation will be used for the CPO. Changes to homelessness statutory duties understood	Appraise any interest in retaining homes in housing stock / housing company rather than onward sale, in which case identify budget. Develop a template business case for an empty home CPO - to sell back to back, carry out essential structural works prior to sale, or full renovation / redevelopment (including disposal to RP or CLT where commercially viable).	Jul-19	Private Housing Team Leader	Empty Homes Officer Director of Housing and Regeneration

15	Monitor availability of funding sources and partnership opportunities	<p>Government funding to bring empty homes to use as affordable housing, and for community groups to bring empty homes back to use, ended in 2015. New Homes Bonus helps to fund Empty Homes Officer post, but no specific funding stream in place for empty homes capital or legal costs, and budget approval needed for individual CPO / EDMO / Enforced sale cases. Community Land Trust steering group in place for Sincil Bank area, and Housing Company agreed, which may have access to funding streams not available to local authority housing.</p>	<p>Community Land Trust incorporated to aid ability to bid for funding pots and ethical lending. Status of Housing Company understood by PHT and funding sources identified through HCA or otherwise. Communication with Registered Providers to identify any increase in appetite for empty homes work. Use of Section 106 planning conditions considered. Awareness through attendance at events or otherwise of regional and national empty homes good practice including funding opportunities. Ability to offer financial assistance to owners reviewed.</p>	<p>Jul-2019</p> <p>Annually</p>	Private Housing Team Leader	Empty Homes Officer Director of Housing and Regeneration Community Land Trust
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16	Appraise Options for voluntary lease and purchase of empty homes by Local Authority, Housing Company, Community Land Trust or partner organisation.	<p>Leasing of 15 homes in partnership with Waterloo Housing ended 2015, successes and barriers identified.</p> <p>Voluntary EDMO piloted in NKDC as an alternative to lease.</p> <p>Community Land Trust steering group formed in Sincil Bank and private sector expressing interest in empty homes.</p> <p>Registered Providers have declined to partner on Empty Homes due to cost/risk of older pepperpotted stock.</p> <p>Voluntary purchase restricted to last resort prior to CPO with a view to a back to back onward sale.</p> <p>National Empty Homes Network (officer group) completed engagement exercise with Council of Mortgage Lenders on barriers to leasing.</p>	Budget needs identified for acquisition and renovation of typical empty homes stock. Successes and pitfalls of voluntary EDMO understood through NKDC. Current attitude of main mortgage lenders understood in respect of leasing. Options appraisal prepared for acquisition by council or partner organisations, and renovation and / or retention by the different organisations	Oct-19	Empty Homes Officer	Director of Housing and Regeneration Community Land Trust Neighbourhood Manager
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Appendix 2. Empty Homes Pathway to Occupation



Appendix 3. Statutory Powers in Relation to Empty Homes

Circumstance	Power
Dangerous or dilapidated buildings or structures	Building Act 1984, sections 77 and 78
	Building Act 1984, section 79 (1)
	Housing Act 2004, section 5
	Housing act 1985, section 265
Property not secured against unauthorised entry, risk of vandalism, arson etc.	Local Government (Miscellaneous Provisions) Act 1982, section 29
	Anti-Social Behaviour Crime and Policing Act 2014
Vermin, present or there is risk of attracting vermin.	Public Health Act 1961, section 34
	Prevention of Damage by Pests Act 1949, section 4
	Public Health Act 1961, section 83
	Environmental Health Act 1990, section 80
Unightly land and property affecting amenity of an area	Public Health Act 1961, section 34
	Town and Country Planning Act 1990, section 215
	Anti-Social Behaviour Crimes and Policing Act 2014
	Refuse Disposal Amenity Act 1978, section 3
	Building Act 1984, section 79 (2)
	Planning (Listed Buildings and Conservation Area) Act 1990, section 54
Protection from danger on land	Highways Act 1980, section 165
Properties that have been vacant for 2 years, are negatively impacting the community and negotiation has been unsuccessful in returning them back to use	Housing Act 2004, section 134
Debt owed to the council	Law of Property Act 1925, section 103
	Council Tax powers
Compulsory Purchase Orders	Housing Act 1985, section 17
	Planning (Listed Buildings and Conservation Area) Act 1990, section 47
	Town and Country Planning Act 1990, section 239
Council tax charges in respect of empty properties	Local Government Finance Act 2003
Requiring information from an owner	Local Government (Miscellaneous Powers) Act 1976, section 16
Sharing of data from other local authority departments	Local Government Act 2003, section 85
	Housing Act 2004, section 237
Powers of entry	These will generally be found in relation to the statutes above but note these specific powers.
	Housing Act 2004, 239
	Housing and Planning Act 2016, section 172

Appendix 4: Definition of Homes Brought to Use Through Council Intervention

1. The Empty Homes Network, a national group of local government officers leading in empty homes work, defines the local authority bringing a home back to use as follows:
2. *To record a success, the local authority needs to demonstrate that the local authority's intervention made a material contribution to a positive outcome that occurred without unreasonable delay. It should be possible to evidence a chain of events unfolding without unreasonable delay following the local authority intervention and to show that, on the balance of probability, one event led on to the next as a precondition or cause.*
3. Successes within the authority will be counted if the Council can provide sufficient evidence to show compliance with the criteria recommended in the “Guidelines for Monitoring Empty Homes Interventions: A Standard Approach for Local Authorities” as published by the Empty Homes Network.
4. The City of Lincoln Council’s Empty Property Working Group interprets these guidelines by counting the following interventions as bringing an empty home back to use through council intervention, where the property subsequently becomes occupied:
 - Direct action to include a confirmed Compulsory Purchase; Final/Interim Empty Dwelling Management Order; an Enforced Sale; use of the council’s rent deposit/private housing allocations scheme; a leasing scheme or voluntary acquisition.
 - The threat or initiation of enforcement action to include but not limited to those powers listed in Appendix 3.
 - A high degree of engagement with the owner such as those listed in “Initial Options” in this document. This could include:
 - Sending at least three staged letters encouraging the home to be brought back to use
 - Fewer than three letters with some response from the owner and advice or assistance given
 - Referral to a charity or third party interested in working with the owner to bring the home back to use

Appendix 5: Empty Property Working Group Terms of Reference

The Empty Property Working Group aims to deliver co-ordinated action on troublesome empty properties around the City. This is achieved through a process of referral, evaluation, action and then consideration as to any further steps. As such the group will:

- Seek ways to pool resources and create a single budget in support of the delivery of the Empty Homes Strategy and Vision 2020 objectives
- Develop and implement new models of community and stakeholder involvement in the delivery of the Empty Homes Strategy
- Focus on establishing work based innovation and good practice
- Address Housing Need in line with the Empty Homes Strategy and Vision 2020
- Bring residential property back into use in line with the Empty Property Strategy

1. Working group membership

The group aims to bring together all departments involved in a property, identify a solution to manage any problems which result from the properties vacancy, and identify methods of sale or reoccupation. As such the group will be a co-ordinated effort by officers from:

- Private Sector Housing
- Planning
- PPASB
- Building Control
- Council Tax and Recovery
- Neighbourhoods
- Elected Members
- Legal services
- Housing Needs / Housing Management

Additionally, other officers may attend as needed or as cases develop, and the group will engage partner organisations where appropriate.

3. Working Group format and frequency

The working group will meet every 6 weeks with the agenda and property lists coordinated by the Empty Homes Officer.

Properties will be removed from the working group agenda when they reach a position which does not require the specialist involvement of a multi-disciplinary working group. Their removal will be agreed by the group, additionally referrals can be brought to the group by any member, and their inclusion in the list agreed by the group.

4. Process

1. Referral – as mentioned above referrals are received and then brought to the group following an initial assessment.
2. Evaluation – The group discuss the issues, and where relevant identify a lead officer to investigate further.
3. Most Appropriate Course of Action – if enforcement is required the appropriate officer will lead and keep the group updated at further working groups.
4. Review – Once the enforcement is concluded or there are particular challenges the property returns to the group and is assessed for further action or removal from the group.

5. Final options

Possible enforcement options include:

1. Serving of statutory notices leading to
 - i. Prosecution
 - ii. Works in Default (WID)
 - iii. Enforced sale
2. Empty Dwelling Management Orders.
3. Compulsory Purchase Order

6. Resource Implications

There will be some financial implications attached to certain enforcement action. Adopting an Enforced Sale Procedure will allow the Council the opportunity to retrieve costs associated with non-compliance of statutory notices such as boarding up, nuisance issues and amenity issues. It will also provide suitable methods for retrieving personal debt such as Council Tax debt. It should also be noted that the costs incurred from a solicitor or legal service can be retrieved from the sale of the property rather than the Council, and the Council can also include officer time when calculating the costs to be retrieved in some cases.

However, other action such as Compulsory Purchase Orders will result in on-retrievable costs to the Council.

Nonetheless, although the costs are mostly retrievable there will need to be some upfront funding to allow the works to be completed before anything can be sought through sale.

7. Decision Making and Governance

The Empty Property Working Group is chaired by the Private Housing Team Leader. It is capable of self-governance for most decisions that are within the remit of the authorised officers and elected members. However when high resource eventualities such as Compulsory Purchase, Empty Dwelling Management Orders and Enforced Sales are considered the Empty Property Officer will prepare a report to be presented to Head of Service of the lead department. This will ensure proper processes are considered and the risks to the Council mitigated as much as possible.

8. Lists of acts involved in relation to empty property enforcement.

Particularly useful powers and procedures for the Council include:

- Town and County Planning Act 1990 – section 215
- Planning and Compulsory Purchase Act 2004
- Planning (Listed Buildings and Conservation Areas) Act 1990
- Building Act 1984 – section 76-80

- Housing Act 2004 – Parts 1-4
- Local Government Act 2003
- Local Government (Misc Prov) Act 1982
- Local Government Act 2000
- Prevention of Damage by Pest Act 1949 – section 4
- Environmental Protection Act 1990 – Part2 and section 80
- Anti-Social Behaviour Crime and Policing Act 2014

This list is not exhaustive