

**HOUSING, ECONOMY &
INFRASTRUCTURE SCRUTINY
COMMITTEE**

**REVIEW OF EMPTY PROPERTIES AND
PRIVATE LANDLORDS**

MAY 2014



**Telford & Wrekin
COUNCIL**

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1. Chair's Foreword

The challenge of bringing empty properties back to use and tackling rogue landlords to help address housing shortages has received much attention nationally.

With around 400 empty properties in the borough, empties represent a significant waste of housing opportunity when we have seen an increase in the number of homelessness applications and a growing shortage of some types of housing from the welfare benefit changes. Left to deteriorate, empty properties can blight local neighbourhoods and be a focus for anti-social behaviour. They also represent a potential loss of income to the Council from New Homes Bonus, now a key element of local authority funding. Concerned about these issues, the Housing, Economy & Infrastructure Scrutiny Committee decided to carry out an in-depth review to look at how to bring empties back to use.

We took evidence from the Cabinet Member for Housing, Development & Borough Towns Development, Council officers and the Chairs and Clerks from Madeley and Ketley Town and Parish Councils. In particular we would like to thank the Senior Property Intervention Officer from Sandwell Metropolitan Borough Council for sharing his expertise which so greatly helped shape the recommendations in this report.

Over recent months the Council has had a concerted focus on the issue of empty properties and overall we found much to welcome in the approach and have been satisfied that things are moving in the right direction.

We have however made several recommendations which are intended to be constructive suggestions as how things could be improved. We spent much time looking at what other authorities were doing to tackle issues and have drawn in particular on examples of work in Sandwell and Stockton that could make a difference in Telford and Wrekin.

This report summarises our work, findings and recommendations which we hope you find both informative and constructive and I commend to you.

Cllr. Chris Turley
Chair, Housing, Economy & Infrastructure Scrutiny Committee

2. Aim of the review

There are an estimated 400 empty properties in Telford & Wrekin. This is:

- A waste of housing opportunity when there are a significant number of people on the waiting list and there has been an increase in homeless applications since 2010/11
- A cause of blight or focus for antisocial behaviour in neighbourhoods
- A potential loss of New Homes Bonus income for the Council.

The committee's aim was to carry out an in-depth review of issues related to empty properties with a view to making recommendations to the Council's Cabinet.

In scoping the review the committee received a briefing on the work being undertaken by the Council on empty properties which culminated in the Cabinet report *Bringing Empty Properties Back into Use and Tackling Rogue Landlords*. This provided contextual information and set out a number of formative proposals which provided a steer to areas where the scrutiny review could add value.

The committee agreed two key lines of enquiry:

1. **How to identify empty properties as early possible** – the less time a property is empty, the easier it is to prevent deterioration and bring back to occupation.
2. **How to address issues of poor practice by private landlords** – around 97% of empty properties are in private ownership.

The committee's work centred around two main approaches:

- To research what was happening in other authorities and look for good ideas that could be considered locally
- For members to use their knowledge of local networks to identify ways that the Council could work with partners to increase the early reporting of empties.

3. Background Information

3.1 The national picture

According to sources in the Local Government Association (LGA) report *Empty Homes*, in July 2013 there were 709,426 empty properties in England. About one third of these, around 260,000, had been empty for six months or more. Bringing these properties back into use would meet approximately one year of the government's estimate of housing need, or would equate to two years of new builds at current rates (July 2013). Using Department of Communities and Local Government (DCLG) housing statistics, the LGA estimated that long term empty (6 months+) properties in the West Midlands equated to 14% of housing waiting lists in 2011-2012.

The private rented sector is an increasingly important part of the housing market in England and Wales. Using Office of National Statistics (ONS) figures, the Local Government Information Unit (LGIU) in *House Proud* estimates the number of people renting privately nearly doubled between 2001 and 2011, reaching 3.6 million at the time of the last census. The vast majority of the empty properties in England are in the private sector, with just under 10% being local authority owned.

3.2 Why local authorities work to bring empties back to use

There are a number of reasons why councils take action to bring empties back to use:

- Long term they have a negative impact on local neighbourhoods
- To make better use of existing housing stock in the private rented sector for the discharge of housing and homeless duties
- To raise standards in the private rented sector
- To generate New Homes Bonus income
- To provide opportunities for local suppliers in the property and construction trades, and on a larger scale to support training and employment
- To work with voluntary sector partners to create opportunities for local people

3.3 Local authority enforcement powers

Local authorities have a range of statutory powers in relation to private property owners. These are set out in the September 2013 Cabinet report *Bringing Empty Properties Back into Use and Tackling Rogue Landlords* as:

- **Enforcement Action** – where an owner refuses to engage and a property becomes dilapidated or starts impacting on surrounding properties or communities, statutory action may be taken. There are a number of potential enforcement routes depending on circumstances. These should only be used as a last resort and financial implications considered before taking on these actions.
- **Enforced Sale** – the Law & Property Act 1925 allows local authorities to recover charges through the sale of the property. This option can only be used where there is a debt to the local authority registered as a charge on the property. A minimum debt of £1,000 can be registered on the property to start enforced sales proceedings.
- **Empty Dwelling Management Order (EDMO)** - an EDMO can be made where an owner leaves a property empty and has no intention of securing its voluntary reoccupation. This involves applying to the Residential Property Tribunal for authorisation to gain an Interim EDMO and supplying supporting evidence, including that the property has been long term empty and that proactive engagement with the landlord has been sought.

- **Compulsory Purchase Order (CPO)** - CPOs can be made under S17 of the Housing Act 1985 or under S226 (as amended by Planning and Compulsory Purchase Act 2004) of the Town and Country Planning Act 1990, for the provision of housing accommodation or to make an improvement to existing housing. However, undertaking a CPO can be a lengthy and complex process and should be used as a last resort.

A full list of enforcement powers is attached as Appendix 1.

3.4 The local picture

The scale of challenge

The local picture in Telford and Wrekin as of September 2013 is described in the Cabinet report *Bringing Empty Properties Back into Use and Tackling Rogue Landlords*. The full report can be accessed via the link below.

<http://apps.telford.gov.uk/demservice/DisplayDocument.asp?type=pdf&ref=15811>

We do not propose to repeat the information in the Cabinet report here but would like to highlight the following points:

- The number of long term (6 months+) empty properties in the borough was estimated at 400 with high concentrations in Cuckoo Oak (Sutton Hill), Ketley and Oakengates.
- 97% of the empties were privately owned.
- The majority of landlords in the borough are reputable and responsible but reports pooled from Council services – environmental health, revenues and benefits, housing needs, trading standards, social services etc. – have identified poor practice amongst a minority of landlords.
- There are significant numbers on the Choose Your Home waiting list (around 17,747 in 2012/13) with only around 1,300 affordable properties becoming vacant each year and 275 affordable new homes built in 2011/12.
- Empties therefore represent a significant loss of housing opportunity for the borough.
- The removal of some classes of Council Tax discount for empty properties from April 2013 has made the identification of empties more difficult as owners no longer have a reason to notify the authority that the property is empty. In extreme cases, landlords have deliberately rendered the property uninhabitable from neglect or interference to qualify for exemption from Council Tax.
- For each eligible empty property brought back to occupation the Council receives the New Homes Bonus. Each increase in the number of empties results in a reduction in the New Homes Bonus over the six year period in which it is received.
- There are many reasons why properties become empty and working with owners to bring them back to use may require sensitive handling and can take a long time even when the owner is willing to engage. If owners are not willing to engage, the use of enforcement powers can be very expensive.

How the challenges are being addressed

The Council's Home Improvement Agency (HIA) has been established to lead on actions to bring empty properties back into use. The team is relatively new and the Council has made additional investment in the service with the creation of an Empty Property Officer post in July 2013. The HIA's role is to identify empty properties, encourage reporting of empties and to engage with owners to advise, support or co-ordinate targeted action across the council to bring the property back to use. The range of support and a flow-chart showing the routes for targeted action from reporting to resolution are set out in the Cabinet report. In September 2013 Cabinet agreed a number of recommendations aimed at tackling issues with empties and rogue landlords as follows:

- The allocation and expenditure of £150,000 funded from capital receipts from disposals in Sutton Hill to reduce the number of empty homes in Sutton Hill
- The implementation of a Landlord Accreditation Scheme
- Authority delegated to the Home Improvement Agency (in consultation with the Cabinet member) to serve Empty Dwelling Management Orders, Compulsory Purchase Orders and/or instigate Enforced Sales procedures
- To approve Enforced Sales Procedures on empty properties with over £1,000 of outstanding debt against the property.

4. Key findings and recommendations

The committee was primarily concerned with identifying ideas, or good practice from other authorities, that could be considered to add value locally. As a starting point, members considered the Council's approach, progress to date and planned work.

In this the committee found much to welcome:

- ✓ Members welcomed the Council's focus on empty properties, the expansion of the Home Improvement Agency's role in leading work on empties and the additional investment in the creation of the Empty Property Officer post. Although early days, the committee is satisfied that things are moving in the right direction.
- ✓ The committee welcomes the allocation of the £150k capital receipt for the loan scheme to help bring empties in Sutton Hill back to use but recognise the need for robust monitoring and evaluation before rolling out to other areas.
- ✓ The committee supports the more proactive approach to the exercise of legislative powers in extreme cases and have made a recommendation about this.
- ✓ Members welcome the pro-active work of the Housing and Revenues teams in visiting properties previously exempt from Council Tax to verify that they are still empty and the fact that the exercise will be repeated 6 monthly to keep records up to date.
- ✓ The pro-active approach of the Home Improvement Agency in contacting all known owners of empty properties to offer help, and the signs of response, is a positive start.
- ✓ The committee was pleased to hear that a suggestion from scrutiny to contact the student accommodation service at Harper Adams with a view to linking students to rented accommodation with responsible landlords was acted on straightaway.

Although pleased with the overall direction of travel, the review identified some areas which members feel could be strengthened. This section summarises the key issues identified and recommendations to address the issues.

4.1 Raising awareness to increase early reporting of empty properties

There is a need to raise awareness to improve the early identification and reporting of empty properties. Awareness raising activity must be balanced with the need to manage public expectations – the Council should not create false expectations about what it can do.

The removal of Council Tax exemptions for Class A and C empty properties from April 2013 means the Council can no longer rely on owners notifying the Council when a property becomes empty. The longer a property remains empty, the longer the loss of opportunity for the housing market, the greater the risk of deterioration and blight to the neighbourhood and the more difficult it is to bring back to occupation. A neglected property may also be a sign of a safeguarding issue if the occupier has become too frail to cope with the property.

In the summer of 2013, the Revenues Service began a review of all properties previously entitled to a Class A or C exemption to establish whether they were still empty. This information is vitally important for the calculation of New Homes Bonus. The review was carried out by sending out paper review forms, and then working in conjunction with the Housing Department to visit all properties where the review form was not returned or there

were queries regarding the property to check whether they were occupied or not. The review will be repeated every six months.

For the reasons stated above, it is important for the Council to identify as early as possible when and where properties become empty. The work of the Revenues team, while undoubtedly making a significant contribution, provides only part of the solution and there remains the need to find other ways to increase the early reporting of newly empty properties.

Members pooled their knowledge and came up with a list of suggested organisations with a presence in local communities that the Council could work with to help raise awareness, plus other ideas for getting the message out to the public. The role that elected members could play was discussed, and the need to increase the awareness of ward members and town and parish councillors alike was agreed.

The committee noted in the Cabinet report the high concentration of empties in Cuckoo Oak, Ketley and Oakengates and met the Chairs and Clerks of Ketley Parish Council and Madeley Town Council to explore in more detail the level of awareness and ways in which the Town and Parish Councils could work with the Council to promote the issue. It was evident from these meetings that there were low levels of awareness about the extent of the issue, where the empty properties are, the role of the Home Improvement Agency, the reasons why it is important to report empties and how to report them. The response from both Councils was very positive with offers to help promote the issues in respective newsletters and at meetings. Members are indebted to the Chairs and Clerks for their time and their willingness to help and will monitor how the actions discussed are followed up.

Members also heard from Sandwell Metropolitan Borough Council and Stockton-on-Tees Borough Council that press releases featuring success stories (where properties had been brought back to use, or there had been a successful prosecution) were a good way of promoting the work of the Council, raising awareness with the public or of sending messages to poorly performing landlords.

As a result of this work the Committee has made the recommendations set out below. The committee accepts that resources are limited and that the Council cannot do everything or at once. There is a balance to be struck between raising public awareness and raising public expectations beyond realistic capacity to deliver and the recommendations may be phased to manage that balance. The committee would however like the work with Ketley and Madeley councils progressed as quickly as possible if agreed.

RECOMMENDATIONS

1. Hold an empty properties Members' Information Seminar

This should be promoted to Town & Parish Councils

2. Develop a campaign to raise awareness of empty property issues, the importance of early reporting and how to report them.

This should include:

- a) An article in The Voice
- b) Distributing information to Town & Parish Councils, including:
 - Details of empty properties in their area
 - The role of the Home Improvement Agency (HIA) and how it can help
 - How to report empty properties – a single point of contact
 - The limits of the council's powers and resources to manage expectations

This should be provided to Madeley Town Council and Ketley Parish Council for publication in their next newsletters.

- c) Raising awareness with other organisations with a street presence e.g. Police, CSOs, Parish Environmental Teams, the Post Office to encourage early reporting.

3. Depending on data protection issues, contact utility companies to explore sharing information about empty properties.

For example Severn Trent Water employs people to identify empty properties and there is an existing relationship with the Council e.g. on the Strategic Flood Management Board.

4. Take all opportunities to issue press releases when a property has been brought back to use or there is a successful prosecution.

This will publicise what the Council is doing to address issues and send a message to poor performing landlords that the Council will take action where necessary.

4.2 Prioritising resources and measuring impact

Capacity is limited and there is a need to prioritise how resources will be allocated and targeted to maximise impact.

There are an estimated 400 long term (6 months+) empty properties in the borough and only one Empty Property Officer in the Home Improvement Agency team to deal with empties. The first and preferred approach to working with owners and landlords is to advise, support and hand-hold – this can take time and be resource intensive.

There is clearly insufficient capacity to deal with all empty properties all at once. Resources will need to be targeted towards achieving the outcomes which are a priority for the Council - be that bringing as many properties as possible back to use, using the private rented sector to discharge the Council's duty for homelessness and housing more people on the waiting list, tackling difficult cases of long-term empties, addressing the worst cases of neighbourhood blight or generating New Homes Bonus – or to achieve a balance between the priorities.

Equally, there needs to be an agreed process for selecting properties for action that is consistent with meeting the desired outcomes and transparent for elected members, other stakeholders or members of the public who may have reported or be affected by empty properties. This will be critical in supporting the work of the Empty Property Officer as they move ahead and come under pressure from ward members and the public. The committee is suggesting that the Council should prioritise properties which are easier to bring back to use in order to maximise New Homes Bonus income to support further work and to increase the availability of housing stock. However, this should be balanced with work on properties which cause the most blight. The priority scoring assessment used by Stockton-on-Tees Borough Council has been provided as an example of a score card to be considered for use by Telford & Wrekin.

One of the issues explored at the meeting with the officer from Sandwell Council was how properties are prioritised for action. There, work is divided between reactive work (responding to reports) and proactive campaigns. The empty property database can be broken down by geographic or other criteria to select properties for targeted campaigns – these have included street-by-street, town-by-town, small or large landlords, properties empty over 2 years, properties under probate, properties where the owner is in a care home....etc. so that batches of properties can be selected for targeted campaigns using an appropriate approach, often door-knocking. This can be mapped against requests for action, reports from police or Anti-social Behaviour reports, again to identify hotspots for targeted action. The committee has suggested the Telford & Wrekin database could be broken down in a similar way to help prioritise the allocation of resources.

The empty property service is relatively new and does not have historic data for trend analysis to inform planning, projections and performance targets and these need to be developed over time. An internal audit in respect to minimising empty properties was undertaken recently and was finalised in February 2014. This reviewed governance arrangements, management information, reporting mechanisms, policies, processes and controls and will be reported to the Audit Committee in June 2014. Notwithstanding the findings, members of the scrutiny committee have recommended that a target for the number of empties brought back to use should be set. The committee heard examples of some of the complexities involved in dealing with different types of property owners or landlords, and accept that bringing a property back to use is not always a straightforward or quick process. Nevertheless, the committee feels that a target would give a clear goal and provide a benchmark for measuring impact. The experience in Sandwell was that setting a target had helped in bringing down the number of empties each year - "The team knows that every property brought back to use counts and generates income, and if they reach the target of 200 properties per year they know they are doing their stuff."

RECOMMENDATIONS

5. Develop a score card to prioritise properties for action.

The Stockton score card is provided separately as an example. Properties selected for action should balance properties eligible for the New Homes Bonus that can be brought back to use sooner and properties which cause the most blight or anti-social behaviour.

6. The data base of empties should be broken down into categories to prioritise properties for targeted work.

e.g. properties empty over 6 months, over 2 years, properties under probate, and other existing intelligence used to inform priorities.

7. Set a target for bringing empties back to use and develop performance measures.

Monitoring reports should be brought to the scrutiny committee annually.

4.3 Discharging the Council's duty for homelessness

There is a need to consider ways of using the private rented sector to discharge the Council's statutory duty for homelessness.

The Council has a statutory duty to:

- Provide advice and guidance to all
- Prevent homelessness where possible.
- Provide help to homeless households who are in priority need. This includes providing interim and temporary accommodation for households until they are able to move into sustainable accommodation.

Figures in the Homelessness Strategy show the number of homeless applications since 2010/11 has continued to increase, particularly in the 16-24 age group. The strategy aims to extend support beyond the statutorily homeless to provide services for the non-statutory homeless.

The strategy also notes that:

- Whilst Telford & Wrekin Council is no longer a social landlord, it has an important strategic housing role, working with partners to meet the housing needs of local people and to help to balance the local housing market.

- Between 2001 and 2011 there was a 7.7% shift to private renting tenure and a move away from owner-occupation of 4.5%. This shift in tenure reflects national changes, which are closely associated with population growth.
- Total housing association stock has fallen slightly in last decade.
- New social housing vacancies (re-lets) has remained stable, however the number of households registered seeking housing (Choose Your Home) has risen significantly to around 17,747 in 2012/13.
- There is an estimated net shortfall of 1,240 affordable homes for local people every year. The majority of these should be for rent. The cost of entry level housing is on average eight times greater than household incomes, although this varies across the borough (2009).
- There is a shortage of all property types (apart from one bed room flats) in the borough.
- Early indications are that housing providers are seeking to develop smaller house types including two bed room houses and one bed roomed flats. However, new supply will continue to represent a very small proportion of the borough's overall housing stock.
- The expected delivery of specialist housing, including extra care housing, has the potential to increase the supply of social housing vacancies.
- In 2011, 615 mortgage and landlord possession claims were made. In addition, 470 mortgage and landlord possession claims led to orders. These figures are slightly higher than the national figure (source: Ministry of Justice).

The strategy also states that the number of long term empty homes in the borough is comparatively low, but one of the priority actions in the strategy is the establishment of the Home Improvement Agency to work with private landlords to bring empty homes back to use.

The committee looked at the private sector lease scheme in operation in Sandwell to see how this was working. Under the scheme, the Council leases properties from landlords on a long term let (currently 2 years, extendable). The Council manages the property and guarantees the rent to the landlord. Landlords are charged a registration / management fee and must be prepared to lease the property at below Local Housing Allowance rates. This does not work of all landlords but there are some who prefer to accept a lower rent which is guaranteed and a reduced burden for managing tenants and the take up has been good. The Landlords' Forum and Steering Group were involved in drafting the lease, the tenancy agreement and information pack (the lease is non-repairing because landlords are able to negotiate cheaper repairs, and breakable). The scheme was launched in January 2011 at a Landlords' Forum meeting – the first property was leased within 2 weeks and on average one new property is leased per week.

The scheme has been used to prevent homelessness and one of the main benefits is that properties can be targeted to meet demand. The benefits are that someone is housed, the landlord receives a guaranteed rent and properties which were an eyesore are eradicated.

The committee explored the cost model which was said to be holding, although at the time of the meeting none of the properties had reached the end of the 2 year lease and the costs would need to be considered over the whole 2 year lease cycle.

The committee is recommending that the scheme is explored in more detail as an option for Telford & Wrekin.

Members heard how the Home Improvement Agency links to the Housing Action Team to bring together the property and people aspects of the work and the committee is recommending that links are made to all relevant Council services to ensure people in need can be matched or have access to advice and properties let by reputable landlords.

RECOMMENDATION

8. **Consider the viability of a private sector lease scheme for Telford and Wrekin.** The Sandwell model could be explored as an example. , e.g.:
 - Working with landlords to develop the information pack and lease agreement
 - Consider the option of a non-repair lease
 - How to select properties for the scheme which meet the demand for different types of property
 - Explore the financial model
9. **Ensure there are good links between the Home Improvement Agency and all relevant Council services** dealing with vulnerable people (e.g. Strengthening Families, Housing Action Team) so people can be supported where housing is an issue and tenants linked to suitable properties let by accredited landlords
10. **Choice Based Lettings** – the Committee did not look at Choose Your Home but recommend exploring the potential to advertise accredited landlord properties on Choose Your Home.

4.4 Landlord Accreditation Scheme

The Landlord Accreditation Scheme should be developed to help increase the supply of good quality private rented accommodation.

The September Cabinet report set out that since 2001, the proportion of privately rented households in Telford & Wrekin has doubled from 7.1% to 14.9%, with the proportion in social rented properties falling slightly to 11.6%. Changes to housing benefit for people in the social rented sector (the spare room subsidy) has added pressure for one and two bed-roomed properties and with insufficient social housing stock to meet the demand more residents may turn to renting through private landlords. The majority of landlords in the borough are reputable and act responsibly but there are a small number whose practices are poor and may be having a detrimental impact on the welfare of their tenants and/or communities.

Cabinet agreed that given the anticipated increase in demand for private rented accommodation, the Council should introduce a Landlord Accreditation Scheme and take coordinated action to address poor landlord practices.

The committee agreed with the need to develop a scheme and explored in some detail the model used in Sandwell to see what lessons could be applied locally. One of the key areas explored was how landlords could be incentivised to join the scheme. Based on this, a number of recommendations are set out below that the committee would like to see considered in Telford & Wrekin. Documents referred to in the recommendations are available from the scrutiny team.

Further, the committee would like to highlight the recommendations in the Local Government Information Unit report *House Proud* that local authorities:

- **Show strong political leadership** by setting out a clear vision. Local political leaders have an important role to play in articulating their willingness to work with responsible landlords, as well as demonstrating that they are prepared to enforce standards in the worst properties.

- **Empower tenants** by using a range of communication channels to disseminate information about the rights and responsibilities of tenants and landlords. This may involve publicising information about good landlords who have been accredited, or poor ones who have been recently prosecuted.

The committee would also like to draw attention to the government's response to the Communities & Local Government Select Committee report on the Private Rented Sector to develop a Tenants' Charter and model tenancy agreement developed in conjunction with landlords.

RECOMMENDATIONS

11. **Consider the Sandwell Landlord Forum model**, e.g.:
 - Establish a Landlord Forum Steering Group – a landlord/officer group with landlords having the veto. The Steering Group should be act as a consultee and to set the agendas for the Landlord Form meetings. In Sandwell the Forum meetings are workshop based and include legislation updates.
 - Consider producing a regular newsletter to e-mail to landlords e.g. The Bugle (PDF)
 - Promote the Forum as a route to information and business opportunities e.g. landlords can advertise properties for sale to other accredited landlords to avoid estate agents fees. (See Plymouth Council case study of Empty Property Sale Procedure to connect owners of empty property with developers though a sealed bid process taking 2-3 weeks and requiring no fees.)
 - Set up a hot line for accredited landlords to Revenues and Benefits for advice
 - Consider the benefits of joining Midland Landlord Accreditation Scheme (MILAS) and Homestamp (useful guides)
12. **Target recruitment activity for the landlord accreditation scheme on middle ground landlords** i.e. those who may be falling short because they are not aware of their responsibilities but would improve their practice with support and accreditation. Take a hard line with landlords who genuinely have no intention of improving in terms of prosecuting.
13. **Take opportunities to reinforce the message to poor performing owners that the Council will prosecute** and when the Council serves notice it is seen as intention to prosecute – this must be balanced against projecting a negative message about landlords.
14. **Assign a designated officer to each landlord** to avoid officers being played off against one another and to ensure a consistent message.
15. **Produce “Looking for a Property?” guide** to publish on the website and promote through all possible channels to help tenants avoid taking on poor quality properties with poor landlords.
16. **The Empty Property Officer should consider joining the West Midlands Empty Property Officers' Group** if they have not already done so.

4.5 Exercise of legislative powers

The exercise of legislative powers such as CPO, EDMOs and Enforced Sale may be desirable but can be draconian and very expensive.

There are many reasons why properties are left empty – some common ones are listed in the Cabinet report – and many different types of owner or landlord. The committee heard about some of the circumstances that can lead to a property becoming empty – for example a bereavement or a person going into a care home – and that these situations can require sensitive handling and Members agree that encouragement should be the first and foremost approach. However, there is a world of difference between an owner who has inherited an empty property but needs some support to bring it back to use and an irresponsible owner of a property which has fallen into disrepair and who refuses to comply with their responsibilities or engage with the Council, or who cost the Council money.

Local authority legislative powers are set out in section 4 of this report (Enforced Sales, Empty Dwelling Management Orders (EDMO) and Compulsory Purchase Orders (CPO)). The committee received case studies from Stockton Borough Council on how enforcement power had been exercised - enforced sales and EDMOs - which showed some of the huge complexities involved and the length of time it can take, but also some of the potential benefits in terms of recouping costs and housing people. The Council had done a detailed break down of different type of enforcement action to quantify costs which was provided to the committee. On the use of CPO, Sandwell Council agreed it was a last resort and should be used when it is the best and only course of action. There, it is used to target properties which are the greatest financial liability to the Council and CPO'd properties are sold as leasehold so the property cannot become unoccupied again.

Telford & Wrekin Council has never pursued an EDMO due to the cost, length and complexity of the process but in September 2013 Cabinet agreed to delegate authority to the Home Improvement Agency in consultation with the Cabinet member to undertake the process where appropriate and to initiate Enforced Sales against properties with £1,000 or more debt outstanding against the property.

The committee supports the Council taking a firmer stance on enforcement where all other forms of dialogue and negotiation have been exhausted to send a strong signal to irresponsible landlords that the Council is ready and will take action.

RECOMMENDATION

17. A cost-benefit analysis of cases where legal action has been taken and completed should be carried out and reported back to the committee at a future meeting.

Members support the approach to working with owners of providing support and encouragement, but recognise that as a last resort enforcement is the only option. The Committee supports the more pro-active approach to the exercise of legislative powers (CPO, EDMOs, Enforced Sales) but recognises the potential financial impact on the Council.

4.6 Working with the voluntary sector to benefit local people

Opportunities to involve the voluntary sector with work on empties should be considered to ensure resources are maximised and that wider benefits are realised.

One of the reasons why local authorities take action on empty properties is the opportunity to work with the voluntary sector to deliver wider community gains. The committee did not look at how opportunities could be developed locally, but would like to draw attention to a number of case studies in the Local Government Association *Empty Properties* report which the service may wish to consider. Some of these have been highlighted in the recommendation below.

RECOMMENDATION

18. Consider how links can be made to the voluntary sector to deliver wider benefits

e.g.

- Refer suitable empty properties to the voluntary sector who may be able to use them
- Involvement of the voluntary sector in property renovations to and repairs to bring back to market
- Consider opportunities to set up social enterprise for refurbishment of empty properties e.g. using local trades people, creating work placements, training and apprenticeships (see Croydon and Redcar & Cleveland case studies)
- Explore Homes & Communities Agency willingness to contribute project funding (in Exeter the HCA had provided funding to bring 15 properties back to use working with a housing association and a partner providing training/volunteering opportunities to homeless people).
- Support community or voluntary organisations to access any sources of funding which may support the work

Final remarks

During the course of the review the committee gathered a significant body of information from national reports and case studies. A summary of the information was collated and is attached to this report as Appendix 2. The committee's final recommendation is that this is considered by the service to identify other ideas which may be useful but not included in this report.

RECOMMENDATION

19. The summary of case studies provided by the Committee should be considered for any other ideas not referred to in these recommendations but which may be good ideas for Telford & Wrekin.

5. Summary of recommendations

Issue	Recommendations
<p>Need to raise awareness to improve the early identification and reporting of empty properties. Awareness raising activity must be balanced with the need to manage public expectations – the Council should not create false expectations about what it can do.</p>	<ol style="list-style-type: none"> 1. Hold a Members' Information Seminar about empty properties and promote to Town & Parish Councils 2. Develop an awareness raising campaign to increase awareness of the issue, the importance of reporting empties as early as possible and how to report them. This should include: <ol style="list-style-type: none"> a) An article in The Voice b) Distributing information to Town & Parish Councils, including: <ul style="list-style-type: none"> – Details of empty properties in their area – The role of the Home Improvement Agency (HIA) and how it can help – How to report empty properties – a single point of contact – The limits of the council's powers and resources to manage expectations – This should be provided to Madeley Town Council and Ketley Parish Council for publication in their next newsletters. c) Raising awareness with other organisations with a street presence e.g. Police, CSOs, Parish Environmental Teams, the Post Office to encourage early reporting. 3. Depending on data protection issues, contact utility companies to explore sharing information about empty properties e.g. Severn Trent Water employs people to identify empties and are also a partner of the Council on the Strategic Flood Management Board. 4. Take all opportunities to issue press releases when a property has been brought back to use or there is a successful prosecution. This will publicise what the Council is doing to address issues and send a message to poor performing landlords that the Council will take action where necessary.
<p>Resources are limited and there is a need to prioritise how resources will be allocated and targeted to maximise impact.</p>	<ol style="list-style-type: none"> 5. Develop a score card to prioritise properties for action. The Stockton score card is provided separately as an example. Properties selected for action should balance properties eligible for the New Homes Bonus that can be brought back to use sooner and properties which cause the most blight or anti-social behaviour. 6. The data base of empties should be broken

	<p>down into categories to prioritise properties for targeted work. e.g. properties empty over 6 months, over 2 years, properties under probate, and existing intelligence used to inform priorities.</p> <p>7. Set a target for bringing empties back to use and develop performance measures. Monitoring reports should be brought to the scrutiny committee annually.</p>
<p>Need to consider ways of using the private rented sector to discharge the Council's statutory duty for homelessness.</p>	<p>8. Consider the viability of a private sector lease scheme for Telford and Wrekin. The Sandwell model could be explored as an example, e.g.:</p> <ul style="list-style-type: none"> - Working with landlords to develop the information pack and lease agreement - Consider the option of a non-repair lease - How to select properties for the scheme which meet the demand for different types of property - Explore the financial model <p>9. Ensure there are good links between relevant Council services (e.g. Strengthening Families, Housing Action Team) so people can be supported where housing is an issue and tenants linked to suitable properties let by accredited landlords</p> <p>10. Choice Based Letting system – the Committee has not looked at Choose Your Home but recommend exploring the potential to advertise accredited landlord properties on CYH</p>
<p>Need to develop the Landlord Accreditation Scheme to improve access to and availability of good quality private rented accommodation.</p>	<p>11. Consider the Sandwell Landlord Forum model, e.g.:</p> <ul style="list-style-type: none"> - Establish a Landlord Forum Steering Group – a landlord/officer group with landlords having the veto. The Steering Group should be act as a consultee and to set the agendas for the Landlord Form meetings. In Sandwell the Forum meetings are workshop based and include legislation updates. - Consider producing a regular newsletter to e-mail to landlords e.g. The Bugle (PDF) - Promote the Forum as a route to information and business opportunities e.g. landlords can advertise properties for sale to other accredited landlords to avoid estate agents fees. (See Plymouth Council case study of Empty Property Sale Procedure to connect owners of empty property with developers though a sealed bid process taking 2-3 weeks and requiring no fees.) - Set up a hot line for accredited landlords to

	<ul style="list-style-type: none"> Revenues and Benefits for advice <ul style="list-style-type: none"> – Consider the benefits of joining MILAS and Homestamp (useful guides) <p>12. Target recruitment activity for the landlord accreditation scheme on middle ground landlords i.e. those who may be falling short because they are not aware of their responsibilities but would improve their practice with support and accreditation. Take a hard line with landlords who genuinely have no intention of improving in terms of prosecuting.</p> <p>13. Reinforce the message to poor performing landlords that the Council will prosecute and when the Council serves notice it is seen as intention to prosecute – this must be balanced against projecting a negative message about landlords.</p> <p>14. Assign a designated officer to each landlord to avoid officers being played off against one another and to ensure a consistent message.</p> <p>15. Produce “Looking for a Property?” guide to publish on the website and promote through all possible channels to help tenants avoid taking on poor quality properties with bad landlords.</p> <p>16. The Empty Property Officer should consider joining the West Midlands Empty Property Officers Group if they have not already done so.</p>
<p>The exercise of legislative powers such as CPO, EDMOs and Enforced Sale may be desirable but can be draconian and very expensive.</p>	<p>17. A cost-benefit analysis of cases where legal action has been taken and completed should be carried out and reported back to the committee at a future meeting. Members support the approach to working with owners of providing support and encouragement, but recognise that as a last resort enforcement is the only option. The Committee supports the more pro-active approach to the exercise of legislative powers (CPO, EDMOs, Enforced Sales) but recognises the potential financial impact on the Council.</p>
<p>Opportunities to involve the voluntary sector with work on empties should be considered to ensure resources are maximised and that wider benefits are realised.</p>	<p>18. Consider how links can be made to the voluntary sector to deliver wider benefits e.g.</p> <ul style="list-style-type: none"> – Refer landlords with properties to let to the voluntary sector who may be able to use them – Involvement of the voluntary sector in property renovations to and repairs to bring back to market – Consider opportunities to set up social enterprise for refurbishment of empty properties e.g. using local trades people,

	<p>creating work placements, training and apprenticeships (see Croydon and Redcar & Cleveland case studies)</p> <ul style="list-style-type: none"> – Explore HCA willingness to contribute funding (in Exeter the HCA had provided funding to bring 15 properties back to use working with a housing association and a partner providing training/volunteering opportunities to homeless people). – Support community or voluntary organisations to access any sources of funding which may support the work
General	19. The summary of case studies provided by the Committee should be considered for any other ideas not referred to in these recommendations but which may be good ideas for Telford & Wrekin.

6. Members of the Committee

Cllr. Chris Turley (Chair)
 Cllr. Stephen Bentley
 Cllr. Eric Carter
 Cllr. Clive Mason
 Cllr. Clive Mollett
 Cllr. Rob Sloan
 Cllr. John Thompson
 Cllr. Karen Tomlinson
 Mr. Stephen Reynolds, Town & Parish Council Co-optee
 Mr. Dave Johnson, Town & Parish Council Co-optee

7. Acknowledgements

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- Katherine Kynaston, Business & Development Planning Manager, Telford & Wrekin Council
- Toni Keever, Home Improvement Agency, Team Leader, Telford & Wrekin Council
- Phil Edwards, Inward Investment & Housing Group Manager, Telford & Wrekin Council
- Bob Ferris, Senior Property Intervention Officer, Sandwell Metropolitan Borough Council
- Cllr. Anil Saini, Chair Ketley Parish Council
- Alison Hinks, Clerk Ketley Parish Council
- Cllr. Peter Taylor, Chair Madeley Town Council
- Kath Petty, Clerk Madeley Town Council

Other contributors:

- Graham Birtle, Scrutiny Officer, Stockton-on-Tees Borough Council

- Melanie Howard, Private Rented Sector Manager, Stockton-on-Tees Borough Council (retired)
- Rachael Jones, Community Participation Service Deliver Manager, Telford & Wrekin Council
- Wendy Tonge, Priority Action / Parish Liaison Officer. Telford & Wrekin Council

Key written evidence:

- Regeneration and Transport Select Committee, Stockton-on-Tees Borough Council, Scrutiny Report on Empty and Abandoned Properties and supplementary documents
- Sandwell Metropolitan Borough Council Housing Stock Policy, Housing Strategy 2012-2022, and newsletter for landlords “The Bugle”
- LGA Empty Homes guide, July 2013
- LGIU “House Proud” report
- Empty Homes Network – Good Practice Standard for Local Authorities
- Shelter’s recommended minimum standards for landlord accreditation schemes
- Communities & Local Government Select Committee report The Private Rented Sector, July 2013 and the government’s response to the Select Committee report
- Welsh Assembly Communities and Culture Committee report Making the Most of the Private Rented Sector in Wales, February 2011
- Conference material from presenters at the Shelter Conference on Tackling Rogue Landlords on 3rd September 2013.

Appendix 1 - Enforcement Powers

Action Against	Legislation	Action Available	Explanation
Unsatisfactory housing conditions. (e.g. where a category 1 or 2 hazard has been identified under the Housing Health and Safety Rating System).	Housing Act 2004	Serve an Improvement Notice. Declare a clearance area. Emergency Remedial Action. Emergency Prohibition Order.	Council have a duty to eliminate Category 1 hazards and a power to reduce category 2 hazards to an acceptable level. This is done by the service of various notices.
Property to be in such a state as to be a nuisance. (e.g. leaking roof or gutters causing dampness to neighbouring property).	Environmental Protection Act 1990	Serve an abatement notice	The Council has a duty to take steps to abate a statutory nuisance.
Property open for unauthorised access or likely to suffer from vandalism, arson or similar.	Local Government Miscellaneous Provisions Act 1982.	Serve Notice	Requirement for the owner to secure the property or allows the Council to secure in an emergency.
Accumulations of rubbish deemed to be a statutory nuisance.	Environmental Protection Act 1990	Serve an abatement notice	The Council has a duty to take steps to abate a statutory nuisance.
Buildings or structures that are dangerous, seriously detrimental to the neighbourhood because of their ruinous and dilapidated nature.	Building Act 1984	Serve Notice	Requirement for the owner to undertake works to make safe, to repair or works of restoration or demolition. In an emergency the Council can make safe.
Long-term vacant properties where the owner is unwilling to cooperate in bringing the property back in to use or where the owner is absent.	Housing Act 1985	Compulsory Purchase Order	Allows the Council to acquire the property so that the property can be returned to use.
	Housing Act 2004	Empty Dwelling Management Order	Allows the Council to take over the management of the property so that it can be returned to use.

Action Against	Legislation	Action Available	Explanation
Long-term vacant properties where the owner is unwilling to cooperate in bringing the property back in to use or where the owner is absent.	Law of Property Act 1925		Allows the Council to enforce the sale of a property to recover costs placed as charges against a property.
Unightly land or property adversely affecting the amenity of the area.	Town & Country Planning Act 1990	Serve Notice	Requirement for the owner to take action against the unsightly external appearance of the property or the land.
	Building Act 1984	Serve Notice	Requirement for the owner to undertake works of restoration or demolition.
Vermin present or there is a risk of the attracting of vermin which may detrimentally affect peoples health.	Prevention of Damage by Pests Act 1949	Serve Notice	Requirement for the owner to take steps in respect of the prevention and eradication of vermin and works to prevent vermin harbourage where there is evidence of infestations.
Blocked or defective drains or sewers.	Building Act 1984	Serve Notice	Requirement for the owner to remedy blocked or defective drains.
	Public Health Act 1961	Serve Notice	Requirement for the owner to remedy defective drains or private sewers.
	Local Government Miscellaneous Provisions Act 1976.	Serve Notice	Requirement for the owner to remedy blocked private sewers.

Appendix 2 - Summary of case study information gathered

A. BRINGING EMPTY PROPERTIES BACK INTO USE

1. **Kent Count Council (KCC presentation)** - “No Use Empty” loan scheme for owners for properties sold or let on completion. Application fee charged.

2. **LGA “Empty Homes”**

The report makes a number of recommendations to central government about reducing bureaucracy around enforcement and devolving more powers to local level.

Case studies – bringing empties back into use

Ipswich	<ul style="list-style-type: none"> • Council Tax levers i.e. removing discounts (TWC has done this) • Empty Homes Toolkit including grants for landlords, and First Time Buyers Empty Homes Grant to fund works on properties empty for 12 months or more. • Estate Agency Discount Scheme, offering reduced fees for empty home owners and free submission to auction.
Cornwall/Leeds	Council Tax levers (removal of discounts)
Birmingham	CPO
Reading	Example of using advice & guidance (empty inherited house brought to sale)
York	Empty property loan conditional on letting for 5 years through Council social lettings agency
Kent	No Use Empty (see 1. above)
Enfield	Up to £25k renovation grants funded through NHB for properties let for 5 years through approved housing association
Sheffield	Leasing and purchasing options for empty property owners
Stoke	Regeneration scheme funded by council and government to revamp empty council-owned properties in disrepair – sale to local residents for £1 with repayment of costs over time.

Case Studies - working with housing associations and voluntary sector

Croydon	Social enterprise for refurbishment of empties by local tradesmen with work placements for people living in disadvantaged areas.
Rochdale	Groundwork housing refurbishment programme – skills, training, qualifications for trainees
Exeter	HCA funding to bring 15 properties back into use, working with a housing association and a partner providing training/volunteering opportunities to homeless people.
Redcar & Cleveland	Social enterprise to turn empties into affordable housing. Provide training/apprenticeships for young unemployed.
Plymouth	Empty Property Sale Procedure – process to connect empty property owners with developers. Sealed bid process, 2-3 weeks, owner pays no fee.

Case studies – enforcement

Report includes recommendations to government to streamline legislation and devolve more powers to local level.

Enfield	CPO – 27 approved, most returned to use without running full course of CPO. 8 went through to the end, 7 of which now occupied.
Swansea	Example of enforced sale
Swale	Example of EDMO (only 43 authorised nationally from 2006-11). This was before the change requiring a property to be empty for 2 years

	(from 6 months) for EDMO.
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Case studies – **resources**

Main sources of funding are Empty Homes Premium (Council Tax), use of New Homes Bonus and Empty Homes funding (mainly allocated via HCA but issue with length of time to secure).

Derby	Twin track approach – a) focus on empties that attract NHB b) empties that cause most blight/ASB but not eligible for NHB. NHB top sliced to support empties work to generate more NHB and debt recovery.
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3. Stockton Scrutiny Review of Empty / Abandoned properties – recommendations:

- Invest to save business case to increase staff resources
- Prioritisation of empties (over 6 months) to focus use of resources (score card)
- Increased publicity of successes
- Business case for contingency fund to cover cost of work in default – recovered costs recycled through contingency pot.
- Use of Enforced Sales procedure to recover debts in excess of £1000

4. Stockton Housing supplementary documents

- a) 4 case studies of bringing empties back to use including EDMOs – show use of different powers and interventions, complexities/problems, time scales etc.
- b) Process for dealing with empties (flow chart)
- c) Costs of dealing with empties (composite)
- d) Cost of empties to Council
- e) Priority Scoring Assessment (to prioritise empties for action/resources – top 15 on database)
- f) Summary of enforcement powers
- g) Costs of empty homes scheme
- h) List of interventions and outcomes (reporting/monitoring?)

5. Empty Homes Network – Good Practice Standard for Local Authorities

B. TACKLING ROGUE LANDLORDS / LANDLORD ACCREDITATION SCHEMES

6. Shelter - recommended minimum standards for landlord accreditation schemes.

7. LGIU “House Proud”

The report makes recommendations to central government:

- reduce red tape to give local authorities more flexibility on selective licensing, recouping enforcement costs and compulsory accreditation
 - improve data and sharing best practice
- and to Councils:
- Encourage self-regulation by landlords
 - Empowering tenants
 - Using local business and community networks to increase reporting of criminality
 - Strong political leadership

Case studies

Newham	Compulsory PRS licensing. Scheme cost £7m, aims to be self-funding.
Southend-on-Sea	SEAL – landlord/agent-led voluntary accreditation scheme. PRS work together to self-regulate and raise standards to avoid compulsory licensing. Window sticker campaign. SEAL reports directly to scrutiny committee.
York City	Two tiered accreditation process to address property condition

	especially electrical safety (YorProperty Plus)
Liverpool	Ten Point Pledge for PRS. Includes “Liverpool Standard”, voluntary registration, incentives, access to funding for accredited landlords, web-based “Know Your Landlord”, landlords advisory panel, rogue landlords hit squad.
Lewisham	Private Sector Housing Agency – brings teams from Housing Rights, Temporary Accommodation and Environmental Health together – single point of contact.
Bristol City	Regional approach to PRS – landlord panel to advise on strategy Selective licensing in specific geographical area (can only be used on strong evidence of ASB)
Leeds	Created Housing Regulation Team. Successful prosecutions. Did use selective licensing, but now take neighbourhood approach street by street.
Norwich	Working group with landlords, Shelter, ARLA and University – focus on specific issues to inform Council policy Also campaign to improve tenants’ rights
Mayor of London	London Rental Standard – single badge of accreditation conditional on training/monitoring etc.
Identifying empties	Newham – Local Land & Property Gazetteer, CT, housing benefit, complaints about overflowing bins. Bristol – cross reference CT, housing benefit and complaints about ASB Norwich – Stock Condition Survey (expensive labour intensive!)

8. Regional Scrutiny Chairs’ meeting

Sandwell	<ul style="list-style-type: none"> • Landlords Forum with accreditation scheme • Private sector leasing scheme – landlord leases long-term to Council in return for lower rent (below LHA rate). Landlords charged a registration and management fee. • Naming and shaming bad landlords • Registration scheme pilot <p>Also:</p> <ul style="list-style-type: none"> • Mortgage lending scheme • 5 year residency test for Choice Based Letting • Private lets on CBL • Priority groups taken out of CBL and offered property direct
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C. GENERAL

9. Communities & Local Government Select Committee report on the PRS

Committee calls on government for:

- Simplification of legislation for landlords and tenants to understand
- Consultation on Housing Health & Safety Rating and quality standards
- Promotion of landlord and tenant rights & responsibilities
- Key fact sheet for landlords & tenants
- LGA mechanisms to share best practice
- Financial burden for enforcement should be on landlords who flout responsibilities
- Consult on LA power to issue fixed penalties for minor breaches without court action
- Power to LAs to recoup benefit/rent from landlord convicted of sub-standard letting
- Share best practice on tackling illegal evictions, but no statutory duty
- Increase police awareness of role in prevention of illegal evictions

- Give greater flexibility and encourage LAs to use existing powers and accreditation
- Greater flexibility over selective licensing
- Give LAs power to require landlords to become members of accreditation scheme
- As far as possible, burden of payment for accreditation/licensing/neighbourhood schemes to fall on unscrupulous landlords (penalties/fines etc.)
- Review mandatory licensing of HMOs
- LAs continue to limit HMOs via Article 4 planning directions
- Universities to work with LAs to ensure students don't have detrimental impact
- Develop electrical safety standards for private rented properties with industry
- Require rented properties to have smoke alarm
- Review of redress against letting agents to include deposit protection and penalties
- Subject letting/management agents to same legislation as sales agents (OFT) and same professional standards
- Code of Practice for letting agents
- Change culture to long-term tenancies
- Proposals to speed up evictions for non-payment of rent
- Council of Mortgage Lenders encourage lenders to relax restrictions on longterm lets
- Letting agent Code of Conduct to include explaining all tenancy options
- Longer term lets encourage tenants to ask for improvements and complain
- Increase supply of housing to control rents – no statutory rent control
- No rent control – should increase supply
- Encourage discussion and agreement of rent increases on long term lets
- LAs to ensure homeless families placed in suitable accommodation and in local area
- Share best practice on social letting agencies, PRS access schemes
- Allow LAs to apply for variation on rental market area boundaries
- Review LHA and scope for local flexibilities
- Task Group to consider better data collection on PRS
- Review tax regulation for PRS with regulators
- Support development of Build to Rent Fund and monitor applications and delivery
- Build to let task force to continue but must not become quango and results reported
- Review impact of Build-to-let in 12 months and change strategy if not working
- Revisit report on Financing of new Housing Supply

10. Making the most of the PRS in Wales – 10 recommendations to Welsh Government