

# **The Empty Homes Network**

3-Point Plan (2025-2030)

Member Consultation | (31st January - 28th February 2025)

## **Background**

The following three-point plan is being put forward for consideration of the Empty Homes Network's members. Seeking feedback and input, our three-point plan will outline the Network's wider objectives and vision over the next five years in order to provide clear and consistent messaging, and create lobbying points that will serve to encourage local authorities to invest more into their empty homes services. It will also support central government by giving clear direction as to the changes the Network would like to see implemented at policy level, with a view to increasing the number of empty homes brought back into use, along with increasing the focus and attention on the issue we believe it deserves.

#### **Aims**

The Empty Homes Network's three-point plan, aims to outline a clear set of policy recommendations, based on feedback and input from empty homes officers and local authorities nationally. Based on experience, practical and informed knowledge, this plan aims to support empty homes work by suggesting improvements to the field, increasing resources in an area often overlooked as a potential supply of housing, and to increase awareness of both the issues and solutions that empty homes can provide to local authorities, elected members, MPs and Central Government. This plan is intended to support all councils nationally, irrespective of current levels of empty homes resource, geographical, political and demographical differences, and provide clear messaging as to the changes The Network and its members would like to see implemented both nationally, and locally.

#### **Next Steps**

The three-point plan is being put forward to the Empty Homes Network's members for consideration and feedback, with a deadline date for responses of **Friday 28<sup>th</sup> February**. Feedback will be considered and any final amendments made, prior to being finalised with the Network's Executive Board, resulting in the final three-point plan being launched on **Friday 14<sup>th</sup> March 2025**.

Please email your comments, suggestions and feedback to: admin@ehnetwork.org.uk

## **Introduction**

The following three-point plan outlines a range of measures and recommendations for consideration of members of The Empty Homes Network. These measures aim to support and underpin work already carried out by local authorities nationally, but also to encourage those who don't either have an empty homes service or officer in place. It is intended that the following measures are to provide guidance and direction to policymakers on a national level, but also to support local authorities that currently have a resource in place by reinforcing their positive and proactive work further.

Within those measures, there are a number of recommendations that would serve to support the headline point, along with the justification and theory behind why these are being put forward. These recommendations have also been considered in terms of their potential timeline for implementation, and are categorised as follows:

- Immediately Achievable- Medium Term- Longer Term

- 1. National Strategy, Local Action | To implement a duty on local housing authorities to investigate and act on bringing long-term empty homes back into use.
  - 1.1 Without a duty to investigate and act, the work of returning long term empty homes to beneficial use by local housing authorities varies considerably. Affordable and sustainable housing provision is a shared value and aim of most, if not all local housing authorities. We believe a new duty to investigate and act on long-term empty homes will help all local housing authorities to drive a consistent national response, adding priority and ensuring local resources are available for this critical work. We believe that not only a duty to investigate, but a duty to act on long term empty homes, informed by new approved guidance, will ensure that all local housing authorities are fully equipped and ready to act, now and into the future. O
  - 1.2 Action needs to be embedded in strategy. We believe that a new National Empty Homes Strategy would provide a vision for action and growth, driving national progress for years to come. This new duty would ask all local housing authorities to develop a dedicated strategic approach to responding to the challenge of long-term empty homes. New approved guidance would help local housing authorities to ensure that their strategies are fit for purpose, appropriate to their unique circumstances and fully integrated with their wider housing strategies and corporate aims.

Included within this recommendation, central government and local authorities should be under a duty to have a dedicated empty property strategy or policy, complementing their wider housing strategy, linking with their corporate commitments and responsibilities within housing, the environment, and meeting local and national housing need. Empty homes should also be included as a component for action as part of an authority's local plan. O

1.3 Knowing the full scale of the challenge and measuring success is an important part of the strategic journey. We believe that local housing authorities should provide regular returns to government about their activity and action to bring long term empty homes back into beneficial use. Clear criteria, definitions and reporting tools would enable consistent and accurate data to be compiled, enabling trends and progress to be clearly identified, understood and mapped.

In support of empty homes work, central government are recommended to develop an empty homes specific reporting mechanism, that places a duty on authorities to report on the numbers of empty homes actively brought back into use with intervention. This can serve to highlight local authorities who are successful and proactive in their efforts, which in turn would encourage others of a similar size, geography or political make-up to follow suit. This can also highlight the successes of councils efforts in parallel to the release of the Council Taxbase Statistics.  $\bigcirc$ 

- 1.4 The implementation of a National Empty Homes Programme, similar to that seen in Wales and led by central government, a national programme of exposure, attention and solutions that would lead to large scale numbers of empty homes being brought back into use. Funded through the revenue generated by the empty and second homes premium receipts, this could include, but is not limited to:
  - 1.41 **National Loan Fund** | Enabling local authorities, empty home owners and community groups the opportunity to access loan funding for the purchase, acquisition or refurbishment of empty homes. A low interest fund, this would be repaid and recycled over the course of its delivery, and return perpetual value for money throughout its lifecycle. O

- 1.42 **National Acquisition Fund** | A national fund enabling local authorities access to finance for the purchase of empty homes, in order to increase their available housing, temporary accommodation, or care stock. O
- 1.43 **National Enforcement Fund** | Allowing local authorities the opportunity to mitigate their financial risk in carrying out works in default, a national enforcement fund would remove restrictive barriers experienced by local authorities, and enable charges to be placed on properties to ensure that funding is secured. O
- 1.44 National Enforcement Support Resource | The development and implementation of a national enforcement resource would equip local authorities with the tools and resources required to carry out enforcement work, where this is often delayed by limited knowledge or experience in the field. Mirroring the availability of such resource in Wales, local authorities would be able to seek guidance, assistance and support on challenging and protracted empty homes cases, and through mentoring, be taken through enforcement processes relevant to their current caseload. O
- 1.45 National Incentive Programme | Empty home owners often don't see their property as a problem, either morally, or as a detriment to their surrounding community. A national incentive programme, such as the boiler or diesel car scrappage scheme, would bring owners forward, and likely encourage the acceleration of their plans for bringing the property back into use. Incentives could include a payment where a property is sold to a local authority, reduced capital gains tax upon the sale where a property has been empty for over 12 months, or legal costs paid as a grant for properties sold where empty over a certain length of time. O

2. Making Council Tax work to support Empty Homes Services | Enabling and incentivising Local Authorities to increase and develop their empty homes resource, through the use of the Empty Homes Premium, the Second Homes Premium. Proposed changes to the current Council Tax regime, reducing or removing indefinite exemptions, and allowing greater access to information for empty homes officers

The following recommendations, it is envisaged, could all be implemented at pace and make a significant difference to the ability of local authorities to carry out empty homes work, but also generate much needed revenue. Whilst it is understood and appreciated that some circumstances mean the indefinite period of exemption would apply, these recommendations take those into consideration, and doesn't seek to penalise people in situations out of their control.

2.1 The Council Tax Empty Homes Premium is a welcome and essential tool in bringing properties into beneficial use. We believe that the adoption of these discretionary premiums by local housing authorities should be closely linked to their action on empty homes. We believe that only a local housing authority with a fit for purpose Empty Homes Strategy should be able to adopt the premium charges. This will add strength, credibility and rationale to this additional tax.

The diminished returns provided within the New Homes Bonus for empty homes work, has led to a situation where councils are now rewarded financially through properties remaining empty for longer by way of receipts from the Empty Homes Premium. Inadvertently, this means that authorities are often discouraged from pursuing empty homes cases due to the levels of premium being received.

With this, it is recommended that local authorities should be restricted in their ability to charge the Empty Homes Premium where empty homes are not currently pursued beyond a complaint resolution. By implementing the Empty Homes Premium, a local authority is suggesting that a property liable for such additional charge is an issue, and therefore, we believe, should subsequently be providing solutions and support in order to alleviate the owner of such charge. O

2.2 A replacement of the incentive provided by the New Homes Bonus is proposed to reward councils financially for carrying out empty homes work, in relation to properties brought back into use which have involved council intervention. Based on a predetermined criteria of what intervention involves, empty homes teams can be rewarded by way of allocated funds generated through the Empty or Second Homes Premium, to support their work through increased resources and capacity, or to begin other initiatives such as loans, grants, or acquisitions.

Building on the point outlined in point 1.3, a national reporting mechanism would be a further catalyst for such incentive, and in turn encourage councils to begin or increase their focus on empty homes work. O

- 2.3 Similarly to a scheme implemented by the Welsh Government, Council Tax Premium receipts could be used and ringfenced for use to support local people onto the housing ladder. Either first-time buyers, or those moving into previously empty homes, such initiatives prove successful particularly in areas where there is a high percentage of second homes, and or holiday let accommodation. O
- 2.4 The removal of indefinite exemption and discount periods | Currently, the discounts and exemption regime within Council Tax legislation means that in certain circumstances, properties can

remain stagnant and within an exemption class in perpetuity. This leads to a position where the incentive to be proactive in bringing a property back into use by the owner is largely removed. By imposing a maximum period, or a periodical application for a local authority to approve, this will remove the ability for properties to sit in an exemption for perpetuity, even where an owners circumstances change but where the authority are not made aware. O

- 2.5 The implementation of a probate application time limitation | Current legislation means that properties subject to probate can sit in an exemption in perpetuity, where for example there is a single beneficiary, or where circumstances mean that their liability for an asset would result in changes to their income, benefits or tax liabilities. This not only results in properties remaining empty for longer, but also reduces the ability for councils to generate income from such properties. By imposing a probate application time limit, such applications would have to be submitted within a specified time period, with properties subject to council tax liability from such time that the time limit expires, therefore removing the ability for a property to sit in a Class F exemption indefinitely.
- 2.6 Allow local authorities and empty homes officers the ability to have properties rebanded/relisted with the Valuation Office Agency | With owners becoming more aware of the charges imposed on empty homes and subsequent premiums, an increasing number of properties are being taken out of banding and therefore removing the disincentive of council tax and the ability of the authority to charge a premium. It is recommended that Councils, and in particular empty homes officers, should be able to present an evidence based case for the relisting/re-banding of properties, where owners have failed to take action or carry out their plans. By enabling officers to apply for a relisting, the council will be allowed to reinstate council tax liability, and implement a financial charge that could prompt affirmative action. O
- 2.7 To allow an empty homes officer greater autonomy in supplying information, based on evidence, for council tax accounts to be changed, challenged or updated | Currently, many local authorities see the role of an empty homes officer and their revenue and benefits teams as separate. In contrast, some see them as an integral part of maintaining accurate and relevant information in order to ensure that any charges, discounts or exemptions are accurately accounted for on accounts. By supporting empty homes work, local councils can implement a joint working arrangement for the supply and sharing of data, so that empty homes are pursued, but also so that accounts are kept accurate and up to date. An empty homes officer, through engagement with owners, neighbours and complainants, is often best placed to report on council tax accounts that are incorrect. Councils should therefore be enabled to allow empty homes officers the power to implement, add, or remove discounts or premiums based on their evidence and experience of an empty home and its owner.
- 2.8 To legislate and allow for read-only access to Council Tax accounts, for relevant officers | Also, whilst current legislation permits limited access to council tax information relating to empty homes, this could be taken a step further, resulting in significant changes in the ability of officers to carry out their roles. By permitting officers within the authority to have read-only access to council tax information, they can respond quickly to complaints, investigate cases of empty homes effectively and efficiently, and ensure a comprehensive database of information is built in order to track, manage and maintain accurate records. O

# 3. Redefining Powers, Unleashing Potential | The development of empty homes specific enforcement tools

Whilst enforcement is always considered as a last resort, current legislation, on the whole, was never designed for the specific use of targeting empty homes, with the exception of the Empty Dwelling Management Order.

Also, all current enforcement tools available to local authorities fail to result in the occupation of a property without further work, investment or resource expended by the local authority. With many councils apprehensive to carry out enforcement work at such cost, they are left with little option than to focus efforts on where most value for money and benefit to the local community would be gained. Even where the financial outlay is of lesser concern, the enforcement tools available to local authorities would unlikely lead to significant numbers of empty homes being brought back into use, and therefore the tools and powers at their disposal, need to be tailored and targeted at the most problematic, challenging, and least engaged cases.

- 3.1 The recommendation to alter current EDMO legislation | The Empty Homes Network currently view the EDMO as largely fit for purpose, with the recommendation that small changes to the legislation would enable a smoother and less restrictive ability to make an application. In line with the Welsh Government, it is recommended that an EDMO can be applied for after a property has been empty for over six months. A small change to the legislation would also impose a primary charge on the property, taking precedent over a mortgage, which would in-turn ensure that the funds owed to the council are repaid upon the sale of the property first. Also, removing the best value element for the end use of the property, would open up the potential of being able to use more properties subject to an EDMO, for use within the social housing sector. However, supporting such change would require a degree of higher investment and contingency from the local authority, to cover management costs and void periods. O
- 3.2 The development of an enforced sale-style option, without the requirement to apply charges to a property prior to making an application | Bridging the gap between the morality of leaving a property empty, and it is posing no issue to the neighbours or local community, the Network proposes a form of Compulsory Sale or Empty Dwelling Sale Order, whereby a local authority can apply to a Court or Tribunal to forcibly sell a property. Similar to an EDMO, foundational work will have been carried out and every opportunity given to the owner to voluntarily take action. However, where there is little or no engagement, and a property has been evidenced to have been empty for a number of years, a council are currently limited in their options of enforcement. Where an EDMO would result in some form of financial outlay from the authority, such power would alleviate this by simply transferring the ownership through an auction, and so that best value can be achieved. Evidence would have to include efforts to engage with the owners, examples of attempts to trace and ensure ownership details are correct, and that all avenues have been expended in offering the owner the appropriate solutions to their circumstances. O
- 3.3 A form of notice that certifies a property as being empty, removing the challenge from an owner to classify the property differently for council tax purposes | To build on the potential effect that the recommendations in 2.7 propose, an evidence based notice to classify a property as empty, rather than being occupied or classed as a second home, when served, would allow the opportunity for local authorities to correctly class a property and therefore apply a full charge or an empty homes premium where applicable. Based on the professional expertise of the officer dealing with the complaint/property, a notice could be issued to the owner in advance of any changes being made, in order to offer them the opportunity to challenge the decision of the officer. Upon expiry of the notice, a property is then reclassified for council tax and the appropriate charges applied. O