



## Scrutiny Briefing Note

The Economy Scrutiny Panel have asked to monitor progress on the following issues. This briefing contains the latest position as at end February 2022.

### **Subject: Update on Empty Property Strategy**

#### **Introduction**

The purpose of this briefing note is to provide an update to Scrutiny Panel on the actions and progress made to deliver the North East Lincolnshire (NEL) Empty Property Strategy.

#### **Background**

In July 2020, Cabinet approved the Empty Property Strategy, detailing how the Council and its partners will work to bring empty properties back into use.

Since adopting the strategy, the Council, COVID-19 brought about challenging and restrictive circumstances, in implementing the strategy action plan.

As of the 27<sup>th</sup> December 2021 there was 1776 Long Term Empty (LTE) properties within NEL. An LTE property is defined as a property which has been empty for six months or more. Within these figures there are 541 properties which have been empty for more than two years and 218 properties having been empty for over five years. This compares to 2021's figures of 502 empty properties which have been empty for more than two years and of these and 148 properties have been empty for over five years.

The annual Government report for long-term empty properties have highlighted a fall in the number of empty properties between 2020 and 2021 of 288 properties within North East Lincolnshire. The governments data suggests that 1 in 44 properties within North East Lincolnshire are empty.

EQUANS Empty Property Team (EPT) have continued to assess the top 100 longest empty properties and are targeting those that adversely impact on the neighbourhood, using the various options within the strategy. The team has successfully brought one of the longest empty properties, which has been causing significant anti-social behaviour and empty for 14 years, back into use.

The contractual target for Regeneration Partnership with EQUANS is to bring 40 units per year back into use, however, EQUANS endeavour to return as many units as possible back into use. As of the 1<sup>st</sup> February 2022, 35 empty properties had been brought back into use with a pipeline to exceed last year's total of 43.

Reducing the number of empty properties in the Borough is challenging due to minimal financial assistance available for landlords to bring properties back into use. COVID - 19 has presented



several challenges, as lockdown has affected some investors, discouraging them from purchasing properties due to the uncertain economic climate. Investors have expressed concerns over obtaining finance and/or a reliable supply chain for materials/trade personnel, to acquire and refurbish properties, especially since coming out of lockdown. Post lockdown there has been a significant increase in the cost of materials and the availability of competent tradespersons.

## Progress to date

- **NELC Empty Property Working Group** – This group has representatives from Council Tax, Home Options, Debt Recovery, Environmental, Planning, Building Control and the ASB teams, who come together to assist and add value in delivering the Empty Property Strategy, supporting EQUANS. The group targets empty units, particularly problematic long term empty properties to look at ways they can work together to bring them back into use.

Recent successes of the group include;

- Through partnership working with Council Tax and Debt Recovery, a landlord had failed to repay his empty homes loan. Despite efforts made by the Council to work with the landlord and agree a repayment plan, he failed to make regular payments. As a result, the Council took possession of the property which motivated the owner to repay the outstanding balance of £17,000 to avoid an enforced sale.
  - The Empty Property Team (EPT) were faced with a long-term problematic property on the West Marsh. The property was subjected to regular fly tipping and the external condition of the property deteriorated. The property had been empty for five years. In addition, the owners of the property had debts to the council in excess of £15k. Working collectively, we negotiated a voluntary acquisition of the property which resulted in all outstanding debts repaid to the Council and a change of ownership. The property is to be used as follow-on accommodation for the NELC Home Options Team, which reduces the burden of using expensive temporary accommodation.
  - The EPT are currently working on an empty derelict property on the outskirts of Healing, which is a source of ASB and there are considerable debts to the Council. The owner of the property disappeared several years ago and through joint working, the Council are now progressing with applying to the courts for a possession order which will allow the Council to an enforced sale of the property. This will allow the Council to recover the outstanding debts and force a change of ownership to a site which will be popular to developers, advertised on the open market.
- **The Empty Property Hub** meets every quarter and brings together registered providers and charities, with the sole purpose of identifying and working together to bring empty property back into use.



The group has supported local charities, including the YMCA, Women's Aid and Doorstep to obtain financial assistance in bringing empty properties back into use by providing additional quality housing for vulnerable members of the community, creating a sustainable pathway for residents enabling them to live independently, with the right short-term support, as well as stimulating the economy and improving the look and feel of the neighbourhood. Over the last 12 months the group membership has grown to include East Marsh United and Foresight.

Over the last 18 months the Council has awarded seven grants, ranging from 5 to £15k, to assist members of the group to bring empty properties back into use and continue to work closely with the members looking for new properties. Due to Covid this has resulted in increased costs in materials which has made the refurbishment of some properties very challenging and potentially unviable, and this is where NELC steps in to bridge the gap.

Both the EPT and Empty Property Hub have provided structure and governance in delivering the Empty Property Strategy to optimise performance, working to reduce empty properties in the Borough. This collaborative working is making a difference but, with any service, staffing resource is key. EQUANS currently employ one part time Empty Property Officer, hence the need to bring in extra support from other teams.

The strategy and oversight of performance is monitored by NELC Strategic Housing Team, which consists of Jacqui Wells (Head of Strategic Housing and Mark Nearney (AD).

- **Providing suitable housing for those in need** - The EPT work with charities and registered providers to source empty properties that meets the local housing need. Targeting residents waiting for social housing is also discussed as we look to utilise the DFG budget and marry up an empty property, meeting the individuals or family needs.
- **Empty Property Leasing Scheme** - The Head of Strategic Housing/Head of Home Options, are developing an Empty Property Leasing Scheme which should allow the authority to take possession of empty properties, either voluntarily or mandatory from the owner, supported by housing legislation. The scheme is being reviewed by NELC legal officers. It is intended the properties will be let by the Council to house homeless households and reduce the pressure on budgets created by using temporary bed and breakfast accommodation. There has already been significant interest in the scheme from owners of empty properties.
- **Community Housing** – East Marsh United, supported by NELC, have now purchased, refurbished and successfully let their third property. The group have actively worked to enhance their neighbourhood and have targeted long term problematic properties. All three properties had been empty for a combined 22 years. A separate company working in partnership with East Marsh United called East Marsh Construction has been established who undertake the refurbishment works employing local residents who help



to refurbish and develop the properties. They currently employ 10 local people and five from the East Marsh who were previously unemployed.

- **Engagement with Owners of Empty Properties** - The EPT are currently in the process of writing to owners of properties whose properties have been empty for more than two years. These letters provide a questionnaire to see if they are interested in selling or leasing their properties to the Council or charities / housing providers and encouraging them to take action or face increased Council Tax charges.
- **Properties in Probate** – The EPT are working with a tracing agency to tackle properties that are in probate and the owners cannot be found. Over the last 12 months this has proven to be successful, however the process is very lengthy and can take some time before the legal complexities have been resolved and the responsible person is in a position to sell the property. Further potential investigations of the probate list are being reviewed with Council Tax to try and speed up the process.
- **Implementation of the Housing Assistance** – Energy Repayment Loans are now available for Landlords of empty properties. The scheme is in its infancy, and it usually takes a while for schemes such as this to develop momentum. NELC will continue to promote the scheme where possible. The Council have received funding as part of the Green Homes LAD2 and LAD3/HUG schemes which offer assistance for landlords who have a property with an EPC rating of D, E, F to upgrade the energy efficiency of the property. This includes a fabric first approach where measures include external wall Insulation, cavity wall insulation, loft insulation and upgrades to electric heating. The landlord has to make a contribution of 30% of the cost of the works.
- **Database to Prioritise Case Loads** – NELC has approved the implementation of a new enforcement database which is due to be live by Spring 2022. This will allow a more streamlined approach to caseloads whilst officers are working onsite, improve joint working and help target problematic empty properties.
- **Looked After Children** - The EPT have identified a few properties for consideration to house looked after children. An Accommodation Strategy for NELC, led by NELC's Asset Team coordinates and understands the property needs of the Council, as a collective, which will provide efficiencies, reduce waste and potential duplication. The EPT have continued to search for potential large HMO's which could be used by the Children services.
- **Providing additional Housing for those most in need** - The Council were successful in their bid and have now been awarded funding by MHCLG to purchase properties to lease to homeless/rough sleepers, and also funding to ensure there is the right support to help clients to settle, giving them time and a space where they can tackle some of the issues causing them to become homeless, as well as easing them into a long-term tenancy and independent living. Many charities are unwilling to take on the more complex and challenging cases, even more so during COVID19, which has led the Council to



purchase and manage their own housing stock. NELC now operate 3 dwellings, which were all empty units.

- **Working with developers** – The EPT, work pro-actively with investors and developers. There are currently approximately 100 investors on the approved list. The Housing team hold open days to speak with investors and attract additional investors to the area. Unfortunately, due to COVID-19 these were paused, but officers still stayed in contact with the more active investors. It is proposed that a developers/investors list will be reviewed in Spring 2022.

We have been successfully working with developers in bringing large empty residential properties back into use as House in Multiple Occupancy (HMO). Having introduced a national investor to NEL, over the last three years they have (anecdotally) invested in the region of £4 million in 39 properties. Investing in the economy through local jobs and opened a high street shop in Cleethorpes.

- **Working with Registered Providers (RP)** - We contact and communication with RPs around their asset disposal policy and try and intervene where we have a viable option, ultimately RPs are standalone organisations. We are currently in the process of a voluntary acquisition of one of their properties, ensuring it is put to good use, does not just become another empty home.

### **Proposed/Ongoing Actions**

- **Guidance on Converting Residential Properties into HMO's** This work has been completed in partnership with Building Control and guidance is available to ensure that potential purchasers are fully aware of meeting the required standards and legislation.
- **Empty Homes Working Group** A workshop was held between representatives from various teams within EQUANS including Building Control and Planning to identify joint working practices involving bringing empty properties back into use.
- **Gateway Scheme** - This scheme has been led by the Community Protection team and has targeted properties located on Cleethorpes Road/Grimsby Road to improve the visual appearance impact on the neighbourhood. By working with the owners, the scheme is encouraging them to look at bringing the properties back into use and a change from office into residential. This has proved to be highly successful and work has now commenced on long term empty properties where the owners had previously failed to engage. The project officers have engaged with two particularly hard to engage owners namely Hamptons property which is now fully scaffolded prior to refurbishment and the Albion pub which has now been approved for demolition by the Planning Team. We understand the Gateway scheme is due to end on the 31<sup>st</sup> of March 2022.
- **Monthly Reporting** - A monthly report is now prepared for the client which identifies the monthly trend throughout all classes of empty homes. This provides a greater

No of LTEH March 2021	No of LTEH ytd
1835	1815





## **Performance**

At the time of writing this report, the EPT has currently brought back into use 35 properties, which can be broken down into the following wards:

### **Heneage Ward**

A total of six properties have been brought back into use, all through advice and assistance by Housing Team. The length of time that they have been empty range from four months up to nine years. One of these properties have been empty for nine years and was purchased and refurbished by a charity, which assists vulnerable adults. Two of the properties were converted from residential properties to quality HMO's, with which one is occupied by key workers. These had been empty for three and nine years.

### **Sidney Sussex Ward**

Three properties have been brought back into use through advice and assistance. The length of time these properties have been empty range from between 30 months and 12 years. The property was owned by an elderly couple who rented out the property, however the property has stood empty for 12 years as the previous tenants had damaged the property and they were unable to afford the repairs.

### **East Marsh Ward**

A total of thirteen empty properties have been brought back into use in the East Marsh. The Council worked very closely with East Marsh United who have brought a total of three properties. The length of time these properties were empty were between four and 14 years. A further two properties brought back into use were purchased by a local housing charity which were empty for 13 to 16 months.

### **Park Ward**

Six properties have been brought back into use within the Park Ward. The length of time these have been empty are one month and nearly 13 years. Three of these properties were refurbished as a Mandatory Licensable HMO.

### **Croft Baker Ward**

One property has been brought back into use in this ward. The property had been empty for just under 16 months and has been converted into a very high-quality HMO.

### **South Ward**

A total of 3 empty homes have been brought back into use within this ward. Working in partnership with Community Protection, the EPTs facilitated the voluntary acquisition of a property which had been empty for just over 12 years and causing significant ASB. The property was purchased by LHP and has now been demolished. The



EPT have worked closely with a charity assisting with the acquisition of a property which has been empty for in excess of 3 years.

### **West Marsh**

The EPT have proactively worked with the previous owners of Freshney House to support and secure the change of ownership of the property. The property has now been fully refurbished into 29 low-cost apartments and are due to be occupied shortly. NELC are currently working on a plan with the RP to utilise parts of the building and NELC have insisted the RP funds a concierge service to monitor behaviour and social activities.

A further 2 empty properties which have been empty for 12 months and 32 months have been brought back into use by a local charity.

### **Contact Officers:**

**Mark Nearney, Assistant Director for Housing, Highways, Transportation and Planning – North East Lincolnshire Council**

**Paul Thorpe, Operations Director - EQUANS**

**If you require any further information please contact the named officers or alternatively,**

**Anne Marie Campbell, Scrutiny and Committee Advisor**

**Tel: (01472) 326132**

**If you would like to find out more about scrutiny you can contact us:**

**by email** [democracy@nelincs.gov.uk](mailto:democracy@nelincs.gov.uk)

**on our website** [www.nelc.gov.uk/council/councillors-democracy-elections-/scrutiny/](http://www.nelc.gov.uk/council/councillors-democracy-elections-/scrutiny/)

**or by post** NELC Scrutiny Team, Municipal Offices, Town Hall Square, GRIMSBY DN31 1HU.