

LONDON BOROUGH OF BRENT
THE PERFORMANCE & FINANCE SELECT COMMITTEE
13th JANUARY 2004
FROM THE DIRECTOR OF HOUSING SERVICES

NAME OF WARD(S)
ALL

REPORT TITLE: EMPTY HOMES

For: Information

Above Below
Confidential Line

1. Purpose

- 1.1 This report is at the request of your Select Committee
- 1.2 The purpose of this report is to provide information on Empty Homes and to indicate how this is contributing to resolve some of the wider issues of homelessness, an area of financial risk to the council.

2. Detail

- 2.1 Empty homes are a general concern to the Council but also to the community for a number of reasons:-
 - 2.1.1 they are a blight on our neighbourhoods and streets;
 - 2.1.2 the number of statutory homeless households in the borough could in theory be housed if all empty homes were brought back into use;
 - 2.1.3 they present a health and safety risk to the community.

2.2 Specific Work on Empty Homes

- 2.2.1 In itself, empty homes work stands alone, as the benefits are easily demonstrated. The Council has a significant enabling, regulation and enforcement role in the Private Sector and this has been recognised year on year with significant capital investment in this work.
- 2.2.2 Grants are available to landlords to convert or restore empty properties to residential use provided that they allow their property to be used for five years by the Council to house the homeless. There is no maximum limit on the amount of grant available with an average grant amounting to £15k.

2.2.3 The Empty Property Grant (EPG) budget of £2m is well on the way to being spent. So far this year, 88 properties have been brought back into use with an additional 47 in the pipeline. This will total 135 outputs for the year. This area of work has significantly grown over the years as homelessness itself has risen. Many local authorities are using their discretionary grant powers to lever in more supply of units to assist with their homelessness crisis.

2.3 Empty Homes and Homelessness

2.3.1 As stated above, work on bringing empty property back into use has many benefits to the community; however, its importance has really been realised when considering the homeless problems of the borough. The Empty Property Strategy links the homelessness issue and has developed an action plan to ensure at its centre is the need to enable units brought back into use to be accessed by homeless households. One of the issues the action plan seeks to resolve is that of the inconsistency of the number of empty homes in the borough. There have been many attempts to tie down the actual number of empty properties but there still remains a problem with the actual figure. Work continues to deal with this area but the Council Tax records are the main source for identification.

2.3.2 According to current records there are over 4,500 empty properties in the Private Sector; of these 2,500 have been empty for over 6 months. However, according to the recent stock survey, there are 2220 vacant private sector dwellings in Brent of which 549 have been vacant for over 6 months. Landlords pay less Council Tax if they report a dwelling vacant and therefore this could account for the large disparity. However, this does not cloud the fact that there have been historical issues about the accuracy of the figure.

2.3.3 Although the Council are working more effectively with private sector landlords, the market is being accessed from a number of different directions. Homelessness is big business in London and the government have heated the market up significantly with its drive to reduce the number of families in hotels to nil (apart from emergencies and then only for 6 weeks) by the end of the financial year. They have invested significantly in initiatives by local authorities to assist them moving towards their targets.

2.3.4 Delivering 135 empty homes back into use and accessing these for homeless households represent a good contribution to managing the homeless issues in the borough. This year, the Council is projected to access approximately 800 leased units managed by Housing Associations under its tendered leasing scheme. Currently the Council has over 4,000 households in all forms of temporary accommodation and has approximately over 2,000 households approaching as homeless each year. This year the Council is projected to accept less than half of these households presenting as homeless. With the Council housing stock reducing each year, access to permanent accommodation has become more difficult, but anticipates housing just over 1,000 households from its housing stock and Housing Association stock this year. The 1,000 figure is all households from all of the Council's lists not just homeless. The homeless rehousing figure will be roughly 65 – 70%. Every year, the Council struggles to house enough homeless households to keep the temporary accommodation figure from expanding significantly.

2.3.5 Given the significant resources the government has made available, local authorities have been able to introduce innovative schemes or schemes which could not have been ordinarily tested in the market place given some risks associated with them. However, this ability to test new products has proved to be very successful and has contributed to significant progress in moving towards the governments Bed & Breakfast targets. Specifically, officers have introduced a number of leasing schemes and a direct discharge of homeless duty scheme into private rented property. Resources have been directed to complement resources already made available for empty homes to convert loft spaces for larger families. Below is a summary of the initiatives paid for through Bed & Breakfast Unit resources:-

Bed & Breakfast 2003/4 Action Plan - Performance to Date

Initiative	2003/4 Target	Actual*
Breaking the Chain	115	80
Housing Advice/Prevention	50	83
Housing Benefit	80	158
Private Sector Leasing	180	139
Homefinders	31	73
HALS Lease End	100	60
Enhanced Incentives - Out of Borough	32	29
Enhanced Incentives – Under occupation	32	20
Loft Conversion	15	13
Anti Fraud Initiative	0	12
Total	635	667

* these actuals are to end of November 2003

2.3.6 The above describes initiatives which either prevents the Council accepting a duty to house a homeless household, increases the supply of units or assists those already accepted as homeless to move into alternative permanent accommodation. However, even with the above effort over the last few years, significant effort needs to be put in to retaining the position as it is. Basically, it would take a minor blip to send the equation out of equilibrium.

2.4 Is Empty Homes work Cost Effective?

2.4.1 The Council is projected to spend just over £2m on empty homes this year. This includes an additional £500k of capital resources from the Council. This level of spending is anticipated if Housing Services continues to receive £5m capital resources for the coming years. There are risks to this however. As priorities shift in the Council and in Housing Services there could be the issue of reviewing the £5m allocated to private sector work. Also, resources are now being distributed on a regional basis and resources for the coming financial year has already been cut.

- 2.4.2 When attempting to look at whether the money spent on empty homes is money well spent it is difficult to know what to compare. Usually the equation is simple as on average it costs roughly £250 a week to keep a household in bed and breakfast. The problem is that then a factor for subsidy received needs to be included. In crude terms, without taking subsidy into account, over a five year period, the Council can save up to £60k by keeping a household out of B&B. However, this is a very crude calculation and the whole budgeting process is finely tuned and takes into account many factors which are not discussed here.
- 2.4.3 Whilst the money aspects are important, what must be remembered is that empty homes work brings other benefits. These wider benefits are to our neighbourhoods and streets. It has been shown that abandonment feeds the issues of social exclusion and people do not want to live in areas blighted by empty properties. This also attracts vandalism and crime. So there are many reasons why the Council must tackle this area of concern. However, it is not just about throwing money at the problem. There is an active ongoing campaign to raise awareness of empty homes work and to ensure that where empty homes exist that they are reported. Unfortunately, many landlords who own these homes are not landlords who own many properties, but usually they own just the one and in most cases have no idea how to be a landlord or know what their responsibilities are.
- 2.4.4 Whilst there is help at hand for those who need advice and assistance to bring their property back into use, there are also powers available to the Council to bring properties into use by force. Unfortunately, Compulsory Purchase Orders (CPOs) are slow and have not been that useful to us. There are moves to streamline the process but this looks far off.

3.0 Conclusion

- 3.1 A number of years ago, the Council was criticised for not having an active enough Empty Homes Strategy. At the time little resources was put towards this area of work and this was within the backdrop of having a larger than average private rented sector (17% compared to the national average of 10%). Now, the Council has developed good relations with the Empty Homes Agency and spends significantly more resources on empty homes work than the majority of London boroughs do individually. There are clear reasons why this is done, mainly because we have a large private rented sector and we still have the third biggest homeless problem in England and Wales. The empty homes work that is carried out in the borough is significant and aids many causes. Next year empty homes work will be one of the Council's PSA stretch targets such is the importance and profile it has attracted over the last few years.

4.0 Background Information

Empty Homes Strategy 2003/4
Private Housing Services Operational Plan 2003/4
2003/4 B&B Action Plan – Performance to Date

Any person wishing to inspect the above papers should contact:

Colin Moone
Assistant Director of Housing (Needs & Private Sector)
Housing Directorate
5th Floor, Mahatma Gandhi House
34 Wembley Hill Road
Wembley
Middlesex HA9 8AD

Tel: 020 8937 2332
Fax: 020 8937 2282
E-Mail: Colin.Moone@brent.gov.uk

Martin Cheeseman
Director of Housing Services