

REPORT TO	DATE OF MEETING
Cabinet	16 June 2016



Report template revised June 2008

SUBJECT	PORTFOLIO	AUTHOR	ITEM
Housing Capital Programme Reoccupation of Empty Properties	Strategic Planning	Strategic Housing Manager	4

SUMMARY AND LINK TO CORPORATE PRIORITIES

This report provides Cabinet with an overview of the work being undertaken to support the reoccupation of empty properties across the Borough.

It recommends to use Housing Capital Programme monies to support the extension of the “A Place to Live” scheme, which is a partnership project with Methodist Action.

The contents of this report supports the Corporate Priorities of “A Strong South Ribble in the heart of a prosperous Central Lancashire” and “Creating Strong and Healthy Communities”.

RECOMMENDATIONS

It is recommended that Cabinet:

- a) Note the work that is ongoing in relation to the reoccupation of empty properties, and related performance information.
- b) Authorise the council to enter into an agreement with Methodist Action North West for the purposes of providing “A Place to Live” Scheme
- c) Approve the expenditure of £100,000 Housing Capital Programme monies for the “A Place to Live” scheme.

DETAILS AND REASONING

Background

South Ribble Borough Council has identified the reduction of empty properties as a priority within its Strategic Housing Framework. The Housing Capital Programme identified £100,000 for tackling empty properties across the Borough to be spent over the period of the Housing Framework from 2016 to 2019.

In 2015 /16 the Council undertook a number of initiatives aimed to reduce the number of empty properties. The national and local housing market is linked closely with economic confidence and performance. The current level of empty properties within South Ribble represents 0.58% of the total housing stock. This is considerably lower than the national average of 2.60% and the North West average of 3.43% (Empty Homes (national campaigning charity), 2015).

Appendix 1 shows the current level of empty properties in South Ribble.

Current Empty Property Work

In the past 12 months, significant work has taken place to ensure a proactive approach in reducing the number of empty homes. This work has included:

- The development of a database of all empty homes across the South Ribble. Each property on the database has been inspected and has a record of details.
- Production of an empty properties leaflet, which provides information to owners of empty properties.
- All owners of empty homes have been written to, and also been sent a copy of the empty properties leaflet. This has resulted in owners providing information on the property, enabling more accurate records. In some cases, owners have started the process of selling or reoccupying the empty property following contact.
- A drop-in advice session for owners of empty properties held during Empty Homes Week in December 2015. (This will be repeated in December 2016).
- Initial proceedings have begun for the compulsory purchase of a long term empty property in the Borough. This was following the exhaustion of all other possible alternative options.
- The reoccupation of 5 properties directly through the “A Place to Live” scheme.

“A Place to Live” scheme

In order to help further reduce the number of empty properties, the Council has committed £100,000 from its Capital programme to address empty homes. It is planned to continue the “A Place to Live” scheme. This project is essentially based upon a “repair and lease” model for empty homes. Owners of empty homes are given a recoverable grant to make improvements to their property. Properties are then leased to Methodist Action, a local charity, for between 5 and 10 years. Methodist Action then rent the properties out to households in housing need (at rent in line with the Local Housing Allowance). A proportion of the rent is retained by Methodist Action to repay the recoverable grant and for their management costs. The remaining rent is provided to the owner. The recoverable grant is paid back through the rent to Methodist Action over 3 years, and can be recycled for use for more empty properties.

The project has been successfully delivered since 2013 when it was funded through a grant from the Department of Communities and Local Government. This funding is no longer available. (The project won Best Local Authority / Community Housing Organization Partnership at the national Empty Homes Conference 2015).

It is proposed that the scheme continue and be supported by Housing Capital monies for the following reasons:

1. The partnership is already tried and tested, and operational processes and practices have already been refined to take account of any issues that have arisen in terms of which empty properties should be targeted, the level of spend per property and standards to be achieved as well as the management arrangements for the properties that need to be applied by Methodist Action North West.
2. This scheme increases the number of good quality well managed private rented accommodation available in the Borough. It also assists the council in meeting housing needs and preventing homelessness by making the properties available to people referred through the Borough’s Housing Options team.

3. As the monies are a recoverable investment (paid by to Methodist Action) rather than a grant paid directly to the property owner, it means that monies can be recycled for the use on other empty properties.
4. By having a third party organisation leasing and managing the properties and instructing contractors, this minimises any potential financial risks placed directly upon the Council.

Experience in the current scheme shows the average amount of grant allocation per property to be circa £12K. On that basis the grant funding should facilitate around 8 properties being brought back into use. A Memorandum of Understanding will be produced to ensure both parties understood their roles within the process. In addition, the Empty Homes Policy has been reviewed to include this approach.

WIDER IMPLICATIONS

In the preparation of this report, consideration has been given to the impact of its proposals in all the areas listed below, and the table shows any implications in respect of each of these. The risk assessment which has been carried out forms part of the background papers to the report.

FINANCIAL	<p>The Housing Capital Programme includes a £100,000 budget in 2016/17 to address Empty Properties in the borough.</p> <p>Under the proposed scheme set out in the report, the grants will be paid to Methodist Action (MA) on the satisfactory completion of the improvement works. The grant monies will be recovered by MA and the legal agreements will protect the Council's monies once they have been repaid back to MA to ensure that they will be recycled back into empty properties in South Ribble.</p>
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LEGAL	<p>Formal legal documentation will need to be drawn up to govern the relationship between Methodist Action North West and the council.</p> <p>Legal services will check the detail and ensure that the council's position is protected as much as possible.</p>
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RISK	<p>The main risk associated with this project relates to the repayment of the recoverable investment. This will be managed through a service level agreement, regular liaison meetings, regular monitoring reports, and payment procedures.</p> <p>This risk associated with not undertaking this project is a potential increase in the number of empty homes across the borough.</p>
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THE IMPACT ON

An equality impact assessment has been undertaken for the Strategic Housing service and there is a neutral impact on the protected
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OTHER (see below)

<i>Asset Management</i>	<i>Corporate Plans and Policies</i>	<i>Crime and Disorder</i>	<i>Efficiency Savings/Value for Money</i>
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<i>Equality, Diversity and Community Cohesion</i>	<i>Freedom of Information/ Data Protection</i>	<i>Health and Safety</i>	<i>Health Inequalities</i>
<i>Human Rights Act 1998</i>	<i>Implementing Electronic Government</i>	<i>Staffing, Training and Development</i>	<i>Sustainability</i>

BACKGROUND DOCUMENTS

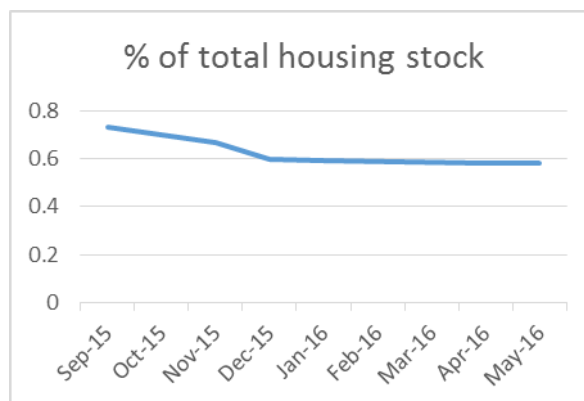
South Ribble Strategic Housing Framework 2016/2019.

Appendix 1

Empty Homes Information as of May 2016

Overview

Number of Empty Properties	286
% of Total Housing Stock	0.58



Length of Time Empty

Time	Number of Properties
1-2 years	168
3-5 years	63
6-10 years	27
Over 10 years	28

Empty Properties by My Neighbourhood Area

My Neighbourhood area	Number of Properties
Central	50
Eastern	81
Leyland	75
Penwortham	44
Western Parishes	36