

<b>HOUSING RENEWALS POLICY 2017 - 2019</b>
<b>Councillor Irene Walsh, Cabinet Member for Communities and Environmental Capital</b>
<b>February 2017</b>
<b>Deadline Date: February 2017</b>

Cabinet portfolio holder: Responsible Director:	Councillor Walsh, Cabinet Member for Communities and Environment Capital Adrian Chapman - Service Director - Adult Services & Communities
Is this a Key Decision?	YES If yes has it been included on the Forward Plan : Yes Unique Key decision Reference from Forward Plan : KEY/9JAN17/03
Is this decision eligible for call-in?	YES
Does this Public report have any annex that contains exempt information?	NO
Is this a project and if so has it been registered on Verto?	NO

## R E C O M M E N D A T I O N S

The Cabinet Member is recommended to approve the Empty Home Strategy 2017 - 2019.

### 1. SUMMARY OF MAIN ISSUES

- 1.1 This report seeks the Cabinet Member for Communities and Environment Capital's approval for the Council to adopt the refreshed Empty Homes Strategy 2017 - 2019. The purpose of the Strategy is to detail the activity and successes during the time period of the previous Strategy and to detail the provisions (both voluntary and statutory) available to the Council to bring empty properties back into use. The Strategy also introduces Empty Homes Assistance to act as an incentive for owners the carry out the necessary works and fully explains the private leasing scheme whereby the Council take over the management of the property in order to accommodate families in housing need in properties that are affordable.

### 2. PURPOSE OF THIS REPORT

- 2.1 This report is for the Cabinet Member for Communities and Environment Capital to consider exercising delegated authority under paragraphs 3.4.3 of Part 3 of the constitution in accordance with the terms of their portfolio at paragraph (c).

### 3. **TIMESCALE**

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If Yes, date for relevant Cabinet Meeting	<b>N/A</b>
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### 4. **DETAILS OF DECISION REQUIRED**

- 4.1 The population of Peterborough is expected to increase from 183,961 in 2011 to 227,890 in 2036. In January 2016 it was ranked as the third fastest growing city in the UK by population (1.5% annual growth) and as having the fourth highest housing stock growth (at 1.1% annually) with over 2,000 new homes built in the last 2 years. Housing demand is buoyant and it is likely this demand will continue. 1005 new dwellings are needed each year to meet current and projected population growth. 4,637 new homes were built in Peterborough between 2011 and 2016 of which 28% were affordable housing dwellings.
- 4.2 Recent planning, housing and welfare reforms are likely to reduce the supply of new affordable homes for rent.
- 1311 new affordable homes have been built in Peterborough since 2011
  - 20% of all housing is in the social sector
  - Average property prices are lower than regionally and nationally
  - Average earnings in Peterborough are below the national average
  - A higher than average proportion of the population are in *lower skilled occupations*
  - 40% of households are unable to afford to buy a home on the open market
  - 620 additional affordable dwellings are needed each year to meet current and future housing need
  - The number of households in temporary accommodation is increasing
- 4.3 As at October 2016 there are around 540 properties which have been empty for six months or more, this represents 0.64% of the City's total housing stock. Empty homes represent a waste of a valuable resource whilst the need for decent, affordable housing in the city is increasing. The Empty Homes Officer is currently working on 35 high priority cases, including 3 cases where Empty Dwelling Orders are being implemented. There are an additional 39 cases where the properties are going through various stages of probate. So far this year (from April 2016) 116 empty properties have been bought back into use through the intervention of the Empty Homes Officer.
- 4.4 Housing demand in the City far outstrips supply resulting in approximately 3,300 households on the Housing Register wanting suitable and affordable accommodation. The emerging Local Plan is seeking to deliver 27,625 homes by 2036 and it is hoped a good mix of housing, including homes for purchase and affordable homes are provided. In July 2016 the creation of a specifically housing focussed joint venture between the Council and Cross Keys Homes was agreed with the objective of delivering new housing of all types and tenures.
- 4.5 In addition to supporting new housing development in the City it is also important for the Council to maximise the supply of existing housing. The aim of this strategy is to:
- Bring empty homes in the private sector back into use, utilising both voluntary means and, when appropriate, statutory enforcement powers which will contribute to an increase in the affordable housing supply, alleviate the numbers of people in housing need on the housing register, improve neighbourhoods and community confidence and contribute to tackling homelessness in Peterborough

- Introduce Empty Homes Assistance to offer as an incentive to owners of empty property that are of the type that is in high demand across the city. Assistance will contribute to improving the house condition and the property will be placed on a private leasing scheme and will be made available to families in housing need
- Work with colleagues leading on the housing joint venture partnership with Cross Keys Homes to ascertain the feasibility of purchasing empty property in suitable locations with property attributes in highest demand in the city.
- Look at the issue of empty property in the whole context of the demand for good quality and affordable housing in the City. Build on the preventative role by proactively developing relationships with owners to prevent properties becoming long term empty and provide a continuous supply of houses that can be utilised by the Housing Needs Service
- Improve and refine the evidence base by assembling relevant, accurate and current information to target specific groups depending on why their properties are empty. Tailor different solutions to bring those empty properties back into use or prevent them becoming empty
- Raise awareness of the Empty Homes issue and to promote the service and strategy to owners, neighbours and those affected by empty homes  
Maximise income from the New Homes Bonus that is received from returning empty property back into use.

### **Empty Homes Assistance**

- 4.6 The Council wishes to introduce Empty Homes Assistance to act as incentive to owners of empty property to refurbish and lease the property over to the Council for a minimum of 5 years. The property will be used to accommodate families in housing need at Local Housing Allowance rent levels
- 4.7 The arrangement for the 'private leasing scheme' for Empty Homes Assistance involves the Council entering into 2 agreements with the property owner:
- a lease agreement
  - a loan agreement

The lease agreement provides for the owner to let the property to the Council for a minimum period of 5 years in exchange of the Council agreeing to facilitate the rental payment. The lease agreement also provides for the Council to undertake and pay for the repair works to the property on the owner's behalf. The Council will recover the costs of the repair works through a fixed sum interest free loan offered to the landlord, in exchange for the owner leasing the property to the Council. The loan amount (the Empty Homes Assistance) will be for a sum equal to the costs of the repair works plus reasonable charges. The loan amount will be repaid by monthly repayments spread over the term of the lease. The loan will be secured by way of a legal charge over the property.

- 4.8 Under both the lease and loan agreements, the Council will have a right to set off its obligation to facilitate the rent payment. This means that the Council may recover the costs of the repair works by reducing its monthly rent in equal amount of the monthly loan repayment. If the Council is unable to recover the monthly loan repayments, for example where the lease agreement ends earlier, the whole unpaid loan balance becomes immediately payable on demand together with any accrued interest.
- 4.9 The Empty Homes Assistance and lease arrangement is illustrated in Table 4.2 below.

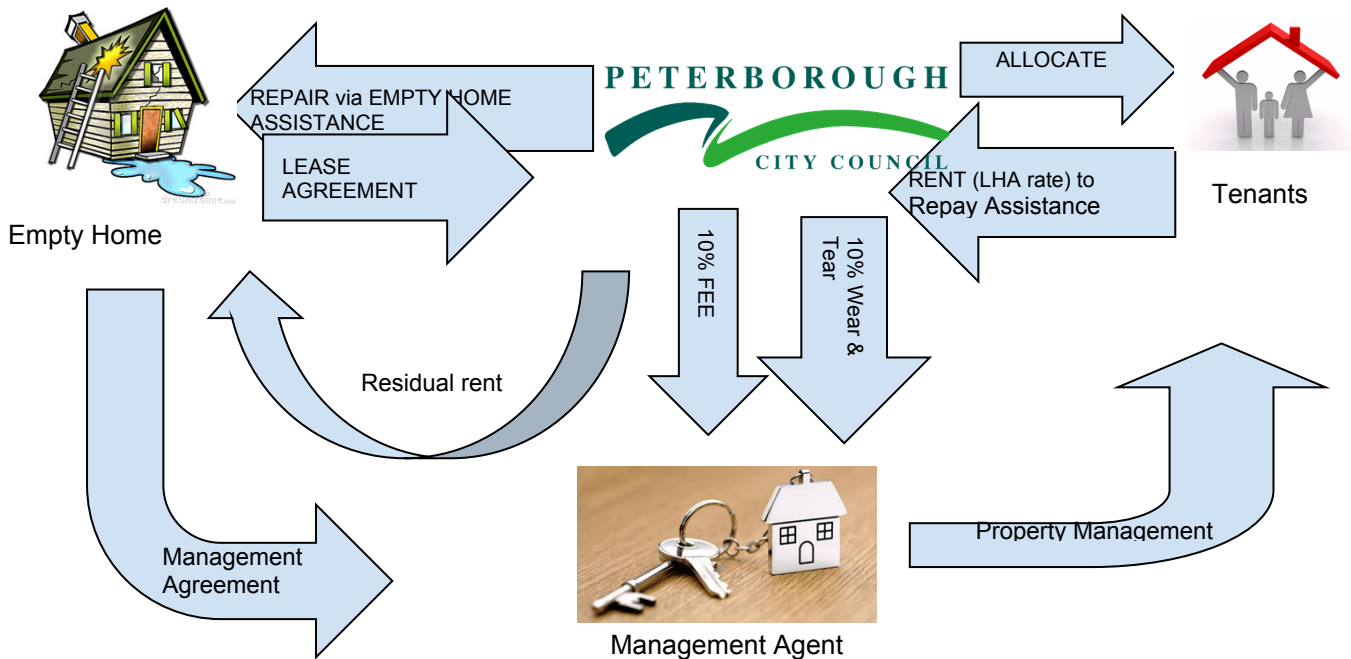


Table 4.2 Empty Homes Assistance and the Private Sector Leasing

## 5. CONSULTATION

- 5.1 The Empty Homes Strategy was submitted to CMT on the 7th December 2016 and to Adults & Communities Scrutiny on the 18th January 2017 and was noted. The Empty Homes Strategy is now in a three week consultation period to the 8th February 2017

## 6. ANTICIPATED OUTCOMES

- 6.1 The Empty Homes Strategy 2017 - 2019 is adopted and shall take effect from 28th February 2017. All activity on Empty Homes will be determined under the provisions laid out in this Strategy document

## 7. REASONS FOR RECOMMENDATIONS AND ANY RELEVANT BACKGROUND INFORMATION

- 7.1 The recommendation to approve the Empty Homes Strategy will ensure a full range of options are available to the Council in order to reduce the waste of valuable housing resource that empty properties represent. Properties that are in the highest demand in the city will be targeted. Intervention will range from proactive negotiation to taking over the management of the house through statutory action depending on the level of owner engagement and the nuisance the property represents. Options for the Council to purchase properties will also be fully explored through the Council's joint housing venture.

- 7.2 The introduction of Empty Homes Assistance and the private leasing scheme contributes to neighbourhood regeneration, the prevention of homelessness and increases the amount of available housing for Housing Needs to allocate to families in housing need.

## **8. ALTERNATIVE OPTIONS CONSIDERED**

- 8.1 Not having an Empty Homes Strategy – rejected. This Strategy supports the overarching Peterborough Housing Strategy 2016 – 2021. The Empty Homes Strategy contributes to the following priorities
- To increase the supply of homes that people can afford
  - Improve housing conditions to support health and wellbeing
- 8.2 Not refreshing the Policy – rejected. The refreshed Empty Homes Strategy introduces Empty Homes Assistance to act as an incentive to owners of empty property to take action on their property with the Council offering support and advice through that process. In return the Council receive a property for a five year period in order to house families in housing need at a rent that is affordable to them.

## **9. IMPLICATIONS**

### **Financial**

- 9.1 Empty Homes Assistance will be funded through the Council's Capital Programme. The 2016/2017 Budget is £1,158,852.

### **Legal**

- 9.2 The Council has considered the legal implications of the loan (Empty Homes Assistance) and there are no state aid implications with the loan being interest free, provided the owner is an individual. The loan is a credit agreement within the ambit of the Consumer Credit Act 1974 but it is exempt from being regulated under the consumer credit regime on the basis that it is a loan by the Council as a housing authority for improvement of works to a property secured by way of a legal charge

### **Equalities**

- 9.3 There are no equalities implications arising from the recommendations

## **10. DECLARATIONS / CONFLICTS OF INTEREST AND DISPENSATIONS GRANTED**

None.

## **11. BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985) and The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

- Housing Renewals Policy 2017 – 2019
- BRE Building Research Establishment Integrated Dwelling Level Housing Stock Modelling Report July 2016

## **12. APPENDICES**

- 12.1 Appendix 1 - The Empty Homes Strategy 2017 - 2019