

North Tyneside Council Report to Cabinet Date: 26 November 2018

ITEM 6(e)

Title: North Tyneside
Council Empty Homes
Programme

Portfolio(s): Housing

Cabinet Member:
Councillor Steve Cox

Report from Service
Area:

Environment, Housing and Leisure

Responsible Officer:

Phil Scott, Head of Environment,
Housing and Leisure

Tel: (0191) 6437295

Wards affected:

All

PART 1

1.1 Executive Summary:

On 13 February 2017 Cabinet agreed the Housing Strategy 2016-2021 "A Great Place to Live", which included a Mayoral priority to tackle long term, privately owned, empty properties.

This report seeks approval to accept an offer of grant funding totaling £347,904 from Homes England (formerly known as the Homes and Community Agency (HCA)) to support the refurbishment of 15 long term empty homes and the conversion of 3 retail units as affordable housing.

This grant funding will be in addition to capital investment approved via the Gateway process and included in the Investment Plan.

1.2 Recommendations:

It is recommended that Cabinet:

- (i) authorise the Head of Resources to accept the offer of £347,904 grant funding from Homes England; and
- (ii) delegate authority to Head of Environment, Housing and Leisure in consultation with the Head of Resources, Senior Manager Legal Services and Cabinet Member for Housing to enter into a grant agreement with the Homes and Communities Agency (now Homes England).

1.3 Forward Plan:

Twenty eight days notice of this report has been given and it first appeared on the Forward Plan that was published on 26th October 2018.

1.4 Council Plan and Policy Framework

This report relates to the “Our Places” priority in the 2018-2020 Our North Tyneside Plan. Specifically, Our Places will:

“Be great places to live by focusing on what is important to local people, such as by tackling the derelict properties that are blighting some of our neighbourhoods”.

1.5 Information:

1.5.1 Background

In 2015, as part of the Authority’s efforts to tackle empty homes and disrepair, the Authority applied for and received a grant of £42,832 from the then Homes and Communities Agency (now Homes England). This was used as a contribution towards the Authority’s overall refurbishment costs and enabled the Authority to successfully deliver 5 affordable housing units.

1.5.2 Private Sector Empty Homes Programme 2018-21

At a meeting on the 21st March 2018, the Investment Programme Board, in consultation with the Cabinet Member for Housing, endorsed the private sector empty homes programme 2018-21 as a renewed approach to tackling problematic empty properties across the borough and to consolidate a number of existing capital allocations to achieve improved outcomes.

The private sector empty homes programme 2018-21 will tackle long-term empty properties in the borough and by returning them to occupation, will reduce neighbourhood blight and increase the number of affordable homes.

The Authority is an existing development partner of Homes England and as part of Home England’s continuous market engagement process, the Authority made a further application for capital grant funding. This application is to provide funding to deliver ‘affordable housing units’ from Home England’s ‘Shared Ownership and Affordable Homes Programme 2016-21’ (SOAHP 2016-21). The Authority has been offered a grant of £347,904.

The specific outcome requirements of the Authority’s application and SOAHP 2016-21 are aligned with the Authority’s aspirations to return empty homes to use as affordable housing under the private sector empty homes programme 2018-21 and the securing of grant funding under this programme will be utilised to increase the Authority’s overall available funding and to reduce the financial risk to the Authority.

Specifically the Authority intends to use the grant funding in the first instance to support the established Repair and Manage Scheme. Under this scheme the Authority assists empty home owners by providing the capital funding and direct construction skills to refurbish their empty property. The Authority’s investment is recouped through the rental income over the length of an agreed exclusive letting period. The properties are let at an affordable rent to those in housing need.

The use of grant funding will have the effect of reducing the “payback” (the length of time it takes for the rental income to pay-off the cost of the refurbishment), period for properties refurbished as part of the scheme, making the scheme more attractive to

owners, reducing the financial risk to the Authority and allowing swifter recycling of funds back into the programme.

1.6 Decision options:

The following decision options are available for consideration by Cabinet:

Option 1

Cabinet to approve the recommendations set out in paragraph 1.2 of this report to accept the grant offer of £347,904 from Homes England and enter into a grant funding agreement with the Homes and Communities Agency (now Homes England).

Option 2

Cabinet to not approve Homes England's offer of grant funding.

Option 1 is the recommended option.

1.7 Reasons for recommended option:

Option 1 is recommended for the following reasons:

The outcome requirements of the grant funding from SOAHP 16-21, as detailed in the Authority's application, are aligned with the Authority's aspirations to return empty homes to occupation as affordable housing and the securing of grant funding under this programme will be utilised to increase the Authority's overall funding allocation, reduce the financial risk to the Authority and recycle funds more quickly unto the programme.

1.8 Appendices:

None

1.9 Contact officers:

Robert Peach, Private Sector Housing Coordinator, Tel – 07974 576848

Martin Bewick, Strategic Housing Manager, Tel – 0191 643 6206

Alison Campbell, Senior Business Partner, Tel – 0191 643 7038

1.10 Background information:

The following background papers/information have been used in the compilation of this report and are available at the office of the author:

- [North Tyneside Council Housing Strategy 2016-21 A Great Place to Live](#)
- [Tackling Privately Owned Empty Properties Plan 2018 -2021](#)

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

The grant of £347,904 from Homes England is included within the Authority's Investment Plan and all grant claims will be made in accordance with the Authority's Financial Regulations.

The grant will reduce the risk of owner default and all grant monies recovered from home owners will be reinvested in the scheme. There are no expected additional revenue costs in administering the grant.

2.2 Legal

As a condition of receiving the grant funding, the Authority will enter into a funding agreement. This is a standard document used by the Homes and Communities Agency (now Homes England) based on its own terms and conditions which cannot be substantially amended. The agreement sets out the conditions under which the grant is provided. The Authority should be aware that there are detailed provisions for repayment of the grant in the event that the Authority does not fulfil the programme or any of the operational obligations set out in the application form and the agreement. If the agreement is terminated due to any breaches by the Authority the grant will also have to be repaid. The Authority must notify the Agency of any changes to the agreed programme.

There is also a requirement that any third party contractors used to carry out any works as part of the programme must be procured in accordance with EU regulations. Any such contracts should also comply with the Authority's own Contract Standing Orders.

Given the value of the grant, if Cabinet agrees to accept the grant funding offer and conditions, the agreement will be entered into under seal.

2.3 Consultation/community engagement

Consultation has taken place with the Cabinet Member for Housing and with the Investment Programme Board to ensure alignment with the Our North Tyneside Plan.

2.4 Human rights

There are no human rights issues directly arising from this report

2.5 Equalities and diversity

There are no equality and diversity issues which arise directly from this report

2.6 Risk management

Project management arrangements are subject to overview by Investment Programme Board governance. An officer project group oversees the programme and if agreed the governance of the grant funding will be added to existing risk management register.

2.7 Crime and disorder

Long term empty properties can attract crime and antisocial behaviour. Work to return problematic properties to sustainable occupation will reduce their negative impact in neighbourhoods and communities

2.8 Environment and sustainability

The refurbishment of empty properties through this programme will be completed in line with the decent homes standard, providing for improved insulation of properties, double glazing and the installation of energy efficient heating systems, resulting in the associated reduction in energy consumption and carbon emissions these measures can achieve.

PART 3 - SIGN OFF

- Acting Chief Executive
- Head(s) of Service
- Mayor/Cabinet Member(s)
- Chief Finance Officer
- Monitoring Officer
- Head of Corporate Strategy and Customer Service