

## BARNSELEY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has been included in the relevant Forward Plan

### Report of the Executive Director for Place

#### HOMES AND COMMUNITY AGENCY EMPTY HOMES PROGRAMME 2018/21

#### 1. Purpose of Report

- 1.1 To gain approval for the acceptance of empty homes grant funding of £995,000 from the Homes and Communities Agency (HCA).
- 1.2 To alert members to the Council's wider ambitions for empty homes work.

#### 2. Recommendations

It is recommended that:

- 2.1 **Approval be granted for the acceptance of empty homes grant funding of £995,000 from the Homes and Communities Agency.**
- 2.2 **The Executive Director, Core Services, be authorised to enter into contract with the Homes and Communities Agency for the delivery of a new HCA Empty Homes Programme covering the period 2018/21.**
- 2.2 **The Council's capital programme be amended to include the HCA Empty Homes Programme 2018/21 with a total value, including match-funding, of £3.99 million.**

#### 3. Introduction

- 3.1 Reducing the number of empty properties is important for a number of reasons:
  - Empty properties are a wasted resource. There is a need for an additional 1,100 houses a year to meet demand across all tenures; each empty property brought back in to use reduces the need for new supply.
  - Empty homes that are brought back into use can help to meet the demand for affordable social housing. There are currently almost 6,900 applicants on the Council's housing waiting list.
  - Empty properties cause blight to neighbourhoods. Long term empty properties are often in bad repair and can be a magnet for anti-social behaviour and crime. They cause disamenity and undermine neighbourhood reputation and as a consequence can cause a reduction in rental and capital values.

- Empty properties reduce income to the Council. For every empty property brought back into use the Council receives New Homes Bonus; conversely for every new empty property the Council loses New Homes Bonus.

3.2 In total there are 1,582 properties in the Borough classed as long-term empty, the vast majority (i.e. over 95%) of such properties being found in the private sector:

Time Empty	Tenure		Total
	Private Sector	Council and Housing Association	
<b>6 months – 2 years</b>	954	53	1007
<b>2 years – 5 years</b>	362	12	374
<b>5 years – 10 years</b>	121	9	130
<b>10 years plus</b>	70	1	71
<b>Totals</b>	<b>1507</b>	<b>75</b>	<b>1582</b>

Source: Council tax data extract 03.10.2017.

3.3 The Council currently has two empty homes capital programmes in delivery:

- HCA Empty Homes programme 2015/18
- Goldthorpe Clusters programme

Both these programmes will end in March 2018.

3.4 An application for £995,000 in grant funding was made to the HCA this summer for the period 2018/21. To strengthen the bid match funding totalling £2,995,000 was identified from the Council's own resources, giving a total indicative programme value of £3.99 million to return into use as housing 39 properties in the period 2018/21. The bid was subjected to a net present value analysis prior to submission to better understand the Council's return from investment in empty homes activity.

3.5 The HCA have advised that Barnsley MBC is to be allocated £995,000 in grant funding for empty homes work as part of their Shared Ownership Affordable Homes Programme 2016/21. Housing that is brought back into use through the new programme will, as with the current 2015/18 programme in Barnsley, be added to the Council's stock of council housing and let to applicants on the Local Authority Housing waiting list.

3.6 Berneslai Homes deliver the current HCA Empty Homes contract 2015/18 and they will likewise be the main delivery partner for the proposed 2018/21 contract.

3.7 The Council will have to enter into a new contract with the HCA governing the use of grant funding and the delivery of the housing returned back into use.

#### **4. Proposal and Justification**

##### HCA Empty Homes Programme 2018/21 - Proposal.

- 4.1 It is proposed that the Council accepts the HCA empty homes funding and enters into a contract with then HCA for the delivery of a HCA Empty Homes programme covering the period 2018/21.
- 4.2 It is further proposed that the proposed HCA Empty Homes programme 2018/21 be added to the Council's capital programme.
- 4.3 The majority of the housing to be brought back into use (35 units) will be purchased, refurbished and then added to the Council's stock of council housing. The remaining 4 homes will be created through the conversion of empty non-domestic property already in the ownership of the Council.

##### HCA Empty Homes Programme 2018/21 - Justification:

- Additional rental income estimated at £300,000 over the period 2018/21. The full year impact of all 39 properties under the programme being let is £150,000 in rental income.
- Additional council tax receipts estimated at £90,000 over the period 2018/21. The full year impact of all 39 properties under the programme via additional council tax receipts is estimated at £43,000.
- Meeting need for good quality affordable housing
- Reduction in environmental blight, anti-social behaviour & disamenity to local communities

##### Wider Ambitions for Empty Homes Work

- 4.5 Under the Council's 2020 outcomes framework we have an ambition to return 135 long-term empty homes to use over the period 2016/17 to 2019/2020. It is self-evident from the number of long-term empty homes in the Borough that more needs to be done to reduce the number of long-term empty homes and throughout 2017/18 officers within the Housing and Energy Service have been increasing their focus on empty homes work.
- 4.6 National Empty Homes week (16<sup>th</sup> Oct. – 22<sup>nd</sup> Oct.) has just ended. Empty Homes week provided an opportunity for officers to really sharpen to focus on the Council's empty homes work and in the run up to and during the week the following activity took place:
- Press Releases
  - Social Media campaign
  - Drop in advice session
  - Mailshot to owners of empties
- 4.7 The promotional campaign worked well with
- 102 direct contacts from owners
  - 48 properties offered for sale

- Step change in interaction via social media (20K+ Twitter impressions and 4k+ Facebook viewings)

4.8 The existing capital programmes (at 3.3. above) and the proposed 2018/21 programme will help to achieve the 2020 ambition but there are a number of other delivery strands to empty homes work that officers are progressing that will enable us to better deliver against the 2020 ambition.

- A replacement for the Goldthorpe Clusters programme – this time borough-wide in its reach – to run as from April 2018.
- A greater emphasis on early support through the provision of early advice and assistance to property owners
- A greater emphasis on the use of enforcement powers where appropriate to bring about a change in ownership – in some cases this is required to bring properties back into use. A useful by-product of this approach will be greater ability to recoup outstanding debts owed to the Council.

4.9 Officers within the Housing and Energy Service are currently developing proposals for a comprehensive empty homes action plan 2018/21 and a further report will be brought forward on this matter in early 2018.

## **5. Consideration of Alternative Approaches**

5.1 To leave the operation of the free market to reduce the number of long-term empty homes. This is not recommended not least because the presence of long-term empty homes is an indication of market failure. At best the market is unpredictable and the levels and longevity of investment are, in consequence, uncertain. In such circumstances intervention in the market is required. Were the Council simply to place sole reliance on the operation of the market far too many properties would remain empty over the long-term and in some cases considerable disamenity would be caused to local communities within which such properties are located.

## **6. Implications for Local People / Service Users**

6.1 The empty homes brought back into use will be available to let as council housing to applicants on the Council's housing waiting list.

## **7. Financial Implications**

7.1 Consultations have taken place with Finance which included a NPV review completed by Berneslai Homes in respect of the HCA Empty Homes Programme 2015-2018 programme.

7.2 The HCA Empty Homes Programme 2018/21 is to be funded as set out below:

HCA grant = £ 995,000

HRA capital resources = £2,595,000

S.106 funding allocation = £400,000

Total = £3,990,000

- 7.3 The revenue cost of programme delivery will be accommodated by existing staffing budgets for the Council's Housing and Energy Service and the Berneslai Homes staffing budget.

## **8. Legal Implications**

- 8.1 Consultations have taken place with the Council's Legal Section regarding the content of the HCA contract. The advice received is that the contract can be entered into.

## **9 Employee Implications**

- 9.1 None arising from this report.

## **10. Communications Implications**

- 10.1 Over the last 12-months the Council has increased the prominence of its empty homes work and has begun to engage really effectively with the owners of empty properties. The launch of the HCA Empty Homes Programme will be marked by further press releases and early engagement with property owners to develop a healthy pipeline for the programme by the end of 2017/18.

## **11. Consultations**

- 11.1 Consultations have taken place with:
- Berneslai Homes
  - BMBC Legal Services
  - Homes and Communities Agency
  - S. 106 Officer

## **12. The Corporate Plan and the Council's Performance Management Framework**

- 12.1 Taking action to return long-term empty housing to use will help to achieve the following priority within the Council's Corporate Plan:
- Create more and better housing

As part of the refurbishment of the empty properties it should also be possible to achieve against the following priority:

- Increase skills to get more people working

- 12.2 The Council's Performance Management Framework contains the following performance indicator:
- EC31 – Empty homes returned to use

## **13. Tackling Health Inequalities**

- 13.1 There are no issues arising from this report.

#### **14. Risk Management Issues**

- 14.1 The main risk is that the Council is unable to deliver the 39 properties required under the HCA Empty Homes contract 2018/21. This is mitigated by:
- Long-established partnership between the Council and Berneslai Homes to deliver the outputs required.
  - The identification of a pipeline of properties in advance of the start of the contract
  - Well-established and robust approach to project management in Berneslai Homes and Housing and Energy service.
  - Regular performance management meetings with the HCA

#### **15. Health, Safety, and Emergency Resilience Issues**

- 15.1 Berneslai Homes will be the lead delivery partner for the programme and will take responsibility for health and safety matters during the refurbishment of the empty properties.

#### **16. Compatibility with the European Convention on Human Rights**

- 16.1 No issues arising from this report.

#### **17. Promoting Equality, Diversity, and Social Inclusion**

- 17.1 Empty homes work can provide the opportunity to engage with organisations that promote learning and skills opportunities for young people from disadvantaged backgrounds. The extent to which this might be possible within the delivery of this particular programme will be fully investigated with the lead delivery partner, Berneslai Homes.

#### **18. Reduction of Crime and Disorder**

- 18.1 Long-term empty properties can often act as a magnet for anti-social behaviour. Bring long-term empty homes back into use will reduce the occurrence of such behaviour.

#### **19. Conservation of Biodiversity**

- 19.1 No matters arising from this report.

#### **20. Glossary**

- 20.1 Not applicable

#### **21. List of Appendices**

Appendix A – Financial Implications

#### **22. Background Papers**

None