Allerdale Borough Council  
Executive 5 September 2012  

Assisting Empty Homes to be Brought Back In to Use

<table>
<thead>
<tr>
<th>The Reason for the Decision</th>
<th>Bringing empty homes back into occupation is a priority detailed in the Council Plan and Housing Strategy 2012-2015.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Summary of options considered</td>
<td>The option of not submitting a bid to the Homes and Communities Agency was not considered.</td>
</tr>
</tbody>
</table>
| Recommendations | 1. Executive recommends to Council to agree a supplementary estimate of £113,109 and add the Clusters of Empty Homes Programme to the Capital Programme.  
2. The scheme is financed as follows:-  
   - £226,217 external grant (HCA)  
   - £100,000 capital grants  
   - £13,109 contingencies  
3. Executive approves delegated powers to the Corporate Director and Deputy Chief Executive to determine the application process. |
| Financial / Resource Implications | 1. The Homes and Communities Agency award of £226,217 must be match funded by the private sector and council. The scheme in total is therefore:-  
   - £226,217 external grant  
   - £113,109 Allerdale BC  
   - £113,109 private sector  
2. Loan repayments will be monitored to ensure that repayment plans are met.  
3. There is the potential to increase Council Tax due to the Council by the number of properties where Council Tax is due and the receipt of additional new homes bonus. |
Legal Implications

1. Loan eligibility and repayment conditions will need to be robust.
2. Enforcement for non payment of the loan.

Community Safety Implications

1. Reduction in vandalism and anti social behaviour.
2. Improved streetscape and stronger adjacent property values.

Health and Safety and Risk Management Implications

There is a risk of default on the loan repayments. This will be mitigated by the application criteria and monitoring processes.

Equality Duty considered / Impact Assessment completed

Yes

Wards Affected

All Saints, Christchurch, Ellenborough, Ewanrigg

The contribution this decision would make to the Council’s priorities

1. Increasing the supply of housing and contributing to ensuring we have thriving town centres.
2. Sustaining local family building contractors.

Is this a Key Decision

Yes

Portfolio Holder

Councillor Carni McCarron-Holmes

Lead Officer

Richard Battye, Housing Services Manager, 01900 702653, richard.battye@allerdale.gov.uk

Report Implications (Please delete where applicable).

<table>
<thead>
<tr>
<th>Category</th>
<th>Y</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Safety</td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>Financial</td>
<td>Y</td>
<td>N</td>
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<tr>
<td>Legal</td>
<td>Y</td>
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<tr>
<td>Social Inclusion</td>
<td>Y</td>
<td>N</td>
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<tr>
<td>Equality Duty</td>
<td>N</td>
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<td>Employment (external to the Council)</td>
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<tr>
<td>Employment (internal)</td>
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<td>N</td>
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<tr>
<td>Partnership</td>
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<tr>
<td>Asset Management</td>
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<td>N</td>
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<tr>
<td>Health and Safety</td>
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<td>N</td>
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</tbody>
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Background papers: Appendix1 Project Plan bid document.
1.0 Introduction

1.1 Allerdale coordinated and were the lead authority, submitting a joint bid, on behalf of Carlisle City Council, and Copeland Borough Council to The Clusters of Empty Homes Programme, to be managed by the Homes and Communities Agency (HCA).

1.2 The HCA programme seeks to increase the supply of housing by tackling clusters of long term empty homes that can often attract anti-social behaviour and vandalism.

1.3 In addition to long term empty homes which have been empty for longer than six months, empty commercial properties where they can be brought back into use as housing, can be considered.

1.4 Empty homes can be brought back into use for rent or outright sale in line with local demand.

2.0 Content (to include alternative options considered)

2.1 To qualify for funding, the partners had to commit to the criteria below:

- To bring a minimum of 100 homes back into use during the lifetime of the project, this ceases in March 2014.
- Deliver within a compact area (ward or smaller) with over 10% of homes empty, and each cluster representing more than 25 homes.
- Clear and demonstrable high level strategic fit and community support.
- In principle commitment to providing 100% match funding.

2.2 The joint bid was successful and an award of £580,296 has been made to bring up to 125 empty homes back in to use.

2.3 Allerdale’s portion of the award is £226,217 to bring 45 empty homes back in to use. This award needs to be match funded by the private sector and council.

2.4 All Saints and Christchurch in Cockermouth, Ellenborough and Ewanrigg in Maryport were the only wards which complied with the above HCA criteria.

2.5 Owners will contribute at least 25% towards the cost of the works together with an interest free loan up to a maximum value of £7,500 will be available and registered with the land registry.

- Owner occupiers will be required to set up a payment plan, the loan being repaid in full no later than three to five years after completion.
- Landlords will also be required to set up a payment plan and if the unit is not let within 4 months of completion of the works, the loan will need to be repaid in full with immediate effect.

If sold within the three to five year period, repayment will be required with immediate effect.
2.6 The HCA “encourage the recycling of monies to bring further empty homes into use” and require the monies to be ring fenced.

2.7 Determining the financial eligibility of an applicant and drafting the application forms will commence subject to match funding being agreed.

3.0 Customer Satisfaction and Service

3.1 In November 2011 a questionnaire was sent to all 550 empty home owners. Considering the comments from the 206 responses, local knowledge, and the current economic climate where bank lending is extremely cautious. The conclusion was that an interest free loan could facilitate the return to occupation of a number of empty homes.

4.0 Services Delivered as Locally as Possible

4.1 The majority of empty homes will be owned by local residents who it is anticipated, will use local family size building firms.

5.0 Finance/Resource Implications

5.1 The eligible grant funding allocated of £226,217 will be match funded by a contribution of 50% from Allerdale BC and 50% from the private home owners.

5.2 Financial Services and Legal Services will assist Housing services in ensuring that the criteria for applying for and awarding loan assistance is robust and that a charge will be registered with the Land Registry when an approval is made, to ensure the council can recoup the loan, if for example enforced sale is appropriate.

5.3 Long term empty homes currently receive 50% council tax discount. For each empty home returned back into occupation there is the potential to receive the remaining 50% upon occupation, subject to the financial circumstances of the occupier.

5.4 Complementing the increased receipt from council tax, is the new homes bonus. This financial incentive is given to local housing authorities where there has been an increase in the effective stock, achieved by reducing the number of empty homes together with new house completions, between successive Octobers.

6.0 Legal Implications and Risks

6.1 The HCA have confirmed although there is no contract to sign, they will monitor the cluster of empty home programme and coordinate a networking forum for good practice. DCLG will not be requiring the completion of any returns.

7.0 Recommendations

7.1 Executive recommends to Council to agree a supplementary estimate of £113,109 and add the Clusters of Empty Homes Programme to the Capital Programme.
7.2 The scheme is financed as follows:-

- £226,217 external grant (HCA)
- £100,000 capital grants
- £13,109 contingencies

7.3 Executive approves delegated powers to the Corporate Director and Deputy Chief Executive to determine the application process.

8.0 Conclusion

8.1 The submission of the Cluster of Empty Homes bid was developed within the context of the Council Plan and contributes to the priorities detailed within the Housing Strategy 2012-2015.

Richard Battye
Housing Services Manager