

Economic Growth Scrutiny Panel

Agenda
Item:

A.3

Meeting Date: 4th March 2021
 Portfolio: Economy, Enterprise and Housing
 Key Decision: Yes: Recorded in the Notice Ref: KD.02/21
 Within Policy and Budget Framework No
 Public / Private Public

Title: EMPTY PROPERTY GRANT ASSISTANCE
 Report of: Corporate Director of Governance and Regulatory Services
 Report Number: GD 23.21

Purpose / Summary:

To consider the use of capital funds which would ensure an extension to the Empty Property Grant. The report also proposes an increase in the maximum possible Grant award from £3,000 to £5,000. The Grant supports the work of the City Council in bringing long term empty properties back into use.

Recommendations:

It is recommended that the Economic Growth and Scrutiny Panel:

1. Consider the proposed extension and increase of the Empty Property Grant by the use of £109,433.00 Capital funds from 2012/13 which are presently unallocated.
2. Provide comments to the Executive for consideration at their meeting on the 8th March 2021.

Tracking

Executive:	8th March 2021
Scrutiny:	4th March 2021
Council:	

1. BACKGROUND

- 1.1** Section 3.1 of the Housing Renewal Assistance Policy 2018 introduced the option to create an Empty Property Grant. EGSP considered the proposals for the original scheme on the 17th October 2019 (GD.54/19). Executive on the 18th November 2019 (GD 55 /19) agreed the details of an Empty Property Grant using initial funding of £23,200 from a Capital Minor Works Grant. The Minor Works Grant was no longer required as its purpose had been superseded by discretionary Housing Grants made available by the Housing Renewal Assistance Policy.
- 1.2** With the initial funds for the Empty Property Initiative now committed or spent new sources of funding need to be found if the initiative is to continue. Appendix.1 provides an activity report for the initiative to date. Six empty properties were allocated £3,000, one £2,700 and one £2,500. Following the completed Grant works seven (7) properties have been removed from Empty Homes list (including 3 very long-term properties 2005, 2010 and 2011). Work to one property is still pending.
- 1.3** There are still over 1,000 empty properties in the District. The Empty Property Grant has been a useful option in encouraging the re occupation of empty properties, particularly those empty properties that have been neglected for some time.

2. PROPOSALS

- 2.1** The purpose of the grant funding is to support the work of the Empty Homes and Grants Officer in bringing long term empty properties back into use. The Officer's work solely focuses around domestic empty homes, not empty commercial lets.
- 2.2** Any funds available need to be used as efficiently as possible to enable the Council to assist the owners of empty homes. The scheme targets properties that have been empty for longer than 2 years. The grant would typically continue to be up to £3,000 to cover the costs associated with making that property viable for occupation. However, it is requested that flexibility is afforded and the maximum grant increased up to £5,000 (discretionary and on a 'case by case' basis); as some projects assessed during the initial grant allocation required more financial support due to extent of works required. Three thousand pounds was not enough to be viable for some owners to start works and therefore benefit from the grant offer
- 2.3** The City Council has non ring-fenced additional Disabled Facilities Grant funds of £109,433.00 from 2012/13. This Capital fund can be used for housing related capital investment, it is proposed that this fund is allocated to the Empty Property Initiative.

3. OTHER OPTIONS

3.1 Alternative options have been considered for the funding, which are listed below:

Disabled Facilities Grant (DFGs) – sufficient funds already exist for eligible mandatory and discretionary DFGs. An action plan for spending was produced and approved in 2019 which did not include this capital allocation from 2012 /13. It is likely that the DFG fund will require a carry forward from 2020/21. Unlike recent DFG allocations, which are linked to the Better Care Fund, this allocation from 2012/13 can be used for other Housing related matters such as the Empty Property initiative.

Works in Default – the fund could be used for works to a property with the costs recovered through the sale of the property. This is time intensive and already an option through the Enforced Sale Policy. The preferred funded option will operate where there is cooperation with the owner.

Two Year interest free loan. The funds could be used as a loan option, but it is considered that this is high risk and time intensive. Equally the take up and interest in these products in the past has been minimal.

Managed repair service. The City Council could use the funds to organise contractors to undertake works. The Council then recovers the costs and charges an administration fee (potentially through the sale of the property). The legal and financial risks to the Council are greater than the proposed option, it would also require greater resources from the Council.

Empty Dwelling Management Order. The City Council could use the funds to pay for repairs to homes and recover costs through rental arrangements (Low cost affordable rental) over 5-7 years (often requires substantial up-front funding which is not currently available). The legal and financial risks to the Council are greater than the proposed option, it would also require greater funds and property management resources from the Council.

4. RISKS

4.1 The Proposed Grant Assistance is discretionary and subject to available funding being available. It is only after works are completed that the owner can claim the previously approved grant. The Grant Assistance requires a commitment from the owners. Risks are further mitigated by placing the Council's grant contribution as a charge on the property, recoverable if the planned improvements and re occupation of the property does not progress. In this way the Grants Assistance is aligned with the Enforced Sale Policy.

5. CONSULTATION

- 5.1** The proposed Grant Assistance follows consultation within the Housing Pollution Group.
- 5.2** Observations from the Scrutiny Panel will be brought to the Executive meeting on the 8th March 2021.

6. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 6.1** The proposed Empty Property Grant provides owners of long-term empty homes with an option to progress improvements that would allow re occupation of the properties. It is an alternative to the Council's formal options through the Enforced Sales Policy. The allocation of the £109,433.00 capital funds from 2012/13 will allow the continuation of the Grant and it could potentially support over 20 empty homeowners.

7. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 7.1** Address current and future housing needs to protect and improve residents' quality of life.

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Appendices attached to report: **Appendix.1** Long-Term Empty Homes Grant 2020 – Post Activity Report

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS:

LEGAL - In accordance with the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002, the City Council is able to award discretionary grants of the type detailed in this Report. Such grants must be appropriately administered, and the purpose of the proposed grant scheme is to set in place a suitable open and transparent system for doing just that.

FINANCE – As detailed in this report, the City Council received additional Disabled Facilities Grant funding of £109,433 in 2012/13 which has been retained as a capital grant in advance until an appropriate use could be identified. The capital programme for 2021/22 will be increased by £109,400 for Empty Property Grant Assistance, fully funded by the external grant.

EQUALITY – None

INFORMATION GOVERNANCE – No Information Governance implications

PROPERTY - None

Appendix 1

LONG-TERM EMPTY HOMES GRANT 2020 – POST ACTIVITY REPORT

In October 2019 the council kindly agreed to support a Long-Term Empty Homes Grant Initiative. A sum of £23,200 was sourced for the purpose of giving selected owners financial support to make properties habitable and ready for occupation within a six-month period.

The aim of the grant was to provide the impetus, as well as the financial support, to encourage owners of Long-Term Empty homes ¹ to make homes habitable and ready for use. This would also result in the removal of homes from the council's Empty Homes list (please note that there are currently 1077 empty homes in the Carlisle City Council catchment area. This is approx. 2.07% of residential properties which is significantly above the latest known national average of 0.92%).

Letters were sent to 313 owners of Long-Term Empty Homes offering the scheme and 36 responded and completed the application form (note: some late enquiries continued after the deadline but, were rejected). Visits and assessments were undertaken at the 36 properties. The assessment reviewed viability and confidence of being able to complete works within the six months; the owner's ability to pay for works above the grant allocation and also the impact the property is/was having on the local community. A matrix was devised to enable the selection of the successful owners.

Eight properties were selected using the matrix and four property owners were put on the reserve list. The matrix scoring system is attached. Six properties were allocated £3000, one £2700 and one £2500. Approvals and Acceptance forms were sent out with effect from 6th February 2020.

A schedule of works was agreed which was to be used as a benchmark to assess progress. The successful owners signed a Grant Acceptance Form which stated that payment will only be made on completion of works and after invoices were presented, with the property habitable and free of hazards. Failure to meet these elements disqualified payment. A 6-month timeframe was agreed however, due to the impact of the Covid 19 pandemic some flexibility was given.

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*Homes that have been empty for 2 years or more

Due to data protection regulations addresses and names will not be included in this report. However, the location and types of properties included the following:

Property Locations	4 properties in Carlisle City Centre and 4 rural properties	Rural properties: 1 property in Longtown, 1 in West Hall, (Brampton), 1 in Hethersgill and 1 in Carleton (City outskirts).
Property Types	3 terraced, 1 flat, 1 semi-detached and 3 detached properties	
Works undertaken	Kitchen installation, heating, glazing, access improvement, re-wiring, bathrooms, joinery, damp, decoration (painting), floor coverings to kitchen and bathroom, etc.	
Empty Home duration	Longest property empty was from 2005 (14 years and 10 months and most recent 2 years 4 months). Years empty from: 2005,2010, 2011, 2015,2016, 2017, 2017, 2018	Average calculated length was 6 years 6 months.

Seven properties were completed by 25th July 2020 (delayed by less than a month from six-month target date despite the pandemic).

One property has had a significant delay until Dec 2020 due to access issues which still requires court and CPS intervention requiring a restraining order of a family member. The decision to maintain a flexible approach with this property was taken because the property was liable to a Prohibition order and causing a detrimental impact within the community. Funding was deemed necessary to assist towards a potential successful refurbishment of this property and would result in a positive outcome with regards to a 'troublesome' property. The owner will need to meet a latest completion date of 30 Mar 21 to be successful in receiving the grant.

Current usage of properties:

4 owner occupiers

3 Rental (incl. Service Accommodation)

(the owner of the uncompleted project aims to rent the property on completion)

Identified Outcomes:

Incentivised owners to complete long overdue works

A property that was subject to arson is now habitable and being used for rental purposes

One property is being rented to a person through the County Council 'Gateway' programme at low-cost affordable rental rate

Mental Health relief given to owners as the funding gave them the support needed to complete measures

Seven (8) properties now removed from Empty Homes list (including 3 very long-term properties 2005, 2010 and 2011)

Positive feedback was given for the council's initiative thus, counter-balancing the negatively received penalty actions of Premium Council Tax measures.

Tackling with a Prohibition Order and troublesome property – blight to local community

Employment for local contractors and contribution to local economy

Positive feedback received by those receiving grants recommending continued support to future rent support to owners of Long-Term Empty Homes

Supporting rural as well as city centre residents.

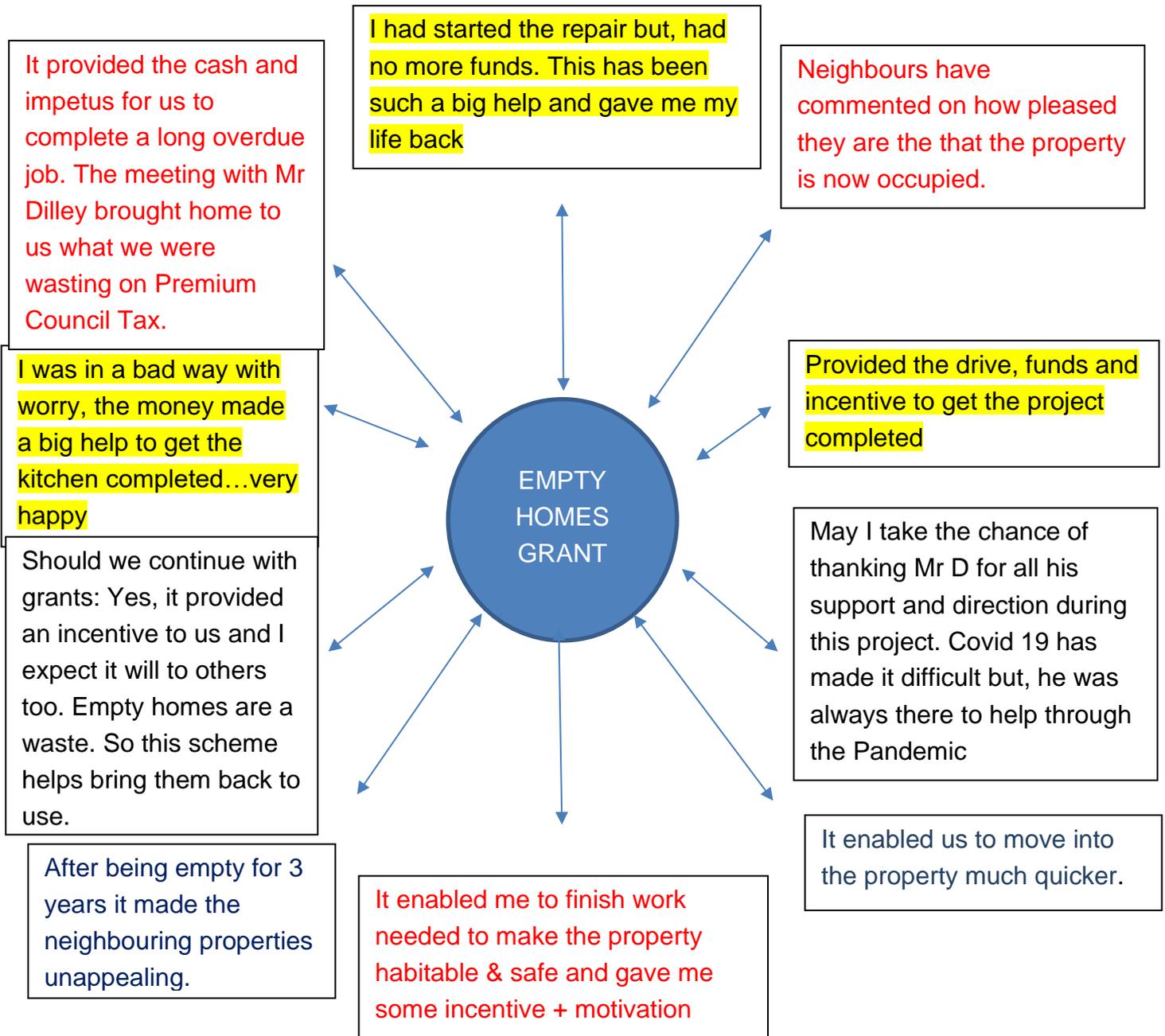
Future Consideration

Each client agreed that the scheme was extremely positive and that the grant opportunities should continue to be offered to Long-Term Empty Homes owners if possible.

Further enquiries about grant support has been received since the inception of this offer.

This may be driven by the introduction of the recent increase in Premium Council Tax and therefore owner's may now be encouraged to progress matters with their own properties. It is anticipated that if a further grant opportunity was afforded there would be a demand and another chance to reduce the level of Empty Homes in the area could be realised.

FEEDBACK COMMENTS



SOME BEFORE AND AFTER PHOTOS

BEFORE



AFTER







EMPTY PROPERTY GRANT ASSISTANCE - APPLICANT SELECTION CRITERIA AND SCORING MATRIX

The proposed selection criteria for successful Empty Property Grant Assistance applications will be administered and selected via the process below. Applicants with the highest points score will be given priority.

Scoring protocol:

Has the property been empty longer than 2 years	Yes 20 No 0
Has the property been reported as problematic or been identified by the Council as a problem?	Yes 20 No 10
Is the applicant the registered owner? eligible.	Yes 10 No, not eligible.
Has contact been made within 14 days of the grants are available letter?	Yes 20 No 10
Are the cost of the works over the grant limit?	Yes, 20 No 10
Are the works to bring the property up to a decent home standard?	Yes 20 No 0
Will the works make the property habitable and ready for occupation on completion?	Yes 20 No 0
Does the owner have recourse to funds?	Yes 20 No 10
Will the property be let out or occupied within 6 months of completion?	Yes 30 No 0
Likelihood of successful completion and reoccupation. Low 0	Yes 20 Med 10
Length of Empty status	2-4yrs: 10, 4-6yrs: 20, 6yrs or more 30

Scoring Thresholds

Immediate consideration, 120 plus

First consideration Waiting list over 100.

Second consideration waiting list, 99 – 50

Not eligible, under 50

If a final selection procedure is required due to oversubscription above the 120 score threshold, then applicants will be selected initially on highest scores and then, if required, the date we received the application (first come, first serve).