

Report of: Head of Housing Partnerships and Housing Growth.

Report to: Director of Environment and Housing

Date: 22 July 2015

Subject: Empty Home Buy Back project Phase 2 (2015-18)

Scheme Number: 16692/EH2/000

| | | |
|--|---|--|
| Are specific electoral Wards affected? If relevant, name(s) of Ward(s): | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Are there implications for equality and diversity and cohesion and integration? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Is the decision eligible for Call-In? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number: | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

Summary of main issues

Executive Board have previously approved a programme of investment to deliver a comprehensive programme of new build housing and bringing properties back into use using a mixture of Housing Revenue Account (HRA) funding, Right to Buy receipts and HCA grant funding.

The resources available to fund the Council Housing Growth programme currently stands at £99.37m with authority to spend of £72.8m.

The Council House Growth programme includes an allocation of £9m for phase 2 of the 2015 – 2018 Empty Homes Buy Back project, made up of £1.836 m from the Homes and Communities Agency (HCA) and £7.164m from HRA capital resources.

Phase 2 will deliver a programme of works which will bring 100 properties back into use across the city.

Recommendation

The Director of Environment and Housing is requested to approve the second phase of the Empty Homes Buy Back project and give authority to spend £9m on the acquisition and refurbishment programme of works.

1 Purpose of this report

This report will provide the Director of Environment and Housing detail on the second phase of the Empty Homes Buyback project as part of the overall Council Housing Growth programme and seeks authority to spend £9m bringing 100 properties back into use across the city.

2 Background information

- 2.1 In April 2014 the Council submitted a bid to the HCAs Empty Properties funding programme. The bid proposed the acquisition and refurbishment of 100 long term empty homes across Leeds for use as Council housing. The Council received a conditional offer of £1.836 m - based on the completion of the purchase and refurbishment of each property.
- 2.2 In June 2014 the Executive Board approved proposals from the Director of Environment and Housing to increase investment to support the Council Housing Growth programme.
- 2.3 Included within the proposals was the HRA funding required to deliver the HCA Empty Property programme.

3 Main issues

- 3.1 In June 2014 Executive Board injected the necessary funding for this part of the Council Housing Growth Programme. Phase 1 of the Empty Homes Buy Back programme completed in March 2015 spending £2m bringing 20 properties back into use as Council let homes.
- 3.2 Phase 2 of the Empty Homes Buyback project is underway and suitable properties which fit the criteria are currently being pursued. The project team has identified 300 former Council owned homes that have been empty for over six months. Over 250 owners have been written to as the first part of the process to purchase 100 empty homes across the city between now and March 2018. All completions during the project will be preceded by an administrative Delegated Decision to the Director of Environment and Housing, requesting final approval for the purchase.
- 3.3 The Housing Growth Team is responsible for the project management of the scheme. The Empty Homes Project Group chaired by the Head of Housing Partnerships and Housing Growth will give initial approval before any purchase is pursued.
- 3.4 The £9m budget for the project includes the purchase price, valuation, negotiation fee, conveyancing costs and the refurbishment work required to bring the properties to the Council's letting standard.

- 3.5 Once refurbished the properties will be let as secure tenancies to applicants on the Leeds Homes Register, contributing to meeting the housing demand across the city.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.2 The Council Housing Growth Programme Board, Chaired by the Director of Environments and Housing will manage delivery of the overall programme and will develop a communication and consultation plan for each scheme as part of the development process.

- 4.3 As part of this process consultation will be undertaken with local ward Members, members of the local community and interested partners.

4.4 Equality and Diversity / Cohesion and Integration

- 4.4.1 An equality screening exercise has been undertaken for the Council Housing Growth Programme. The main outcomes of the screening were that the delivery of affordable housing through this programme could have positive implications for equality groups who are economically disadvantaged.

4.5 Council policies and the Best Council Plan

- 4.5.1 The project seeks to address priorities in the City Priority Plan by providing affordable housing. It supports the objective of Good Economic Growth set out in the Best Council Plan by providing low cost housing as the city grows. It also directly contributes to the aim of reducing the number of empty homes in the city.

4.6 Resources and value for money

- 4.6.1 The total scheme costs equates to £9m. Leeds City Council will receive grant of £1.836m from the HCA empty properties funding stream. The tables below summarises the overall funding for the project and the cashflow over the next 3 years:

| Fund source | Amount |
|--|-------------------|
| Leeds City Council HRA | £7,164,000 |
| HCA grants (£18,360 for each completion) | £1,836,000 |
| Total | £9,000,000 |

Capital Funding and Cashflow

| Previous total Authority to Spend on this scheme | TOTAL £000's | TO MARCH 2015 £000's | FORECAST | | | | |
|---|-----------------|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | | | 2015/16 £000's | 2016/17 £000's | 2017/18 £000's | 2018/19 £000's | 2019 on £000's |
| LAND (1) | 0.0 | | | | | | |
| CONSTRUCTION (3) | 0.0 | | | | | | |
| FURN & EQPT (5) | 2253.0 | 1960.4 | 292.6 | | | | |
| DESIGN FEES (6) | 0.0 | | | | | | |
| OTHER COSTS (7) | 0.0 | | | | | | |
| TOTALS | 2253.0 | 1960.4 | 292.6 | 0.0 | 0.0 | 0.0 | 0.0 |
| | | | | | | | |
| Authority to Spend required for this Approval | TOTAL £000's | TO MARCH 2015 £000's | FORECAST | | | | |
| | | | 2015/16 £000's | 2016/17 £000's | 2017/18 £000's | 2018/19 £000's | 2019 on £000's |
| LAND (1) | 9000.0 | 0.0 | 3600.0 | 3600.0 | 1800.0 | | |
| CONSTRUCTION (3) | 0.0 | | | | | | |
| FURN & EQPT (5) | 0.0 | | | | | | |
| DESIGN FEES (6) | 0.0 | | | | | | |
| OTHER COSTS (7) | 0.0 | | | | | | |
| TOTALS | 9000.0 | 0.0 | 3600.0 | 3600.0 | 1800.0 | 0.0 | 0.0 |
| | | | | | | | |
| Total overall Funding (As per latest Capital Programme) | TOTAL £000's | TO MARCH 2015 £000's | FORECAST | | | | |
| | | | 2015/16 £000's | 2016/17 £000's | 2017/18 £000's | 2018/19 £000's | 2019 on £000's |
| HRA resources | 6164.2 | 277.8 | 3020.8 | 2865.6 | | | |
| Government Grant HCA | 2276.0 | 440.0 | 734.4 | 734.4 | 367.2 | | |
| Section 106 | 1380.0 | 1242.6 | 137.4 | | | | |
| Departmental Borrowing | 1432.8 | | | | 1432.8 | | |
| Total Funding | 11253.0 | 1960.4 | 3892.6 | 3600.0 | 1800.0 | 0.0 | 0.0 |
| | | | | | | | |
| Balance / Shortfall = | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Empty Homes Programme Phase 2 Parent scheme number - 16692/EH2/000

There are no revenue implications within this programme.

4.7 Legal Implications, access to information and call-in

- 4.7.1 The proposal is a key decision and open to Call In based on the funding regime shown in the Resources section of this report.

4.8 Risk management

All risks within the project will be managed through the project team reporting on the risk register of the Council Housing Growth Board.

5 Conclusions

- 5.1 The empty homes buyback project phase 2 will continue with the process that delivered 20 empty homes in the 2014 – 2015 project (phase 1). The aim of the project is to deliver 100 homes that have been empty for longer than six months into Council housing use.

5.2 The Council's Executive Board has approved a £99.37m budget for the Council House Growth programme and £72.8m of this budget has been given the authority to spend.

5.3 Authority to spend has not yet been given for the funding of the 2015 – 2018 Empty Homes Buy Back project. To allow the project to proceed, the authority to spend is being sought from the Director of Environment and Neighbourhoods.

6 Recommendations

6.1 The Director of Environments and Housing is requested to approve the second phase of the Empty Homes Buy Back project and give authority to spend £9m on a programme of works which will bring 100 properties back into use across the city.

7 Background documents¹

7.1 None.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.