

**Report of Head of Democratic Services**

**Report to Scrutiny Board (Strategy and Resources)**

**Date: 15<sup>th</sup> July 2019**

**Subject: The management and financial implications of void properties in Council ownership – formal response to scrutiny recommendations**

Are specific electoral wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If yes, name(s) of ward(s):		
Has consultation been carried out?	<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
Will the decision be open for call-in?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, access to information procedure rule number:		
Appendix number:		

**1. Purpose of this report**

- 1.1 This report presents a formal response to the recommendations arising from the previous Scrutiny review surrounding the management and financial implications of void properties in Council ownership.

**2. Background information**

- 2.1 Last year, the Strategy and Resources Scrutiny Board considered the Council's 2017/18 Financial Outturn Report and agreed to undertake further scrutiny surrounding the management and financial implications of void properties in Council ownership.
- 2.2 The Board decided to consider this matter via a working group meeting, which took place on 29<sup>th</sup> October 2018. A formal Statement setting out the Scrutiny Board's conclusions and recommendations was then agreed in February 2019 ([Link to Scrutiny Statement](#)).

**3. Main issues**

- 3.1 In accordance with the Council's Scrutiny Board Procedure Rules, a formal response to the recommendations arising from this Scrutiny review has been provided by the relevant Directorate for Members' consideration (see Appendix 1).

## **4. Corporate considerations**

### **4.1 Consultation and engagement**

4.1.1 Details of those engaged in the Scrutiny Board's review when compiling the recommendations are set out within the Scrutiny Board's Statement.

### **4.2 Equality and diversity / cohesion and integration**

4.2.1 Where consideration has been given to the impact on equality areas, as defined in the Council's Equality and Diversity Scheme, this will be referenced within the Scrutiny Board's Statement and also as part of the formal response outlined in Appendix 1.

### **4.3 Council policies and the Best Council Plan**

4.3.1 In accordance with the Best Council ambition to be an efficient, enterprising and healthy organisation, this particular Scrutiny review sought to explore ways in which to improve the overall void management process in recognition of the potential benefits to be gained by the Council financially.

#### Climate Emergency

4.3.2 Any associated implications surrounding climate related issues will be referenced within the Scrutiny Board's Statement and also as part of the formal response outlined in Appendix 1.

### **4.4 Resources, procurement and value for money**

4.4.1 Any financial implications associated with the implementation of the relevant recommendations will be reflected as part of the formal response in Appendix 1.

### **4.5 Legal implications, access to information, and call-in**

4.5.1 There are no legal implications arising from this report.

### **4.6 Risk management**

4.6.1 There are no risk management implications arising from this report.

## **5 Conclusions**

5.1 In accordance with the Council's Scrutiny Board Procedure Rules, a formal response to the recommendations arising from the previous Scrutiny review surrounding the management and financial implications of void properties in Council ownership has been provided for the Board's consideration.

## **6 Recommendation**

6.1 Members are asked to consider the formal response to the recommendations arising from the Scrutiny review last year surrounding the management and financial implications of void properties in Council ownership

## **7 Background documents<sup>1</sup>**

7.1 None.

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<sup>1</sup> 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.

**Appendix 1 – Response to the Scrutiny recommendations surrounding the management and financial implications of void properties in Council ownership.**

Scrutiny Recommendations	Directorate Response
<p><b>Recommendation 1</b></p> <p>That the Director of City Development leads on proceeding with proposals to allocate an appropriate timeframe associated with the proposed re-use of a void property/land by another service to ensure that sufficient progress is being made, otherwise options for the future use of the property/land will once again be considered.</p>	<p>To ensure that asset requirements are better understood, each directorate has prepared an asset forward plan, setting out likely service changes and asset implications and updates are presented to Asset Management Board on a monthly basis. This will not only provide clearer visibility of properties which may become vacant in the future, but also the range of requirements across the Council against which properties can be assessed.</p> <p>The process of undertaking an options appraisal for each property becoming void is now embedded, this being the process through which potential future uses for land and buildings are reviewed. The process continues to be refined, and stronger links are being incorporated between the Capital Programme and the options appraisal process to ensure that there is a clear funding strategy for proposals being promoted by services, therefore ensuring that properties are not allocated to services if there is no funding available to support delivery. The options appraisals are presented to Asset Management Board before services can proceed with any detailed feasibility/ design/ implementation work.</p> <p>Once a property has been allocated to a particular service/ use, progress is reviewed via the void working group which reviews all void properties on a quarterly basis to ensure progress is made and blockages resolved. This ensures that a responsive approach can be taken rather than providing a fixed timescale for review. Equally, there are mechanisms in place to recharge void management costs to services if a property is allocated to a service for re-use and the building is not reoccupied within 6 months of such an allocation.</p>

**Recommendation 2**

That the Director of City Development ensures that appropriate 'upfront work' is undertaken to ensure that key information and any particular stipulations associated with a void property/land is made clear to interested parties from the outset, thereby ensuring that these are reflected in proposals from an early stage.

In bringing forward sites for disposal, a view is taken about the most appropriate marketing approach, which then informs the amount of early work required and nature of supporting technical information necessary. Properties to be disposed of at auction tend to be smaller in scale, lower in value and more straight forward, and as such the level of information required to support marketing is often less. However, for more strategic sites, the volume of information must be greater given the complexity of the site and can include drainage assessments, desktop and intrusive ground condition surveys, and planning briefs.

Through engagement with ward members and where appropriate the local community, particular local issues and sensitivities can be identified. Where this is the case these are set out within the marketing particulars to ensure that potential purchasers can submit appropriate schemes and fully consider their response to these important issues.

Where appropriate Ward Member aspirations/ comments will be included within marketing details, but the Council is obliged under S123 of the Local Government Act 1972 to obtain best consideration unless agreed otherwise by Executive Board. S85 of the Housing Act 1985 also gives the power to dispose of land Subject to Secretary of State consent at market value. As such, any specific site/ development requirements are determined through the statutory planning process. The Council does however have the option to choose how it spends the Capital Receipt and if there is a valid case to meet the wishes of ward members, then part of a capital receipt could be ring fenced subject to the appropriate approvals.

**Recommendation 3**

That the Director of City Development leads on ensuring that local Ward Councillor engagement is embedded into the void management and decision making process and particularly in the early stages of determining the future use/disposal of a site.

The process of ward member engagement is more robust and includes earlier discussion with ward members about the future use of properties before or at the time a property enters void management. Five properties have entered void management since the last report to Scrutiny Board. In all cases engagement has taken place with ward members to inform decisions about the future use and next steps in relation to the properties.