

Committee:	Executive	Agenda Item No.:	10.
Date:	4 <sup>th</sup> March 2013	Status	Open
Category	2. Decision within the functions of Executive		
Subject:	Empty Homes - Groundwork		
Report by:	Head of Housing		
Other Officers Involved	Senior Environmental Officer (Residential)		
Director	Director of Neighbourhoods		
Relevant Portfolio Holder	Councillor K. Bowman, Portfolio Holder for Housing Management		

### **RELEVANT CORPORATE AIMS**

REGENERATION – Developing healthy, prosperous and sustainable communities by bring

STRATEGIC ORGANISATIONAL DEVELOPMENT – Continually improving our organisation.

Please specify how the proposals help to deliver the corporate aims.

### **TARGETS**

- Deliver £100,000 of New Homes Bonus per annum in the District as part of the Local Investment Plan through the delivery of new affordable housing, empty properties brought back into use and mortgage assistance schemes
- Remove 120 category 1 hazards (as defined by the Housing Act 2004) within private sector housing by March 2015.
- Maximise the supply of affordable housing in the District and deliver an average of 20 units per annum by March 2015
- Bring 40 private sector empty properties back into use by March 2015

### **VALUE FOR MONEY**

Please describe how the proposals deliver value for money for the Council and its customers.

There is no overall cost to the Council to this scheme

## **THE REPORT**

### **SUMMARY**

Both Bolsover District and North East Derbyshire District Councils have been approached by Groundwork to provide a Housing Management and Repair Service to a small number (around 8 per authority) of properties that are being brought back into use.

### **BACKGROUND**

Groundwork Creswell Ashfield and Mansfield successfully bid to the Homes and Communities Agency to fund a project designed to bring empty homes back into use as affordable homes, by providing a grant for improvement works. These properties will contribute to meeting housing need in North East Derbyshire and Bolsover.

Groundwork Creswell Ashfield and Mansfield provide supervised training and employment opportunities for previously unemployed people. These previously unemployed people will be involved in bringing the properties back into use.

The gist of the scheme is that Groundwork will work with our Environmental Health Service to identify properties that have been empty, and where the owners have been unable to sell or improve the properties.

Groundwork will improve the properties to a Lettable standard. The extent of the work will be determined by the condition of the individual property, but typically will involve ensuring the property is adequately heated and has modern facilities such as kitchens and bathrooms.

This improvement work will be funded by Groundwork from the grant funding and there will be no charge made to the owner. However, the owner will need to agree to let the property at an Affordable Rent (ie 80% of the market rent) for a period of at least five years following the work.

It is envisaged that Groundwork will lease the properties from the owner (thus meaning Groundwork will be the Landlord), and will then let the properties and an Assured Shorthold Tenancy agreement to local people.

However, as Groundwork have no experience or expertise of Housing Management they have asked the Councils (via Rykneld Homes for NEDDC) to provide a management and repair service in return of a fee.

Details of the service offered to Groundwork and the method of payment will be detailed in a service level agreement that will be developed with the partners and include the Councils' legal services.

## **DETAILS**

The Councils and Groundwork will develop a service level agreement which will detail the exact responsibilities. However, this is likely to include both Housing Management and Repairs.

**Housing Management** – The Councils will collect rent and deal with housing management issues at these properties. This will include dealing with low level rent arrears up to but not including the service of any Notice. Serious rent arrears and any other legal cases for breach of tenancy will be passed to Groundwork (or their legal representatives) to resolve. The Councils will undertake 6 monthly property inspections.

**Repairs** – The Councils will provide a minor repairs service (up to £200) and will recover the full cost of these repairs from the rental income. More extensive work can be carried out but the owner will have the option of choosing a contractor of their own. The Council will undertake the annual gas safety inspections with the full cost recovered from the rental income.

**Allocations** – All properties will be advertised through the CBL systems and people will be able to bid for these properties.

In return the Councils will charge a management fee of 10% - 15% dependent on the level of rent charged. It is estimated that the rents for these properties will be around £100 to £130 per week (depending on location and size of property)

## **FINANCIAL IMPACT**

The average cost of Housing Management for Bolsover owned properties is around £9.70 per week. The estimated income for these managed properties is slightly more which reflects the additional administration and costs of inspections and gas servicing.

As the costs of any repairs would be fully recovered there is no impact of providing the repairs service.

Although it is proposed that this service is provided by the Housing Department for Bolsover and Rykneild Homes for NEDDC, this scheme will need to be accounted for separately as it cannot be funded from within the HRA. It is envisaged that the Service Level agreement (or contract) will ensure that each Council receives payment to cover their full costs of participation.

Under current legislation each Council will benefit from New Homes bonus for each empty property that is brought back into use through this scheme. Assuming all 8 properties (per authority) attracted New Homes Bonus this could be as much as £10,000 per authority per year benefit to the general fund (assuming 8 properties at Band A attracting affordable housing bonus).

## **ISSUES/OPTIONS FOR CONSIDERATION**

The scheme detailed in the report.

## **IMPLICATIONS**

Financial: As covered in report. HRA costs will be covered, potential benefit from New Homes Bonus as previously empty properties are brought back into use.

Legal: Not directly. There will be an SLA for repairs and management only.

Human Resources: Not directly

## **RECOMMENDATIONS**

- 1. That Executive approve this scheme in principle.**
- 2. That delegated authority be given to the Director of Neighbourhoods, in conjunction with the Solicitor to the Council and the Portfolio Holder for Housing Management to agree a Service Level Agreement with Groundwork to allow the Council to carry out management and maintenance of these properties.**

## **REASON FOR DECISION TO BE GIVEN IN ACCORDANCE WITH THE CONSTITUTION**

To allow officers to further develop and implement a project with Groundwork that will bring empty homes into use.

ATTACHMENTS: **N**  
FILE REFERENCE:  
SOURCE DOCUMENT: