

Report of:	Head of Housing and Waste Management
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Portfolio Leader:	Housing
Key Decision:	Yes
Report Track:	Cabinet: 17/07/14

CABINET
17 JULY, 2014
REPURCHASE OF VACANT FORMER COUNCIL DWELLINGS

1 Purpose of Report

- 1.1 To consider the current position regarding the Repurchase of Vacant Former Council Dwellings Programme.

2 Recommendations

- 2.1 That the action of the Head of Housing and Waste Management, following consultation with the Housing Portfolio Leader, regarding the reduction in Affordable Housing Grant for the repurchase of vacant former Council dwellings is confirmed.
- 2.2 That the vacancy requirement in respect of the Former Council Dwellings Repurchase Programme is removed.
- 2.3 That the Head of Housing and Waste Management, following consultation with the Housing Portfolio Leader, be authorised to determine the specific former Council dwellings for repurchase and that the terms and conditions are agreed by the Head of Economic Development.

3 Key Issues and Reasons for Recommendation

- 3.1 The Council have an agreed programme to repurchase 10 vacant former Council houses as part of the 2013-14 and 2014-15 HRA Capital Programme.
- 3.2 The property repurchases are to be part funded with Affordable Grant and as a grant condition, properties must have been vacant for at least 6 months.

- 3.3 Difficulties have been experienced in purchasing former Council properties which meet this criteria, with only 2 dwellings being purchased to date. It is not therefore considered that a further 8 purchases can be completed before 31st March 2015 when the Empty property Affordable Grant Programme ends.
- 3.4 In order not to prejudice the Council's further bid for £1,472,000 of Affordable Housing Grant from 2015-18 Affordable Housing Programme, the Head of Housing and Waste Management, following consultation with the Housing Portfolio Leader, has informed the HCA that the Council will only be able to purchase 5 vacant dwellings, including the 2 already bought. As a result, the potential availability of Affordable Housing Grant has reduced by £110,000 and confirmation of action is sought.
- 3.5 A budget of £764,000 for the purchase of vacant former Council houses does however remain in the 2014-15 HRA Capital Programme and of this, £698,000 is fully resourced without the need for additional Affordable Housing Grant.
- 3.6 It is therefore suggested that this budget should continue to be utilised to repurchase former Council properties but that the vacant requirement is removed. The other property purchase criteria agreed by Cabinet on 25th July, 2013 would however continue to be applied.
- 3.7 The specific properties which are repurchased would continue to be determined by the Head of Housing and Waste Management, following consultation with the Housing Portfolio Leader, with terms and conditions being agreed by the Head of Economic Development.

4 Relationship to Corporate Priorities

- 4.1 The purchase of former Council houses would contribute to the service aim to 'increase the supply of affordable housing' which forms part of the Housing Portfolio Section of the agreed 2014-15 'Place' Priority Delivery Plan.

5 Report Detail

- 5.1 Following a successful bid for Affordable Housing Grant from the Homes and Communities Agency (HCA), Cabinet on 25th July, 2013 agreed a scheme to repurchase 10 vacant former Council houses sold under the Right to Buy.
- 5.2 An agreed budget of £1,050,000 was subsequently included in the 2013-14 and 2014-15 HRA Capital Programme to fund the property repurchases, comprising £220,000 of Affordable Housing Grant and £830,000 of HRA capital resources.
- 5.3 The £220,000 of Affordable Housing Grant is however conditional upon:-
- (i) The properties which are repurchased having been vacant for at least 6 months.

- (ii) The 10 property repurchases being completed by 31st March, 2015.
- 5.4 Difficulties have been experienced in purchasing suitable former Council houses which have been vacant for at least 6 months. Whilst 2 properties which met the '6 month vacancy criteria' have been purchased, it is not considered that a further 8 purchases can be completed by 31st March, 2015.
- 5.5 Similar problems have been experienced by other housing organisations who have received funding under the HCA's programme for 'Bringing Empty Properties Back into use as Affordable Housing' and it is understood that the programme is nationally underspent.
- 5.6 In relation to Cannock Chase, the difficulties in repurchasing 'qualifying' properties has resulted from:-
 - (i) Fewer than expected long term vacant properties being potentially available for purchase as a result of the upturn in the housing market and changes to the Council Tax criteria.
 - (ii) Vendors of properties only being willing to sell their property at a price which exceeds the open market valuation.
 - (iii) Certain properties having structural problems usually associated with 'improvements' undertaken by the owners.
- 5.7 Cabinet on 17th April, 2014 agreed a further bid to the HCA for £1,472,000 of Affordable Housing Grant from the 2015-18 Affordable Homes Programme. In order not to prejudice this bid, the Head of Housing and Waste Management, following consultation with the Housing Portfolio Leader, has informed the HCA that the Council would only be able to purchase a maximum of 5 vacant dwellings, including the 2 already bought.
- 5.8 As a result, the potential availability of Affordable Housing Grant under the Empty Properties Programme has reduced from £220,000 to £110,000. This reduction in funding has been included within the revised HRA Capital Programmes for 2013-14 and 2014-15, as detailed within a separate report elsewhere on your agenda.
- 5.9 A budget of £764,000 for the purchase of vacant former Council houses does however remain in the 2014-15 HRA Capital Programme, whilst £66,000 is dependent upon the Council receiving Affordable Housing Grant for the purchase of 3 properties which have been vacant for 6 months, the remainder (£698,000) comprises of HRA resources and Affordable Housing Grant which has been claimed.
- 5.10 It is therefore suggested that this budget should continue to be utilised to repurchase former Council properties but that the vacancy requirement is removed. Any property repurchases would however continue to be in accordance with the other criteria agreed by Cabinet on 25th July, 2013, i.e.

- (i) Properties must be structurally sound and only require improvement works (to meet the Decent Homes Standard) which can be undertaken within the agreed budgetary provision at an economic cost.
 - (ii) Purchases will be restricted to one bedroom flats, two bedroom bungalows and houses (all sizes but particularly those with two bedrooms), as these types of accommodation are in the highest demand.
 - (iii) Purchases will be made throughout the District but will be targeted on estates for which there is a high demand.
- 5.11 Priority in any purchases would however continue to be given to properties which have been vacant for at least 6 months in order to maximise the potential availability of Affordable Housing Grant. In addition, the specific properties which are repurchased would continue to be determined by the Head of Housing and Waste Management, following consultation with the Housing Portfolio Leader, with the terms and conditions being agreed by the Head of Economic Development.

6 Implications

6.1 Financial

A budget of £764,000 for the purchase of former vacant Council houses forms part of the revised 2014-15 HRA Capital Programme, as detailed within a separate report elsewhere on your agenda.

This revised budget excludes a £110,000 reduction in Affordable Housing Grant but includes £66,000 of Affordable Housing Grant which is dependent upon the Council purchasing 3 further properties which have been vacant for 6 months.

However, £698,000 is fully funded from HRA capital resources and Affordable Housing Grant which has been claimed.

It is proposed that the available budget is utilised to purchase former Council houses without the 6 month vacancy requirement.

6.2 Legal

None.

6.3 Human Resources

None.

6.4 Section 17 (Crime Prevention)

Empty homes can become a target for crime and anti-social behaviour. This will be reduced by bringing vacant properties back into use or ensuring that they do not become vacant.

6.5 Human Rights Act

None.

6.6 Data Protection

None.

6.7 Risk Management

If the Council are unable to purchase a further 3 former Council properties, which have been vacant for 6 months, there will be a further reduction of £66,000 in the availability of Affordable Housing Grant.

6.8 Equality & Diversity

The proposed scheme to repurchase vacant former Council properties has been subject to an Equality Impact Assessment (EIA). No negative implications were identified whilst the scheme has positive impacts for certain of the 9 protected characteristics. The changes detailed in this report do not materially change this previous EIA.

6.9 Best Value

None.

7 Appendices to the Report

None

Previous Consideration

Bringing Empty Properties Back into use as Affordable Housing	Cabinet	21 st March, 2013
Repurchase of Vacant Former Council Dwellings	Cabinet	25 th July, 2013
Affordable Homes Programme 2015-18	Cabinet	17 th April, 2014

Background Papers