

Appendix D - Briefing Note - Empty Homes Government Funding

Introduction

Tackling empty homes is one of the Coalition Government's policy priorities. As part of the Comprehensive Spending Review in October 2010, the Government announced a £100m fund to bring more empty homes back into use. Central Bedfordshire Council submitted a bid for £200,000 and on 2 March 2012 the Home Communities Agency confirmed they would like to enter into a contract with Central Bedfordshire Council for the full amount.

Empty Homes Funding scheme

The funding will be used towards bringing 20 empty homes back into occupation using a Lease & Repair Scheme. The Council will offer long-term empty property owners £8,000 per unit/property to be used for repair and refurbishment for a 10 year lease and the Council, on average, expects to contribute the same towards cost of works for refurbishment in the form of Empty Homes Loan Assistance. For 5 year leases, the proposal is for £6,000 per unit.

Central Bedfordshire Council has a partnership agreement with Genesis Housing Association, primarily to use their management services, where required. Several other Housing Associations were approached to test the market in this area of work but we were unable to find an alternative association will to be associated with the bid. The Council has an enabling role to bring together owners and Genesis.

Some of the funding will also be used towards the purchase and conversion of 2 non-residential empty units, which were previously used by Children's Services. Both properties are located in residential areas, and were previously used as office accommodation. The proposal is for Housing Services to acquire and refurbish them into a total of 4 self contained flats, two 2 bed and two 3 bed accommodation. £60,000 of the funding is allocated for this proposal, which equates to £15,000 per unit created.

Meeting Local Needs

The aim of the Empty Homes funding is to bring long-term empty homes back into use in the areas where properties are most in need. In 2009 Central Bedfordshire had approximately 500 households on its waiting list. By January 2012 this number has increased to 2,039.

The areas identified with the largest concentration of long-term empty properties, and a high number of bids on the last 'choice based lettings' cycle are Leighton Buzzard, Dunstable and Biggleswade. Houghton Regis was also included due to the Needs Assessment identifying a large number of applications for this area, and its proximity to Dunstable.

Summary of approach

Longer term empties can blight neighborhoods; they attract anti-social activities and can decrease the value of neighboring properties. The main priority is to tackle those that have been empty for 5 years or longer and currently 2 properties in Leighton Buzzard are being refurbished under final Empty Dwelling Management Orders (EDMO's). A third application for EDMO is currently being made. A further 6 properties have been

identified for priority action and possible EDMO applications in 2012 (report being presented to Overview and Scrutiny Members in April 2012).

With the Government funding the Council will look at 'intermediate' properties, those which are not dilapidated but require works in order to bring back into residential use. In the four areas proposed, the average length of time empty is 3 years and 6 months, so it is likely that a number of properties will meet the "intermediate" definition. The Government funded scheme will compliment the enforcement activity.

The Council will use Council Tax data and local knowledge from our Planning colleagues to identify properties and then more specifically identify 2 and 3 bed properties which are those most desired by Housing applicants within the 'Choice Based Lettings Scheme'.

Owners of empty homes will be contacted and advised about the potential funding available under the Empty Homes programme. The Council would undertake initial inspections, loan assistance applications, and refer to Genesis for Lease negotiations.

There will be 100% nomination rights for Central Bedfordshire Council.

The "deal" for empty home owners is that there is opportunity to completely renovate their properties at no capital cost to owners, in return to agreeing a 5 or 10 year lease with Genesis Housing Association. There may be a small rental income in circumstances where Genesis management costs are exceeded by rental income, which is to be set at Affordable Rent levels (up to 80% of market rent).