

AGENDA ITEM 4

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

19TH APRIL 2016

**PROPOSAL TO DELIVER A DISCRETIONARY EMPTY PROPERTY GRANT
ACROSS RHONDDA CYNON TAF**

**REPORT OF THE GROUP DIRECTOR COMMUNITY AND CHILDREN'S SERVICES,
IN DISCUSSION WITH THE RELEVANT PORTFOLIO HOLDER, COUNCILLOR
KEIRON MONTAGUE**

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1. PURPOSE OF THIS REPORT

- 1.1 This report sets out for Members the details of a proposed discretionary Empty Property Grant that will support and deliver the recent Council decision to invest £1.5m to bring back into use long term empty properties in 2016/17 and 2017/18 across Rhondda Cynon Taf.

2. RECOMMENDATIONS

It is recommended that the Cabinet:

- 2.1 Approve the empty property grant process and eligibility criteria, as set out in paragraph 6.
- 2.2 Approve the resource requirements to deliver the scheme, as set out in paragraph 9.1.
- 2.3 Approve the amendments to the current 'Private Sector Renewal Policy' as detailed in paragraph 6.2 to reflect the new empty property grant.
- 2.4 Delegate authority to the Head of Community Housing to waive the 15% financial contribution in exceptional circumstances.
- 2.5 Note the potential "lead in" periods associated with this type of project, as outlined in paragraph 10.1
- 2.6 That after 6 months of operation the uptake of the grant be reviewed and should it be necessary a further report is brought to Cabinet to ensure the grant is delivering the Council's objectives

3. REASONS FOR RECOMMENDATIONS

- 3.1 To provide an effective grant mechanism that will enable the community housing section to deliver the Council's investment priority as it relates to empty properties.

4. BACKGROUND

- 4.1 A report was presented to Council on 10th March 2016 setting out the "Council Corporate Plan – Investment Priorities", within that report there was a commitment by the Council to invest £1.5M to bring back into use long term empty properties across Rhondda Cynon Taf.
- 4.2 At 1st April 2015 there were 2577 known empty properties in the Borough. Over the last 3 years the combined work of the Housing teams in Public Health and Protection and Community Housing has brought back into use 293 properties through direct action, loan or grant aid.
- 4.3 Over 900 empty property interventions have taken place over the same period to either provide advice, serve notices for disrepair or secure empty properties.
- 4.4 Dealing with empty properties within the Borough has a significant impact on the Council's resources, but also has a significant positive impact for the community by improving the street scene and enhancing the neighborhoods environmental and social conditions.

5. CURRENT FUNDING OPTIONS FROM THE COUNCIL

The Council has a number of options available to owners of empty properties to encourage them to be brought back into use.

5.1 Empty Property Grant

The Council's 'Private Sector Housing Renewal Policy' (which identifies the Council's priorities for housing capital investment), makes available a discretionary grant for long term empty properties. This Empty Property Grant has a £10,000 or £20,000 maximum limit dependent if the empty property is in an area of designated housing need. These grants are means tested or give an applicant an option to pay a maximum 25% contribution. Although the Policy allows for the delivery of this grant, there is no budget currently available for new applications for this grant within the Housing Capital Programme.

5.2 Flats over Shops Grant

Flats over Shops grants are also included in the Policy to create or bring back into use empty spaces above shops in town centre locations. Again, although the

Policy allows for the delivery of this grant, there is no budget currently available for new enquiries.

A capital budget of £102k was set aside in the 2015/16 budget to meet the Council's legal grant commitment to already approved cases. This £102k will be spent by 31st March. No new enquiries have been considered in 15/16 due to other budget priorities

5.3 Houses To Homes Loan

The Houses into Homes Loan is a Welsh Government funded scheme to provide a loan to help return privately owned empty properties into use. These loans are not available for potential owner occupiers and are only suitable for applicants who want to rent or sell the property on completion of the works. The loan must be repaid on sale, or within 3 years if the property is for rent.

The Houses to Home loan has proved popular with landlords and investors with the Housing team in Public Health and Protection processing over £1.4m of Houses into Homes loans since 2012 providing 61 units of accommodation up to 1st January 2016.

5.4 Home Improvement Loan

The Council is currently finalising processes to offer residents in Rhondda Cynon Taf the Welsh Government funded Home Improvement Loan. The main purpose of this loan is to help homeowners make improvements to their own home, but the product could also be made available for potential owner occupiers to access loan funding to bring empty properties back into use. The maximum loan available through this scheme is £25,000. As loans have not been offered in RCT to date, it is currently unclear as to what extent residents will be interested in this type of product and therefore, what the take up will be.

The Home Improvement Loan is repayable by the home owner and will be available from 2016/17.

6. PROPOSAL

- 6.1 The proposal is to provide a discretionary Empty Property Grant up to a "cost of works maximum" of £20k (with ancillary fees added) across the whole of RCT.
- 6.2 This Grant would be similar to the current Empty Property Grant as described above, but in order to simplify the process and encourage take up, it is recommended that a number of changes are made to the eligibility requirement and criteria for the grant as follows:

- The grant would be available in respect of properties located throughout Rhondda Cynon Taf that have been empty for a minimum period of 6 months prior to grant application.
- The grant would only be available to potential owner occupiers who plan to live in the property as their main residence for a period of at least 5 years.
- There will be no means test.
- Applicants will be required to make a financial contribution of 15% of the full grant up to a maximum of £3k.
- There will be discretion to waive the 15% contribution in exceptional circumstances such as financial hardship (for example the applicant is in receipt of an income related benefit) or where bringing the property back into use meets a particular housing need (for example a long term empty property that is a blight on the community).

6.3 As with the existing Empty Property Grant, conditions will apply for a 5 year period following completion of the works (.i.e. grant will be repaid if applicant sells or stops living in the property during the grant condition period). A Legal Charge will register the grant conditions. The Council can offer an in-house Agency service to appoint contractors and to supervise the works.

6.4 As the proposed Empty Property Grant differs from the existing Empty property Grant in relation to its criteria and its terms and conditions, an amendment to the current 'Private Sector Renewal Policy' would be required.

7. OPERATIONAL DELIVERY

7.1 The Private Sector Housing and the Housing Strategy and Standards teams based in Community Housing would work together to identify properties and deliver the scheme.

7.2 If this proposal is agreed, past experience indicates that intensive marketing of the grant would be required to generate the initial enquiries, this marketing would form part of the wider advertising/awareness raising campaign around empty properties that is planned for 2016/17.

7.3 All enquiries would be considered in date of receipt order following a full and detailed survey by a suitably qualified surveyor who would identify and calculate costs of grant eligible works. The Grant will be available for essential repair works to make the property safe and secure and free from any category one hazards. Works would be inspected and verified prior to any grant payment, in the normal way. If required the applicant can engage the Council's in-house Agency service to employ contractors and to supervise the works.

8. EQUALITY AND DIVERSITY IMPLICATIONS

- 8.1 An Equality Impact Assessment (EqIA) screening form has been prepared for the purpose of this report. This exercise has shown that a full EqIA is not required. The screening form can be accessed by contacting the author of the report or the Cabinet Business officer.

9. FINANCIAL IMPLICATIONS

- 9.1 All applications would be subject to an application process which would involve a detailed survey by a suitably qualified surveyor to identify and quantify grant eligible works. To deliver the new grant additional human resources are required it is therefore proposed that an additional suitably qualified surveyor and an administrative officer be sourced to deliver the project and provide regular updates for members on the progress of the scheme, anticipated HR costs being in the region of £130k over a two year period to be met from within the £1.5 million budget.

10. PROJECT TIMESCALES

- 10.1 Currently, under the provisions of the existing scheme, there are no Empty Property grant enquiries waiting to be processed so interest in the new grant would have to be generated from a standing start. Experience of lead in times for a large scale grant schemes demonstrates it will take 6 to 9 months to generate applications which will translate to formal grant approvals and actual grant spend when works are completed.
- 10.2 If the scheme is approved and starts early in April 2016 it is anticipated that individual grant schemes approved in the first 6 months of the year will generate spend in the second half of the year, however to successfully approve and spend in full a £1.5m budget from a standing start would be difficult in a 12 month period and a more realistic timescale for full spend would be 18 - 24 months.

11. OUTCOMES

- 11.1 It is anticipated, based on a capital budget allocation of £1.5m that approx 70 – 80 empty properties would be brought back into use over a 24 month period.

12. LINKS TO THE COUNCILS CORPORATE PLAN/OTHER CORPORATE PRIORITIES/SIP

- 12.1 This proposal supports the delivery of the Council's Local Housing Delivery Plan and Single Integrated Plan priority that 'People in Rhondda Cynon Taf live in safe, appropriate housing in sustainable and vibrant communities'.

13. CONCLUSION AND NEXT STEPS

- 13.1 Despite the significant number of intervention carried out on empty properties as highlighted in paragraph 5.1, there continues to be approx 2577 empty properties across the Council.
- 13.2 The benefits of bringing empty properties back into use are widespread and underpin a number of priorities as set out in the Council's corporate plan.
- 13.3 The Council, as part of its "Corporate Plan – Investment Priorities" has committed £1.5m capital funding for an empty property scheme.
- 13.4 The proposed Empty Property Grant, as detailed above, will provide a mechanism to enable the community housing section to deliver on the Council's Corporate Plan – Investment Priority as it relates to empty properties.

Other information:

Relevant Scrutiny Committee

Health and wellbeing Scrutiny committee

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

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Background Papers –

Report to Council on 10th March 2016 setting out the “Council Corporate Plan – Investment Priorities”

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