

REPORT TO THE EXECUTIVE



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PORTFOLIO	Housing and Environment
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Loans Policy for the Empty Homes Programme

PURPOSE

1. To seek approval to a Loans Policy that will help facilitate the delivery of the Borough's Empty Homes Programme.
2. To obtain delegated authority for the Head of Housing and Development Control to approve, pay and administer the loan repayment scheme in accordance with the policy.

RECOMMENDATION

3. That the Executive approves the Loans Policy for Empty Homes attached as Appendix 1.
4. That delegated authority is given to the Head of Housing and Development Control to approve loans, and administer a loan repayment scheme in accordance with the policy.
5. That the repaid loans money is recycled back into the Housing Capital Investment Programme to ensure that there is an on-going budget to address further long term empty homes.

REASONS FOR RECOMMENDATION

6. It is important that the Council has a clear policy on Empty Home Loans, setting out the purpose of the financial assistance, when loans will be allocated, what the conditions of the loans are and how they will contribute to the Council's Strategic objectives.
7. The policy will ensure loan applicants and Officers are aware of how this financial assistance will be delivered ensuring a consistent approach is adopted.
8. Burnley has over 2089 empty properties, 560 of which have been empty for over 2 years. Whilst the Empty Homes Clusters Programme will address a significant proportion of these empty homes it is important that the Council have an on-going long term budget to tackle further empty homes and the problems associated with

them. Recycling the re-paid loans into the Housing Investment Programme will achieve this. In addition through the funding criteria from the Homes and Communities Agency innovative ways of generating future income and evidence of how this will be recycled was an important element of the funding allocation.

SUMMARY OF KEY POINTS

9. There are 2089 empty properties in Burnley, a quarter (560) of these have been empty for over 2 years and that is 200 000 days of empty property. They cluster to form 20% of the total housing stock in some areas and attract associated problems of anti-social behaviour, crime and fly tipping.
10. As a result in May 2012 Burnley successfully secured funding from the Homes and Communities Agency (HCA) to bring around 175 empty homes back into use which are situated in clusters of 25 or more empty homes. This programme is known as 'The Empty Homes Clusters Programme'.
11. There are number of approaches that the Council will use for the Empty Homes Clusters programme. One of which is supporting private landlords as the Council recognise that the private rented sector plays a crucial role in bringing empty homes back into use and reducing crime and Anti-social behaviour.
12. The Council as part of its enabling role aims to support private landlords to tackle the empty homes and improve the quality of the accommodation within the 'Cluster' area. To assist in this the Council will provide loan assistance to responsible landlords.
13. The loan is a maximum of £6,000 and must be match funded by the landlord. This would give an average works cost of £12,000 which should be sufficient to repair an average empty home by a private sector landlord. If required the landlord can at their choice put further funding towards refurbishing their empty home.
14. A landlord will be eligible for a loan if they are:
 - Accredited through the Good Landlord and Agent Scheme (GLAS) or;
 - Working Towards Accreditation, (where an application has been received and the landlord is working towards the required standards).
 - Licensed through the Council's Selective Licensing or Mandatory Licensing schemes or if
 - They agree to enter into a Private Sector Leasing Scheme for a period of 5 or 10 years.
15. In addition the Landlord's property must:
 - Be Situated in a "Clusters" area as approved by the Council's Executive and
 - Require remedial works or requiring works necessary to bring the property up to Decent Home standards including the provision of energy efficiency works and
 - Have been vacant for 6 months or longer and
 - Not have been included in a future clearance programme subject to an Executive decision or is in a confirmed clearance area will not be eligible for a loan.
16. The landlord will be required to repay the loan on a monthly basis over a maximum period of 10 years or a shorter period if agreed with the recipient of the loan.

17. The repayments will be recycled back into the Housing Capital Investment Programme for future intervention to long term empty homes.
18. As this is a new policy it will be kept under review and changes made if required. Any significant changes would be presented to the Executive.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

19. The maximum loan amount will be £6,000.00. The loan must be match funded by the landlord thus ensuring a partnership between public and private sector. Therefore the maximum of loan plus landlord funding will be £12,000.00. This will include the Council's administration fee of £572.15. The maximum amount available for carrying out the eligible work will therefore be £11,427.85. A landlord may choose to investment more than the required match funding during the refurbishment work.
20. The cost of the loans will be funded through the £7,102,067 empty homes cluster programme.

POLICY IMPLICATIONS

21. The loans will help achieve the Council's strategic objective of "Making the Borough a Place of Choice", a place where people want to live. Renovation through the assistance of the loan and subsequent occupation of the once empty homes will improve the environment for neighbouring residents and reduce the incidence of crime, fly-tipping and anti-social behaviour associated with empty homes.
22. The Loans will help achieve the Pennine Lancashire's Housing Strategy 2009-2029 by developing and promoting a new mechanism to revitalise private sector housing and strengthen links with landlords with the aim of improving stock condition and neighbourhood quality.

DETAILS OF CONSULTATION

23. Chris Jones - Northern Counties Housing Association Limited

BACKGROUND PAPERS

24. None/A

FURTHER INFORMATION

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ALSO:

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