

CABINET MEETING 22 MARCH 2022

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Private Property Acquisitions

Author(s):

Report of the Executive Director of Neighbourhoods

Purpose of Report:

The purpose of the report is to seek approval to widen the scope of the Housing Delivery and Investment Plan to enable Private Property acquisitions

Description of Decision:

Cabinet is recommended to approve the widening of the scope of the Housing Delivery Investment Plan to incorporate the acquisition of private properties when:

- it improves neighbourhoods; and
- it supports the health benefits of older people who do not have the finances to improve or maintain their homes to the decent homes' standard

Is the decision consistent with the Budget/Policy Framework? ***Yes**

If not, Council approval is required to change the Budget/Policy Framework - No

Suggested reason(s) for Decision:

This approach would provide enhanced delivery options to support neighbourhood improvements and community benefits as well as health outcomes to older people in poor quality homes.

Alternative options to be considered:

The option of not widening the scope of the HDIP was considered but rejected as it was felt that the impacts of widening the scope could significantly support local community improvements and health outcomes for older people with poor quality homes.

Impacts analysed;

Equality ☐ Privacy ☐ Sustainability ☐ Crime and Disorder ☐

Is the Decision consistent with the Council's co-operative values? Yes/

Is this a "Key Decision" as defined in the Constitution? **Yes**

Is it included in the 28 day Notice of Decisions? **Yes**

PRIVATE PROPERTY ACQUISITIONS**Report of the Executive Director of Neighbourhoods****1.0 Purpose of the Report**

- 1.1 The purpose of the report is to seek approval to widen the scope of the Housing Delivery and Investment Plan to enable Private Property acquisitions

2.0 Recommendations

- 2.1 Cabinet is recommended to approve the widening of the scope of the Housing Delivery Investment Plan to incorporate the acquisition of private properties when:
- it improves neighbourhoods; and
 - it supports the health benefits of older people who do not have the finances to improve or maintain their homes to the decent homes' standard

3.0 Background

- 3.1 Cabinet on 11th February 2020 approved the Housing Delivery and Investment Plan (HDIP). This was a 5-year capital investment programme for the Council to deliver new affordable homes across 3 strands of activity:
- Bringing Empty Homes Back into use
 - Delivery of new bungalows; and
 - Providing new supported accommodation
- 3.2 The HDIP is focussed on meeting the needs of local communities and supporting residents as well as meeting local strategic housing needs.
- 3.3 The HDIP is progressing well and is delivering on the strategic aspirations approved by Cabinet.
- 3.4 It has become apparent that if the Council can widen its scope of delivery within the HDIP it could intervene positively in areas of regeneration as well as help older people who own their own home who may suffer ill health from their property conditions and do not have the resources to carry out capital improvements.

4.0 Private Property Acquisitions**4.1 Improving Neighbourhood**

- 4.2 There are declining neighbourhoods within the City where the Council are working hard to ensure neighbourhood cohesiveness. One of the challenges that the Council have faced in dealing with Empty Properties and wider neighbourhood improvements is that within those communities' private landlords have and continue to purchase properties that are then poorly managed and maintained.

- 4.3 In those areas there are times when owner occupiers become disillusioned and decide to move on and sell their homes. This is a sad position for many families but a reality on what is happening in some areas. Some Owner Occupiers are reluctant to sell to rogue and out of area private landlords and have asked the Council to purchase their property.
- 4.4 Even though they have made the decision to move on these owners are keen to prevent further decline of the street or area they have lived in and see the Council as a good option for them to sell their home and then manage and maintain it appropriately.
- 4.5 This approach is far from ideal as it would be preferred if local people remained in their homes and continued with creating a sustainable community. However, it is recognised that there is occasion when the sale of a home is necessary and inevitable and in the right circumstances that enhance and promote local regeneration and the provision of new affordable homes that are well managed and maintained, it does make sense for the Council to step in and acquire owner occupied properties.
- 4.6 This approach does not currently sit within the scope of the HDIP and would need Cabinet approval for the inclusion of this approach as a delivery strand of activity
- 4.7 Older property owners with poor quality homes
- 4.8 A report "Good Homes for all" was published on 16th September 2021 by The Centre for Ageing Better. This report was presented to the Ageing Well Board to highlight the impact the poor state of the nation's homes is having on the ability of people to age well.
- 4.9 The report is a response to several factors including:
- the normalisation of deaths due to fuel poverty or poor housing. 17,000 people died in 2018 and there were an estimated 28,000 excess winter deaths in 2019/20
 - 17% (4.1m) homes fall short of the Decent Homes standard, half of which were occupied by over 55s; and
 - The annual cost of low-quality housing to the NHS is estimated at £1.4bn
- 4.10 There is a steady growth of older people living in non-decent homes. The number of people in this poor accommodation who were over 75 increased by a third in the 5 years to 2017. By 2041 one in four people in England will be 65+. Current research suggests that 2m people aged over 55 are living in a home that endangers their health or wellbeing and the older a homeowner is the less likely they are to make long-term investments in their home.
- 4.11 Health impacts are directly correlated to poor quality homes. One in 5 excess winter deaths can be attributed to cold homes. Falls and trips in the home are one of the major causes of death or serious injury particularly among older adults. This exacerbates existing health conditions.

- 4.12 New build homes are not the only answer to the problems, 80% of the future demand for homes exists today, it's their condition that is a barrier to living and aging well. Indeed, for many they have become a liability.
- 4.13 The findings of this report can be seen within Sunderland. Many older homeowners are struggling to keep their properties to a standard that is necessary to prevent many suffering from cold damp conditions which lead to illness and poor health.
- 4.14 It is proposed that where an older homeowner who has a property that falls below the decent homes standard and has issues that could impact on their health and without the means to put these things right then the Council could provide a purchase, improve, and rent solution.
- 4.15 Through the HDIP it could be possible to assess an older person's home and personal circumstances and if it is felt that health conditions could be affected without intervention then the Council could look at purchasing the property, placing the older homeowner in temporary accommodation whilst all necessary and required improvements are carried out and then offer the person a secure affordable rent tenancy as a Council tenant.
- 4.16 This would ensure that the person has a home that is warm and comfortable. The property would be heated efficiently, fully insulated, double glazed, secure and modern doors fitted, and full internal modernisation. This would ensure that the person has a home they can live comfortably in and removes health risks that the property had previously. This approach promotes a wider cost saving to the public purse and reduces health inequalities.
- 4.17 This initiative does not currently sit within the scope of the HDIP and would need Cabinet approval for the inclusion of this approach as a delivery strand of activity

5.0 Reasons for the Decision

- 5.1 This approach would provide enhanced delivery options to support neighbourhood improvements and community benefits as well as health outcomes to older people in poor quality homes

6.0 Alternative options to be considered:

- 6.1 The option of not widening the scope of the HDIP was considered but rejected as it was felt that the impacts of widening the scope could significantly support local community improvements and health outcomes for older people with poor quality homes

7.0 Impact Analysis

- (a) **Equalities** – This forms part of the HDIP and aligns with the previous Equality Impact assessment undertaken

- (b) **Privacy Impact Assessment (PIA)** – n/a
- (c) **Sustainability** – All home will be subject to health and sustainability considerations during the improvement works such as new boilers and insulation.
- (d) **Reduction of Crime and Disorder – Community Cohesion / Social Inclusion** – These new arrangements will support the cohesion of local communities by supporting people to live healthier and provide more local management arrangements

8. Other Relevant Considerations / Consultations

- (a) **Co-operative Values** – There are no implications
- (b) **Financial Implications.** - The costs associated with any investment required by the Council would be met from the provision for the Housing Delivery and Investment Plan within the existing capital programme. The acquisition process will not meet the grant funding conditions from the Purchase and Repair programme from Homes England as the property is not empty. Therefore, discussions will be held with Homes England on the approach to determine if other funding programmes could align to these arrangements.

Other potential funding to support these programmes, such as S.106 and the CCG, will be explored to see what funding opportunities exist to support the programme if Homes England grant funding is unavailable. All property acquisitions will be subject to the same investment viability assessment and no purchase will be progressed unless all financial requirements are met.
- (c) **Legal Implications** – All legal aspects of acquiring properties will be undertaken by the Council's Law and Governance Services. Early enquiries have established that the 'purchase, improve and rent' solution will not engage FCA regulation pursuant to the Financial Services and Market 2000 due to an exemption which benefits local authorities
- (d) **Health & Safety Considerations** – All management and works processes will be undertaken in line with appropriate Health and Safety legislation and requirements
- (e) **Procurement** – The only impact of procurement would be the delivery of capital works and provision of materials. All associated procurement implications are currently provided for within existing frameworks, managed store or procured providers.
- (f) **Risk Analysis**- The risks associated with this model align with the same risks currently delivered within the HDIP