

23 NOVEMBER 2011

REPORT OF DIRECTOR OF HEALTH HOUSING AND ADULT SERVICES PRIVATE HOUSING TEAM

COMMUNITY ACTION IN COALFIELD – PROGRESS REVIEW

Progress Report on 2011/12 Priority: Empty and Problematic Properties

1 Why has it come to Committee?

The report provides an update of progress against agreed actions in the current year's (2010/11) work plan (**Annex 1**).

2 Background

2.1 During the development of new priorities for the 2011/12 Work Plan, members, partners and officers held workshops and meetings to discuss the issues surrounding empty properties. It was acknowledged that some problematic properties are often not empty and that some empty properties do not necessarily cause problems. Therefore the priority heading has been amended to 'Empty and Problematic Properties'.

2.2 In February 2011 The Department for Communities and Local Government (DCLG) introduced the New Homes Bonus. It will reward local authorities for increases in its housing stock, including empty properties that have been brought back into use. This is calculated by subtracting the stock of empty homes in October in one year from the October of the previous year to give the net change. The data is taken from the Local Authority Council Tax Base statistical releases. The payment is made for a six year period.

2.3 Sunderland City Council, in partnership with the Homes and Communities Agency, developed the Sunderland Housing Priority Plan (SHPP) which included 6 overarching strategic priorities. One of the strategic priorities was related to bringing empty properties back into use. The SHPP was supported by the Empty Property Strategy (2007-2011) which covered the city. This strategy has now ended and an Empty Property Action Plan (2011-2012) developed on an area basis to support the SHPP is now in place.

3 Progress

3.1 It was agreed by Area Committee during the development of the 2011/12 Work Plan that the Lead Agent and the Empty Properties Officer would continue to work with the Area Committee to progress actions in the Work Plan including the development of an area based Empty Properties Action Plan. The Action Plan, as described above in 2.3 was presented to the members of the Committee on 15th July 2011 to consider and comment upon.

4 Cabinet Report on Implications of the Empty Property Action Plan in the Coalfield Area

4.1 The target to bring empty properties back to use in 2011/12 is 100. As at 24th October 2011, there are 49 properties that have been brought back to use, which are shown in **Annex 3**.

- 4.2 Maudlin Street, at the top of Hetton Downs is the last remaining terrace of former colliery houses in the locality. A Neighbourhood Renewal Assessment carried out earlier this year concluded that there was no viable future for the houses and best option available to the Council was to acquire the properties with a view to clearance and retention of the land for future development use. Funding was allocated from the Homes & Communities Agency to enable purchase. The Council has bought ten of the twenty-eight properties in the street by negotiated purchase and offers have been accepted by a further three owners. The eventual demolition of such properties will positively contribute to empty property action plan targets.
- 4.3 Officers from Gentoo have confirmed that 9 of their properties are still empty on their development in the Coalfields and all are currently being marketed for sale.
- 4.4 In February, the Hetton Road Estate was identified as an area needing intervention following complaints of anti social behaviour, empty properties and housing disrepair. A study was carried out and it was found seven of the boarded empty properties were owned by Gentoo and one boarded empty property privately owned. The Gentoo properties were boarded because they were being targeted by anti-social behaviour. Additional patrols were carried out between City of Sunderland, Gentoo and Northumbria Police. One family living in a private rented property were evicted due to their behaviour. Six of the seven Gentoo properties have since been brought back to use. The one long-term empty privately owned property has been earmarked for the Homes and Community Agency Scheme and the owner has committed to the Scheme.
- 4.5 The Empty Property Assistant and Senior Environmental Health Officer regularly visit the Houghton Racecourse Access Point and Easington Lane Access Point. They have advised staff that if residents would like to speak to an officer regarding disrepair or an empty property, this can be arranged to meet at one of the access points.

There is a greater synergy between Sunderland Council, Gentoo, Northumbria Police and other sections of Sunderland City Council to tackle the problematic, long-term unoccupied properties. The Empty Properties Assistant regularly meets up with Anti-Social Behaviour, Environmental Services, Environmental Health and Planning Services to discuss and share information about a particular property. Monthly walkabouts are held, so that we are all working efficiently and strategically to engage with the owner and if necessary use joint enforcement action.

- 4.6 Cabinet approval has been given to the Empty Property Action Plan and the Financial Assistance Policy in relation to Empty Homes Assistance. £577,000 of New Homes Bonus “windfall funding” has been awarded to the Council this year based on increasing the housing stock through new build properties and through returning empty properties back into use. This funding is available for use across the whole City. £250,000 of this funding will be used to offer loans to owners to refurbish empty properties. It is proposed that the average loan will be £5,000 and will be a 50% contribution towards improvement works. 50 additional properties will be improved and returned to use. The loan will be an equity loan, with the loan being repaid as a percentage of the value of the property on the first disposal of the property. It is also proposed that £327,000 will be put into a loans fund to which Registered Providers or similar organisations, such as Housing Co-operatives, could bid for to purchase and improve problematic empty homes. For example, this could be a former right to buy now owned by a private landlord or whatever property is

problematic in an area. The Council will have nomination rights and after management and repair costs, receive the proceeds of the rent until the value of the loan is recovered. This will allow up to a further 5 properties to be returned to use, thus, perpetuating the New Homes Bonus in future years and bringing additional Council Tax revenues into the Council. If this is not utilized it is proposed that any remaining funds be offered as loans, as described above.

- 4.7 In November 2010, the Government's Comprehensive Spending Review set out £100m that the Government is investing to support housing associations to refurbish over 3,000 empty properties across the country. As part of the Empty Property Action Plan (2011-2012), the Council is currently working with Gentoo on a proposed pilot project to identify, refurbish and let 10 empty properties each year until 2014. It is proposed that young unemployed people will be used along side contractors to refurbish selected empty properties. The young people will also have the opportunity to be rehoused with Gentoo and gain a recognised qualification. Once refurbished, Gentoo will lease the property from the owner for a five year period and act as managing agent for the owner. In the first year of the project, the owner will receive rent but in later years, it is proposed that the owner will receive part rent with the other part being recycled back into the project. A proposal has been submitted to the Homes and Communities Agency (HCA), which administers the scheme, by Gentoo the outcome of which is expected in the near future. If the proposal is successful, the refurbishment of the properties will be added under the relevant areas in the action plan. Initially, it is proposed that the first year will be a pilot project and properties are likely to be in the Council's or Gentoo's renewal areas. There have been several long-term problematic properties in the Coalfields area that have been earmarked and put forward by the Empty Properties Team.

Recommendation:

- To note the information regarding the Empty Property Action Plan and receive regular updates

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