

# WIRRAL COUNCIL

## CABINET

15 MARCH 2012

<b>SUBJECT:</b>	<b>HCA FUNDING FOR HOUSED SCHEME 2012-2013</b>
<b>WARD/S AFFECTED:</b>	BIRKENHEAD & TRANMERE BIDSTON & ST JAMES LISCARD
<b>REPORT OF:</b>	<b>KEVIN ADDERLEY</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b><i>HOUSING AND COMMUNITY SAFETY</i></b>
<b>KEY DECISION?</b>	NO

### 1.0 EXECUTIVE SUMMARY

- 1.1 This report advises Members that the Council has been successful in attracting Homes and Communities Agency funding to enable 10 long-term empty properties in the Borough to be brought back into use as much needed affordable housing and sold through the Councils HOUSED Programme. The Funding will be matched by £60,000 New Homes Bonus funding agreed by Cabinet in July 2011.
- 1.2 Members are also asked to approve the allocation of up to £380,000 funding from the former HMRI programme which members have previously agreed (Cabinet Report on Housing Market Renewal End of Year Report 13<sup>th</sup> October 2011) to use for Wallasey based Housing Market Renewal (HMR) projects. This funding will specifically refurbish and bring back into use properties at 85-89 King Street. These are 3 long term empty properties which are currently causing blight in the neighbourhood. The targeted use of the Wallasey funding to 85-89 King Street would provide upon change of use 9 units of accommodation to help meet housing need in the area.

### 2.0 BACKGROUND AND KEY ISSUES

- 2.1 The properties were originally acquired as strategic acquisitions in connection with the former Housing Market Renewal Initiative (HMRI). All were vacant at the time of purchase and located within or close to ongoing HMRI regeneration initiatives. Acquiring these long term vacant properties allowed the Council to have control over the future of these housing units, ensuring that any intervention supported the regeneration activities in the area. Following the premature end to the HMRI these properties have remained vacant and in Council ownership.
- 2.2 The HOUSED Scheme involves the Council purchasing, improving and selling empty properties to eligible owner occupiers and first time buyers, as affordable and decent homes. Properties are improved to a high standard and sold at a 10% discount off the market value; to support people in accessing home ownership through offering

affordable homes. Since 2007 the HOUSED Scheme has acquired and refurbished 13 long term vacant properties in some of the most depressed housing markets in the Borough. This latest phase of the Scheme will deliver 10 refurbished properties some of which lie within the Neighbourhood Facelift Scheme in Craven & Paterson Street in Birkenhead; therefore further protecting and supporting the investment already provided in this neighbourhood through the Council's Housing Regeneration Programme.

- 2.3 Any opportunities to provide added value to this scheme will be explored and applied if appropriate; specifically around employment, training and apprenticeships. As the Council's Build Wirral Scheme was originally set up for large construction projects (1 million plus) it is not suitable for this HOUSED tender however the main principles may be applied to smaller projects if appropriate. Consideration will be given to work experience opportunities, apprentices/trainee positions whilst on site or facilitate job vacancies being sourced through local unemployed people for the duration of the scheme. This would contribute to a number of Corporate priorities for the Council and could contribute to an increased supply resulting in future New Homes Bonus income awards for the Council
- 2.4 Seven of the 10 HOUSED properties are pre 1919 1&2 bed, brick built terraced stock some of which are in the Craven/Paterson St Neighbourhood Group Repair Scheme in Central Birkenhead and the rest in North Birkenhead. The remaining three units are 3 storey mixed use properties forming part of a pre 1919 terraced block located in a prominent position on an arterial route in King Street, Wallasey. If the change of use for the units are approved this will enable 9 units of accommodation to be delivered to meet local housing needs.

### **3.0 RELEVANT RISKS**

- 3.1 Failure to refurbish these properties would present a high risk that the Council would have difficulty disposing of them in their current condition at a value sufficient to meet the HCA HMR Transition Funding Requirements which demands a capital receipt of almost £500,000 for all 10 properties. It has been previously agreed by Cabinet on 21<sup>st</sup> July 2011 that this capital receipt will contribute towards completing outstanding acquisitions from the HMRI Programme to assist the remaining residents in areas subject to significant acquisition and clearance.
- 3.2 There is also a small risk associated with the sale of fully refurbished properties if the housing market declines further and the receipts are likely to fall below expectations. The properties will be re-valued on completion of the work and a view taken on the timing of the properties sales in order to secure a maximum return to the Council, but with a view to ensuring that the properties are re-occupied as soon as possible.

### **4.0 OTHER OPTIONS CONSIDERED**

- 4.1 The option of selling these properties on the open market in their current condition was considered, but due to their poor condition, and the need to generate a capital receipt from the sale of the properties of around £0.5m to match fund the HCA's Transition Funding announced in November 2011, this option was not considered viable. It was predicted that the Council would get a poor return in the current financial climate, or could fail to attract any interest at all.

## **5.0 CONSULTATION**

5.1 Consultation has taken place with both the Homes and Communities Agency and Communities for Local Government over HMR Transition and the Affordable Homes Programme Framework. There is expectation from both Government agencies that New Homes Bonus will be utilised to support the transition in HMR areas and support the delivery of new supply, including tackling empty properties and delivering affordable homes.

## **6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

6.1 The proposals for the HOUSED Programme will potentially offer opportunities for work to be undertaken by both voluntary and charitable status organisations.

## **7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

7.1 The total funding for the project will be £218,000 from the HCA, £60,000 New Homes Bonus and £380,000 carried forward from the HMR Programme.

7.2 The proposals outlined in Section 4 of this report will compliment the investment which has already been undertaken as part of the Housing Market Renewal Programme and will enable some schemes to be completed. The sale of the seven properties under the HOUSED Programme will result in approximately a £0.5m capital receipt which it is intended will be recycled and used to support future clearance and redevelopment activity.

7.3 The proposals identified in this report will be carried out utilising existing staff that have the experience to successfully deliver these programmes.

## **8.0 LEGAL IMPLICATIONS**

8.1 There are no legal implications arising from this report with the exception of conveyancing service required to sell the properties to first time buyers.

## **9.0 EQUALITIES IMPLICATIONS**

9.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

9.2 No because of another reason.

9.3 This report supports the re-occupation of empty properties and the regenerating areas of low demand and supporting the site assembly for affordable homes which are key elements to be addressed as part of the Housing Strategy Statement 2011-2026 and an Equality Impact Assessment has been completed in respect of this Strategy.

## **10.0 CARBON REDUCTION IMPLICATIONS**

10.1 The proposals outlined within this report look to improve standards within empty properties and tackle poor quality housing and enable new housing supply to be delivered. Properties will be refurbished to a standard that will improve the energy rating of properties and reduce carbon usage.

## **11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

- 11.1 The National advice in Planning Policy Statement 3 is that in determining planning applications, Local Planning Authorities should have regard to ensuring developments achieve a good mix of housing reflecting the accommodation requirements of specific groups, in particular families and older people and the need to ensure that the proposed development is in line with planning for housing objectives, reflecting the need and demand for housing in, and the spatial vision for, the area and does not undermine wider policy objectives e.g. addressing housing market renewal issues. Although the adopted Strategic Housing Market Assessment identifies a significant need for new market and affordable housing, it is clear that the recent severe deterioration in the housing market has reduced the effective need for new house building, particularly of smaller units, which are making a major contribution to the increasing number of long-term vacant properties. Monitoring of the use of this supply and the impact on existing residents (particularly those vulnerable to homelessness) will be needed to ensure that the most effective use is made of the housing stock.
- 11.2 The reuse of empty dwellings reduces the need for new build development, making more effective use of the Borough's existing stock and assists in achieving national objectives for the reuse of previously developed land and buildings. The Council has a requirement that 80% of new house building should be on previously developed land (Policy L4 of the North West of England Plan, Regional Spatial Strategy to 2021) and a requirement to reduce vacancy rates to 3% (Policy L3). Nationally, the Homes and Communities Agency is promoting a series of initiatives to offer support to existing homeowners and encourage the re-use of existing dwellings, thus making more effective use of the existing housing stock and protecting the most vulnerable homeowners.
- 11.3 Planning permission will be required in relation to the proposed change of use of the King Street Units.
- 11.4 The successful delivery of the HOUSED Scheme and wider Empty Property Strategy will assist in bringing vacant dwellings back into use thus gradually improving neighbourhood amenity and management of living accommodation, thus playing a significant part in improving standards across various housing sectors including the improvement of security and safety and better management of behaviour in and around such properties

## **12.0 RECOMMENDATION/S**

- 12.1 That members note the award of £218,000 from the HCA and agree to match this funding with up to £380,000 carried over from HMR which together with £60,000 already approved from New Homes Bonus, will make a total scheme pot of £658,000 to deliver up to 16 units of accommodation.

## **13.0 REASON/S FOR RECOMMENDATION/S**

- 13.1 This funding will refurbish 10 long term empty properties that were acquired with HMR Funding, but unfortunately have remained empty and untouched (except for some external group repair improvements to the Craven/Paterson properties) as HMR funding was withdrawn in March 2011. The initiative will provide much needed affordable homes, support the local housing market, help to provide employment and

training opportunities to local people as well as improving the attractiveness of the local environment and eliminating all of the problems associated with long term empty properties such as visual blight and anti-social behaviour. As well as protecting the investment already made in the Craven/Paterson Street Facelift Scheme.

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## **APPENDICES**

*None*

## **REFERENCE MATERIAL**

New Homes Bonus Allocation Letter from Communities and Local Government

## **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
<b>Cabinet – New Homes Bonus Allocation 2011/12</b>	<b>21<sup>st</sup> July 2011</b>
<b>Cabinet – Wirral’s Housing market Renewal Programme End of Year Report and Housing Investment Programme 2011/12</b>	<b>October 2011</b>