

## DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
HEAD OF ENVIRONMENTAL HEALTH AND HOUSING	EXECUTIVE COMMITTEE	5 <sup>TH</sup> DECEMBER 2023	6
<b>SECTION 106 FUNDING TO SUPPORT THE EMPTY HOMES STRATEGY AND EMPTY HOMES POSITION STATEMENT</b>			

### PUBLIC ITEM

This item is for consideration in the public part of the meeting.

### RELEVANT LEAD MEMBER

This item is within the remit of Lead Member for Housing - Councillor Chris Dixon.

### PURPOSE OF THE REPORT

Fylde Council Empty Homes Strategy was presented to Environment Health and Housing Committee in November 2022 . The key aim of the Empty Homes Strategy is to maximise the number of empty homes that can be returned into use as affordable housing.

Fylde Council are currently undertaking a formal procurement exercise to identify one or several Registered Providers who wish to work in partnership with the local authority to bring Empty Homes back into use as affordable housing provision.

The purpose of this report is to provide an update on the current position of the number of empty homes in the borough and to request S106 funding to establish an Empty Homes Fund. The fund will encourage Registered Providers to come forward and submit a bid as part of the open tender procurement process to appoint Registered Provider (s) to work in partnership with the Local Authority to bring long term empty homes (2 years +) back into use as Affordable Housing. The Empty Homes Fund will provide a resource to contribute a sum of approximately £20,000 per property in respect of the refurbishment costs once the property has been acquired by the appointed registered provider who will draw down on funding from Homes England to fund the property acquisition.

The majority of the potential funding available to bring identified empty homes back into use will be from Homes England Affordable Housing Programme, accessed by the appointed Registered Provider (s). The Empty Homes Fund will be used to contribute towards the renovation costs of the property. It is proposed that an amount of approx. £20,000 per property will be contributed, however there may be circumstances where a higher contribution is required due to the condition of the identified property.

The successful Registered Provider (s) will be appointed for a two-year period with a Performance requirement to bring a minimum of 6 empty homes back into use as affordable housing. From the Section 106 funding identified to support the Empty Homes Strategy (£175,000), £75,000 is restricted to affordable housing schemes in Lytham and the use of this funding to support bringing empty homes back into use within Lytham, makes best use of this S106 funding.

## RECOMMENDATIONS

1. Committee are requested to approve a fully funded addition to the Capital Programme – ‘Empty Homes Fund’ in the financial years 2023/24 £75,000 and 2024/25 for £100,000 to be met from a portion of S106 developer contributions for affordable housing held by the Council for this purpose to be met from:
  - I. 14/0856 Harbour Lane Warton - £50,000
  - II. 20/0266 Lane Opposite 15-23 Ribchester Road, Lytham St Annes - £75,000
  - III. 12/0717 Moss farm, Cropper Road, Westby - £50,000; and to
2. Authorise the required expenditure for the capital programme in 23/24 and 24/25 to the successful Registered Provider (s) appointed as part of formal Procurement of the Empty Homes Strategy, as units are purchased and refurbished (in the financial years 2023/24 £75,000 and 2024/25 for £100,000).

## REPORT

### FYLDE COUNCIL EMPTY HOMES STRATEGY

1. Fylde Council Empty Homes Strategy was presented to Environment Health and Housing Committee in November 2022. The key aim of the Empty Homes Strategy is to maximise the number of empty homes that can be returned into use as affordable housing.
2. Fylde Council’s Empty Homes Strategy has four priorities:
  - Priority 1: Improve the recording and identification of properties and recording and monitoring information on progress with bringing properties back into use.
  - Priority 2: The Empty Homes Service will provide encouragement and detailed information to empty property owners.
  - Priority 3: Create a user-friendly web-based approach to identifying empty homes which can be accessed by members of the public and internal departments within the Council.
  - Priority 4: Working with Registered Providers (RPs) to reduce the number of empty homes. All RPs will be invited to submit a bid to become the dedicated RP for Fylde Empty Homes.
3. Appendix 1 contains a flow chart that details the process to be followed to bring identified empty homes back into use.
4. The strategy will target units that have been empty for in excess of two years. When a unit has been identified an assessment and scoring sheet will be completed and liaison with the Registered Provider(s) will commence with the interested Registered Provider taking forward negotiations and purchase arrangements with the owner.
5. Internal departments within the local authority that will form part of the consultation on the suitability of a unit include: Council Tax, Legal Services, Finance, Building Control, Planning, Environmental Protection and Private Sector Housing Enforcement.
6. Potential funding available will come from three sources and Committee approval is sought in relation to Option b as a contribution for each unit from the Empty Homes Fund. If funding is required from Option c. for a particular property funding will be requested as a separate report to this Committee. The Registered Provider will be responsible for drawing down funding from Homes England in relation to the sale and agreed purchase price.
  - a. The Registered Provider will draw down on funding from Homes England to purchase and refurbish the property.

- b. Fylde Council will use S106 funding to contribute towards the renovation costs of the property. It is proposed that an amount of approx. £20,000 per property will be contributed, however there may be circumstances where a higher contribution is required due to the condition of the identified property.
  - c. If there is an element of community enhancement an option could be to draw down funding from the Community Housing Fund Grant held by Fylde Council.
7. An update on the number of units the Empty Homes Strategy is working towards bringing back into use will be presented to Scrutiny Committee annually along with an update on the Empty Homes Position Statement.

### **S106 MONIES REQUIRED TO SUPPORT THE IMPLEMENTATION OF THE EMPTY HOMES STRATEGY**

8. The purpose of this report is to request S106 funding to support the delivery of the Empty Homes Strategy totalling £175,000.
9. The establishment of the Empty Homes Fund will encourage Registered Providers to come forward and submit a bid to a formal procurement process to appoint Registered Provider (s) to work in partnership with the Local Authority to bring long term empty homes (2 years +) back into use as Affordable Housing.
10. The majority of the potential funding available to bring empty homes back into use will be from Homes England Affordable Housing Programme, accessed by the appointed Registered Provider (s). The Empty Homes Fund will contribute towards the renovation costs of the property.
11. Fylde Council are currently undertaking a formal procurement exercise to identify Registered Provider (s) who wish to work in partnership with the local authority to bring Empty Homes back into use as affordable housing provision.
12. The Registered Provider will be appointed for a two year period with a Performance requirement to bring a minimum of 6 empty homes back into use as affordable housing.
13. Sites identified where Section 106 monies have been received to support the Empty Homes Strategy are detailed below:
- a. 14/0856 Harbour Lane Warton. No spend restrictions other than for the purposes of Affordable Housing Provision in Fylde and there is no payback period if the funding has not been used within a specified timescale.  
**Total available and requested £50,000.**
  - b. 20/0266 Lane Opposite 15-23 Ribchester Road, Lytham St Annes. There are spend restrictions associated with this site for affordable housing schemes in Lytham and there is a payback period of the 31/03/2028. Accordingly, this element of funding could only be used to deliver affordable homes in Lytham, but as sites for the provision of new build affordable housing provision in Lytham are limited, the use of this funding to support bringing empty homes back into use within Lytham makes best use of this funding.  
**Total available and requested £75,000.**
  - c. 12/0717 Moss farm, Cropper Road, Westby. No spend restrictions other than to facilitate the provision of affordable housing within the administrative area of Fylde Borough Council and there is no payback period of the funding has not been used within a specified timescale.  
**Total available £497,586.42 and requested £50,000.**
14. S106 funds arise where developers may be required to make 'off site' affordable housing provision in lieu of provision 'on site'. This is normally achieved by S106 fund contributions towards the provision of affordable homes in areas of higher need. S106 funds may be used to meet all the Affordable housing required or part of the total required with some being delivered on site. Additionally, in the early stages of a large-scale

development, S106 funds may be taken in lieu of on-site provision, until infrastructure is put in place as the development progresses e.g. schools, roads, shops and transport links.

15. In June 2019 Fylde Council developed a strategic approach to the targeting on S106 funding from developer contributions towards affordable housing delivery within Fylde. Future S106 funds are be targeted on marginal brown-field sites that will provide local regeneration, whilst at the same time providing much needed affordable homes, on a small scale, in areas of priority need.
16. The Empty Homes Strategy meets the strategic approach to the use of Section 106 funding as it is targeting the resources to provide local regeneration opportunities by bringing homes which have been empty for a period of time back into use as Affordable Housing, owned and managed by a Registered Provider of Affordable Housing.
17. A separate grant agreement will be entered into for each property with the successful Registered Provider to ensure the property remains as affordable housing in perpetuity, for legal purposes this is 80 years, and a restriction will be placed on the registered title of the property to prevent disposal without the written consent of Fylde Council to protect the council's investment.

#### **FUTURE REVENUE AND CAPITAL BUDGET IMPACT**

18. There are no additional revenue or capital implications to this proposal. On completion the units will be owned and managed by the successful Registered Providers appointed via the open tender procurement process.
19. A funding agreement will be in place, as a requirement of any request for Section 106 funding and will ensure the units remain as affordable temporary accommodation in perpetuity.

#### **RELEVANT VALUE FOR MONEY ISSUES**

20. The Empty Homes Strategy will be taking empty properties out of the private housing market tenure into a social rented tenure.
21. Properties will be allocated via MyHomeChoice, the Choice Based Lettings scheme for the Fylde Coast and applicants will need to have a local connection to Fylde to be eligible.
22. The appointed Registered Provider will form part of the Homeless Partnership Agreement for Fylde, for agencies that work in partnership with the local authority to relieve homelessness in the borough. The units can also be available for a direct allocation from the Housing Service for clients being supported under Homelessness legislation.
23. The successful Registered Provider (s) will provide staffing resources to work in partnership to identify accommodation, conveyancing, legal services, project management of refurbishment works and housing management function. These costs will be factored into the total acquisition costs and will be reflected in the funding requested per unit to contribute towards renovation costs of the property. Funding for additional costs will be sourced from 14/0856 Harbour Lane Warton and 12/0717 Moss farm, Cropper Road, Westby. Section 106 Funds identified from 20/0266 Lane Opposite 15-23 Ribchester Road, Lytham St Annes are restricted to Affordable Housing Schemes.
24. It is expected that the introduction of the Empty Homes Strategy will reduce the impact on resources within Building Control, Environmental Protection and Housing Services that deal with the effects of empty properties in disrepair in the borough, such as impact on neighbouring properties, overgrown land, filthy and verminous conditions.
25. A portion of this funding is restricted to be used to enable affordable housing in Lytham and bringing identified empty homes back into use is a realistic and sensible approach for the use of this funding.

## RISK ASSESSMENT

26. The Housing Service, Building Control and Environmental Protection report an increase in complaints in response to properties left empty in 2023/24. The frequency and severity of complaints will become greater if action is not taken to encourage owners to consider alternative options to retaining an empty unoccupied home.
27. If owners are not willing to work with the Local Authority to bring empty properties back into use that have been identified as a priority under the Empty Homes Strategy, the Local Authority may have to consider other powers if the property is unfit and a dangerous, due to disrepair.
28. The funding is available 2024/25 and 2025/26 and the successful Registered provider is expected to bring 6 long term empty homes back into use. £75,000 of the total Empty Homes Fund is restricted to properties in Lytham and identification of such units will be a priority for the strategy. There is a risk that the Strategy fails to deliver the use of this funding in Lytham and deliver value for money if a minimum of two units are identified.

## CONTRACT PROCEDURAL RULES

29. In accordance with the Contract Procedure Rules the estimated value of the service to be supplied is £100,000 or more, therefore the procedure to appoint a Registered Provider will follow an open tendering exercise.

## EMPTY HOMES POSITION STATEMENT

30. Table 1 details the numbers of both long-term empty properties and properties which have been empty for over 2+, 5+ and 10+ years. This was last reported in November 2022. The data provided in October 2023 on empty properties shows a decrease in long term empty properties where the properties are empty over 6 months and up to 2 years, however numbers of properties empty for over 2 years, 5 years and 10 years there is minimal change. An explanation for the decrease could be demand in the housing market.

31. Table 1 – Long Term Empty Properties in Fylde

Date	Long term empty	2 years+ empty	5 years+ empty	10 years+ empty
Oct 13	688	N/A		
Oct 14	611	126		
Oct 15	612	122		
Oct 16	604	93		
Oct 17	584	125		
Oct 18	634	123		
Oct 19	650	110		
Oct 20	808	97	37	
Oct 21	626	114	15	11
Oct 22	616	104	15	11
Oct 23	571	104	19	12

32. Within the Council complaints about empty homes can come from a number of sources:

- Council Tax can be notified by the former occupant moving, or a landlord advising that a tenant has left a property and by a property inspection following returned mail. They welcome information received from any source and this can be emailed direct to [fyldevenues@blackpool.gov.uk](mailto:fyldevenues@blackpool.gov.uk).
- The Housing Service have seen an increase in complaints regarding empty homes as a result of a proactive inspection programme of all Houses of Multiple Occupancy in the Borough. Between October 2022 to

November 2023 the service has dealt with 5 complaints, as opposed to no such complaints in the previous year.

- Properties empty for over two years are the target cohort of the Empty Homes Strategy and there are two units identified to be prioritised, one of which has had substantial involvement from Building Control.
- Environmental Protection continue to see an increase in complaints, mainly in relation to overgrown land, filthy and verminous properties that do appear to be empty. Between October 2022 and November 2023 the service has dealt with 8 complaints related to empty properties.
- If the occupier is resident and requires support as they are no longer keep up with the upkeep of their home a Welfare Check can be made by Environment Protection or Housing Services and if required a referral will be made to Adult Social Care for support.

## CONCLUSION

33. The Empty Homes Strategy will target empty properties in Fylde that have been empty for over two years. Data provided as part of the Empty Homes Position Statement as at November 2023 shows little change in the numbers reported from previous years, confirming that this is a sensible approach for the Strategy to adopt.
34. The Housing Service and Environmental Protection Services are receiving an increase in complaints in relation to empty homes and the impact on neighbouring residents. Two units have been identified to be prioritised through the Empty Homes Strategy.
35. The establishment of the Empty Homes Fund will encourage Registered Providers to come forward and submit a bid to a formal procurement process to appoint Registered Provider (s) to work in partnership with the Local Authority to bring long term empty homes (2 years +) back into use as Affordable Housing.
36. Fylde Council will use S106 funding to contribute towards the renovation costs of the property. It is proposed that an amount of approx. £20,000 per property will be contributed by Fylde Council, however there may be circumstances where a higher contribution is required due to the condition of the identified property.
37. Committee are requested to approve a fully funded addition to the Capital Programme – ‘Empty Homes Fund’ in the financial years 2023/24 £75,000 and 2024/25 for £100,000 to be met from a portion of S106 developer contributions for affordable housing held by the Council for this purpose to be met from:
- IV. 14/0856 Harbour Lane Warton - £50,000
  - V. 20/0266 Lane Opposite 15-23 Ribchester Road, Lytham St Annes - £75,000
  - VI. 12/0717 Moss farm, Cropper Road, Westby - £50,000
38. Committee are requested to authorise the required expenditure for the capital programme in 23/24 and 24/25 to the successful Registered Provider (s) appointed as part of formal Procurement of the Empty Homes Strategy, as units are purchased and refurbished (in the financial years 2023/24 £75,000 and 2024/25 for £100,000).

CORPORATE PRIORITIES	
Economy – To create a vibrant and healthy economy	
Environment – To deliver services customers expect	✓
Efficiency – By spending money in the most efficient way	✓
Tourism – To create a great place to live and visit	✓

IMPLICATIONS	
Finance	This report requests approval to a fully funded addition to the Capital Programme – ‘Empty Homes Fund’ in the total sum of £175,000 (£75,000 in 2023/24 and £100,000 in 2024/25) to be met from a portion of S106 developer contributions for affordable housing held by the Council for this purpose as detailed in the report. The Committee are also requested to authorise the required expenditure for the capital programme in 23/24 and 24/25. The Empty Homes Fund will provide a resource to contribute a sum of approximately £20,000 per property in respect of the refurbishment costs once the property has been acquired by the appointed registered provider who will draw down on funding from Homes England to fund the property acquisition.
Legal	Grant agreement for individual units brought back into use as the Empty Homes Strategy is delivered.
Community Safety	Bringing empty units back into use where they may have been community safety issues.
Human Rights and Equalities	None
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	None

SUMMARY OF PREVIOUS DECISIONS
<p><a href="#">Empty Homes Position Statement and Fylde Empty Homes Strategy November 2022</a></p> <p><a href="#">Empty Homes Position Statement January 2022</a></p> <p><a href="#">Empty Homes Position Statement November 2020</a></p> <p><a href="#">Empty Homes Position Statement November 2019</a></p> <p><a href="#">Strategic approach to allocating future S106 funds June 2019</a></p>

LEAD AUTHOR	CONTACT DETAILS	DATE
Kirstine Riding	Kirstine.riding2@fylde.gov.ukl & Tel 01253 658569	17 <sup>th</sup> Nov 2023

BACKGROUND PAPERS REVELANT TO THIS ITEM		
Name of document	Date	Where available for inspection
Fylde Local Plan to 2032	December 2021	<a href="#">Adopted Fylde Local Plan to 2032 (incorporating Partial Review) – Fylde Council</a>
Affordable Housing SPD	September 2021	<a href="#">Affordable-Housing-SPD-adopted.pdf (fylde.gov.uk)</a>

#### Attached documents

Appendix 1 – Empty Homes Process Flow Chart