

12 June 2013		ITEM: 5
Housing Overview and Scrutiny Committee		
HOUSING DEVELOPMENT PROGRAMME EMPTY HOMES FUNDING ROUND TWO		
Report of: Councillor Val Morris-Cook, Portfolio-Holder for Housing		
Wards and communities affected: All	Key Decision: Yes	
Accountable Head of Service: Kathryn Adedeji – Head of Housing (Investment and Development)		
Accountable Director: Barbara Brownlee, Director of Housing		
This report is Public		
Purpose of Report: To provide an overview of a bid to the Homes and Communities Agency (HCA) for grant support for proposals under Round Two of the Empty Homes Fund. If successful, the Council would be committed to developing the proposals set out in this report.		

EXECUTIVE SUMMARY

On 26th December 2012 the Communities Minister announced a further round of funding aimed at bringing empty properties back into use. The first bid round, in which Thurrock successfully participated as a member of the Essex consortium, was aimed at bringing empty housing properties back into use. This new bid round has an additional emphasis on bringing empty commercial and non-residential properties back into use.

This report sets out proposals which are being formulated with regard to privately owned properties and in association with the Probation Service.

1. RECOMMENDATIONS:

- 1.1 That Housing Overview and Scrutiny note the bid for capital grant funding through the HCA's Empty Homes Fund to take forward the proposals set out in this report.**

2. INTRODUCTION AND BACKGROUND:

- 2.1 The Government has already rolled out a £160m programme to bring up to 11,200 empty properties back into use. Thurrock Council was successful, as part of an Essex consortium, in obtaining funding under this Round One fund.
- 2.2 On 26th November the Communities Minister announced that the Government wants to continue with this programme of bringing empty properties back into use, supporting a wider range of projects and to think beyond the refurbishment of empty homes. In particular, he asked authorities to consider whether there might be other opportunities to support employment opportunities, the Green Deal and to create homes from other empty property, including empty commercial and town centre property.

3. ISSUES, OPTIONS AND ANALYSIS OF OPTIONS:

TIMETABLE AND BID REQUIREMENTS

- 3.1. Bids had to be submitted by 25th March 2013. All properties being brought back into use must be completed by 31 March 2015.
- 3.2. Bidding was open to all organisations who are HCA Registered Providers and Investment Partners. This includes local authorities, housing associations, private sector developers and community groups among others. Thurrock Council is a Registered Provider and has submitted an application to qualify as an HCA Investment Partner as part of its bid for funding from the Care and Support Specialised Housing Fund for the scheme at Derry Avenue.
- 3.3. Bids were particularly encouraged from Registered Providers who intend to work in partnership with other organisations such as community interest groups to bring empty properties back into use as affordable homes and where there may be opportunities for those groups to manage the properties on behalf of Registered Providers. Bids were encouraged also to support employment opportunities and the Green Deal. Finally, the Minister indicated that he wished to see bids which bring back into use commercial property as affordable housing and/or which will create mixed use developments, where part of the scheme includes affordable housing. The Council's proposals for funding under this bid round support all these specific objectives. In particular, the Council's bid involves commercial properties (see below) and working with the Probation Service as part of their programme aimed at providing specialist training and jobs, and housing for ex-offenders.

- 3.4. Cabinet approval was granted for submission of the bid in March. The bid showed how it meets local priorities and housing needs and wider community benefits. The bid team which is part of the Housing Development team is working with the Council's Regeneration Boards, to ensure that the proposals brought forward meet these requirements and those of the Housing Consultation and Communications Strategy. In addition the Planning Department is being consulted regarding proposals which do not have existing planning permission and which include a change of use to ensure the appropriate permissions should be forthcoming and that deliverability is feasible within the timescale of the Empty Homes Fund programme.
- 3.5. The proposals are being developed to meet the HCA's Design and Quality Standards and to the Housing Department's own requirements for affordable housing.
- 3.6. Funding is available to support acquisition and works costs, including on-costs but not revenue funding. The bid team is working to ensure the Council's proposals will offer value for money when compared with both the Department for Communities and Local Government (DCLG) modelling carried out for the business case for the Programme, and the HCA's Affordable Housing Programme.
- 3.7. Housing Overview and Scrutiny is asked to note that, based on the work undertaken by the Development Team, it does not offer value for money to refurbish commercial properties to bring them back into use as residential accommodation. The Council's proposals for commercial properties therefore involve demolition and re-building rather than refurbishment. However, the Guidance has been based closely on the previous Round One Empty Homes guidance which supported refurbishment of empty housing and did not envisage commercial units being brought back into use as affordable housing as encouraged by this Round Two bid. Therefore it is not clear how far the Department wish to see refurbishment only of commercial property to bring it back into residential use and whether proposals for demolition and new build of commercial property will be supported. Nevertheless Cabinet agreed the bid on the basis that the Council can demonstrate value for money against the benchmarks set. The Council has identified immediately three commercial properties in particular which it is considered could be brought into use for housing with Empty Homes funding, under a demolition and re-building scheme. If the bid is successful, further work, including negotiations with landowners, will be undertaken.

4. REASONS FOR RECOMMENDATION

- 4.1 The proposals which will from part of this bid for Empty Homes Funding will contribute to the regeneration of Thurrock as part of the overall Town Regeneration programmes and the Housing Development programme.
- 4.2 In addition the proposals seek to meet other Council objectives and strategies, including working with vulnerable groups and supporting employment opportunities.

5. CONSULTATION (including Overview and Scrutiny, if applicable)

5.1 These proposals follow the principles set out in the Housing Consultation and Communications Strategy and specific proposals, if the schemes are approved, will follow the processes described in that document. In so far as they relate to wider Council strategies they sit within the consultation already undertaken by, for example, the Regeneration Boards and/or as part of the planning process.

6. IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT

Not applicable

7. IMPLICATIONS

7.1 Financial

Implications verified by: **Sean Clark**
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There is currently no provision within the Council's existing capital programmes for this activity and so should the Council be successful, any capital expenditure will have to be limited to the amount of the award or a future report to Cabinet would have to identify and further funding requirement.

7.2 Legal

Implications verified by: **Wade Turner**
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In the event that the bid is successful then the works which will be required for the proposed developments will be likely to be classified as works under Schedule 2 of the Public Contract Regulations 2006 (as amended), will be over the EU threshold value (or are likely to be over the same) and therefore will attract the provisions of the EU procurement regulations and be subject to full EU-wide tendering as well as triggering the Council's own requirements for competitive tendering.

The Council will need to ensure that a compliant tendering process is conducted for all work to be completed on the proposed developments and that such a process complies with the Public Contract Regulations 2006 (as amended), the EU regulations and the Council's constitution.

Legal Services, working with the Council's procurement officers will provide ongoing advice and assistance in relation to these legislative requirements.

7.3 **Diversity and Equality**

Implications verified by: **Samson DeAlyn**
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The proposed developments will have a positive impact on the availability of housing in Thurrock, including for vulnerable groups. The proposals will be developed with the full participation of all stakeholders and, in particular, any plans for commercial units are being developed with landowners. Equality Codes of Practice on Procurement will be followed to ensure all those bidding for work have relevant policies on equal opportunities and are able to demonstrate a commitment to equality and diversity. In addition, contractors will be required to support local labour initiatives, including apprenticeships.

BACKGROUND PAPERS USED IN PREPARING THIS REPORT (include their location and identify whether any are exempt or protected by copyright):

None

APPENDICES TO THIS REPORT:

None

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