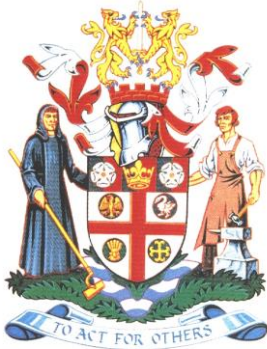


# Selby District Council



## Agenda

Meeting: **Executive**  
Date: **Thursday, 4 January 2018**  
Time: **4.00 pm**  
Venue: **Committee Room - Civic Centre, Doncaster Road, Selby, YO8 9FT**  
To: **Councillor M Crane (Chair), Councillor J Mackman (Vice-Chair), Councillor C Lunn, Councillor C Metcalfe and Councillor R Musgrave**

1. **Apologies for Absence**
2. **Minutes (Pages 1 - 8)**

The Executive is asked to approve the minutes of the meeting held on 7 December 2017.

3. **Disclosures of Interest**

A copy of the Register of Interest for each Selby District Councillor is available for inspection at [www.selby.gov.uk](http://www.selby.gov.uk).

Councillors should declare to the meeting any disclosable pecuniary interest in any item of business on this agenda which is not already entered in their Register of Interests.

Councillors should leave the meeting and take no part in the consideration, discussion or vote on any matter in which they have a disclosable pecuniary interest.

Councillors should also declare any other interests. Having made the declaration, provided the other interest is not a disclosable pecuniary interest, the Councillor may stay in the meeting, speak and vote on that item of business.

If in doubt, Councillors are advised to seek advice from the Monitoring Officer.

**4. Housing Rents 2018/19 (Pages 9 - 12)**

Report E/17/39 presents proposals for Housing Revenue Account rent levels in accordance with Central Government's current policy on rent setting.

**5. Lease of Land at Burn Airfield (Pages 13 - 18)**

Report E/17/40 outlines the current position regarding 47.25 acres at Burn Airfield Selby, currently occupied for agricultural use, and the proposal to manage this going forward in line with the Council's proposals for this site.

**6. Empty Homes Strategy and Action Plan (Pages 19 - 58)**

Report E/17/41 sets out the Council's proposed Empty Property Strategy and Action Plan to bring more properties back into use.

**7. Private Sector Assistance Policy (Pages 59 - 78)**

Report E/17/42 introduces a new private sector assistance policy for consideration before consultation.

**8. Housing Development Programme 2017-20 (Pages 79 - 90)**

Report E/17/43 asks the Executive to approve a revised Housing Development Programme that seeks to provide 207 affordable homes for Selby District Council (SDC) and Selby District Housing Trust (SDHT) by 31 March 2020.

*Janet Waggott*

**Janet Waggott**  
**Chief Executive**

<b>Date of next meeting</b>
Thursday, 1 February 2018 at 4.00 pm

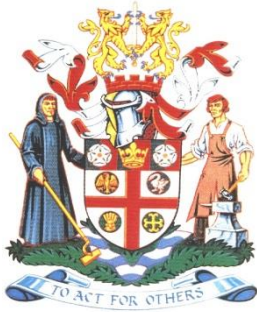
For enquiries relating to this agenda please contact Palbinder Mann, on 01757 292207 or [pmann@selby.gov.uk](mailto:pmann@selby.gov.uk)

**Recording at Council Meetings**

Recording is allowed at Council, committee and sub-committee meetings which are open to the public, subject to: (i) the recording being conducted with the full knowledge of the Chairman of the meeting; and (ii) compliance with the Council's protocol on audio/visual recording and photography at meetings, a copy of which is available on request. Anyone wishing to record must contact the Democratic Services Manager using the details above prior to the start of the meeting. Any recording must be conducted openly and not in secret.

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# Selby District Council



## Minutes

### Executive

Venue:	Committee Room, Civic Centre, Selby
Date:	Thursday 7 December 2017
Time:	4pm
Present:	Councillors M Crane (Chair), J Mackman, C Lunn, C Metcalfe and R Musgrave
Officers present:	Dave Caulfield, Director of Economic Regeneration and Place, Julie Slatter, Director for Corporate Services and Commissioning, Karen Iveson, Chief Finance Officer (s151), Gillian Marshall, Solicitor to the Council, Michelle Dinsdale, Senior Policy and Performance Officer (for minute item 58), Helen Gregory, Principal Planning Policy Officer (for minute item 59), Chris Kwasniewski, Housing and Regeneration Manager (for minute item 62) and Palbinder Mann, Democratic Services Manager.
Public:	0
Press:	0

NOTE: Only minute numbers 58, 59 and 62 are subject to call-in arrangements. The deadline for call-in is 5pm on Wednesday 20 December 2017. Decisions not called in may be implemented from Thursday 21 December 2017.

#### 55. APOLOGIES FOR ABSENCE

There were no apologies for absence.

Executive  
7 December 2017

**56. MINUTES**

The Executive considered the minutes of the meeting held on 2 November 2017.

**RESOLVED:**

**To approve the minutes of the meeting held on 2 November 2017 for signing by the Chair.**

**57. DISCLOSURES OF INTEREST**

Councillor Musgrave declared a personal interest in minute item 59 – Appleton Roebuck and Acaster Selby Neighbourhood Development Plan 2017-2020 (ARAS NDP) as his father in law had submitted a planning application within Appleton Roebuck parish. Following advice from the Solicitor to the Council, it was agreed he could remain in the room and participate in the discussion and vote on the item.

Councillor Mackman declared a personal and prejudicial interest in agenda item 8 – Loan to Selby and District Housing Trust to Acquire New Build s106 Properties as he was Chairman of the Selby and District Housing Trust. He stated he would be leaving the room for the consideration of this item.

Julie Slatter, Director of Corporate Services and Commissioning, declared a personal interest in agenda item 8 – Loan to Selby and District Housing Trust to Acquire New Build s106 Properties as she was the Managing Director of the Selby and District Housing Trust. She stated she would be leaving the room for the consideration of this item.

**58. CORPORATE PERFORMANCE REPORT – QUARTER 2 – 2017/18 (JULY TO SEPTEMBER)**

Councillor Crane, the Leader of the Council introduced the report that provided a progress update on the delivery of the Council's Corporate Plan 2015-20 as measured by a combination of progress against priority projects/high level actions and performance against key performance indicators.

The following discussion took place:

- In response to a query concerning the Green Dog Walkers scheme, the Director of Corporate Services and Commissioning explained that the scheme was part of the Council's 'Don't be a Waster Campaign'. It was stated that

the scheme had been a success in Riccall and the Council would be looking to promote it across the district.

- In response to a query concerning the five year housing land supply, it was clarified that the figure should state 6.2 which included a 5% buffer and was based on data from 30 September.
- Concern was raised at the number of accidents recorded to date. The Executive were informed that the Council had a Health and Safety Forum which met regularly and reviewed all accidents that took place in the workplace.
- A query was raised on what level of support was given to Small and Medium Enterprises (SMEs). The Director of Economic Regeneration and Place agreed to look into this.
- Concern was raised at the increase of staff sickness levels. The Director of Corporate Services and Commissioning explained that an analysis had been completed on the increase and that there were isolated cases of long term sickness which affected the figures. The Executive was informed that managers had been reminded of the sickness procedure and to support staff when returning to work.

**RESOLVED:**

**To note and approve the report**

**REASON FOR THE DECISION**

*The reporting of performance data enables the Council to demonstrate progress on delivering the Corporate Plan Priorities to make Selby District a great place.*

**59. APPLETON ROEBUCK AND ACASTER SELBY  
NEIGHBOURHOOD DEVELOPMENT PLAN 2017-2027 (ARAS  
NDP)**

Councillor Mackman, Lead Executive Member for Place Shaping presented the report which sought Executive approval that the Appleton Roebuck and Acaster Selby Neighbourhood Plan should be made part of the Development Plan for Selby District following a positive outcome of the referendum held on 23 November 2017.

The Executive were informed that 247 out of the 277 votes cast had supported the neighbourhood plan. It was noted that there was a cost for administering the latter stages of the neighbourhood plan process and the costs for the referendum.

Executive  
7 December 2017

The Lead Executive Member for Housing, Leisure, Health and Culture praised the Parish Council for their work in developing the plan and obtaining a successful result in the referendum. It was noted that the plan would allow local residents to have an input on local planning decisions.

**RESOLVED:**

**To formally make the Appleton Roebuck and Acaster Selby Neighbourhood Development Plan 2017-2027 as part of the Development Plan for Selby District following the positive outcome of the referendum held on 23 November 2017.**

**REASON FOR THE DECISION**

*To enable the Appleton Roebuck and Acaster Selby Neighbourhood Development Plan to be made part of the statutory Development Plan under the provisions of s38A of the Planning and Compulsory Purchase Act 2004 (as amended) which requires that the Council must adopt, or 'make' the neighbourhood plan if more than half of those voting have voted in favour of the Plan.*

**60. DRAFT REVENUE BUDGET AND CAPITAL PROGRAMME 2018/19 AND MEDIUM TERM FINANCIAL PLAN**

Councillor Lunn, Executive Lead Member for Finance and Resources introduced the report that presented the draft revenue budget, capital programme and outlined the Programme for Growth for 2018/19 to 2020/21.

The Executive Lead Member for Finance and Resources explained that between 2016/17 and 2019/20, the General Fund settlement would reduce by £2m per annum due to the revenue support grant being phased out and the New Homes Bonus reducing from six to four years. It was also added that the wage settlement for staff had been announced with a 2% rise in the current year and next year which would have implications for the budget.

The Executive were informed that the draft budget assumed a council tax rise of £5 and forecast a savings figure of £200k for the Housing Revenue Account (HRA). It was noted that the final figures may need to be revised when wage settlement rise was factored in.

A query was raised on whether the 1% council tax base increase was too conservative. The Chief Finance Officer explained that the budget had factored in a level of additional growth however there were other factors that impacted on the council tax base figure

Executive  
7 December 2017



such as discounts and exemptions. Further to this, the Executive were informed that there had been an increase in single person discounts for council and a review of this scheme would be undertaken.

It was queried why a number of income generation projects in the savings plan would not generate income until 2019/20. The Director of Economic Regeneration and Place explained the programmes outlined were cautious however that confidence for growth in the district was increasing and as soon as planned schemes across the district were delivered, the Council would receive positive results.

In response to a query concerning the Debt Officer, the Chief Finance Officer explained that the post was working to recover overpayments of housing benefit and that the post had generated a net benefit of £31k.

**RESOLVED:**

- i) To submit the draft budgets, bids and savings be approved for public consultation and submitted to Policy Review Committee for comments.**
- ii) To invite options for additional savings as part of the consultation.**

**REASON FOR THE DECISION**

*To enable the views of the public and the Policy Review Committee to be gathered through consultation.*

**61. PRIVATE SESSION**

The Executive moved into private session to discuss the next item.

**RESOLVED:**

**In accordance with Section 100(A)(4) of the Local Government Act 1972, in view of the nature of the business to be transacted, the meeting be not open to the Press and public during discussion of the following item as there will be disclosure of exempt information as defined in Section 100(1) of the Act as described in paragraph 3 of Part 1 of Schedule 12(A) of the Act.**

**REASON FOR THE DECISION**

Executive  
7 December 2017

*To ensure the Council compiles with the correct legislation when discussion private and confidential items.*

*Following their declarations, the Executive Lead Member for Place Shaping and the Director of Corporate Services and Commissioning left the meeting for the consideration of the next item.*

**62. LOAN TO SELBY AND DISTRICT HOUSING TRUST TO ACQUITE NEW BUILD S106 PROPERTIES**

Councillor Lunn, Executive Lead Member for Finance and Resources introduced the report which outlined an opportunity for the Council to consider a loan to the Selby and District Housing Trust to facilitate the purchase of affordable housing provided under the terms of a section 106 agreement with the Council.

The Executive considered and were supportive of the proposal however stated that there should be an additional resolution that if the Selby and District Housing Trust were not able to purchase the properties outlined, then the Council would consider purchasing them for the Housing Revenue Account.

The Executive advised the Chief Finance Officer of their preferred terms for the loan to be agreed with the Selby and District Housing Trust.

**RESOLVED:**

- i) That the Executive approve in principle to provide loan funding of up to £1,113,624 to the Selby and District Housing Trust to facilitate the purchase of s106 properties in the District, subject to the approval of the budget by Council;**
- ii) That Council be asked to approve a budget of £1,113,624 within the capital programme with this expenditure being financed from borrowing;**
- iii) That subject to Council approving the required budget and funding, the Chief Financial Officer in consultation with the Lead Councillor for Finance and Resources be authorised to agree the Terms of the loan with the Chairman and Managing Director of the Selby and District Housing Trust.**
- iv) That Council approve that if the Selby and District Housing Trust are not able to purchase the properties**

**outlined, then the Council consider purchasing them for the Housing Revenue Account.**

The meeting closed 5.03pm.

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## Selby District Council

### REPORT

Reference: E/17/39

Item 4 - Public



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<b>To:</b>	<b>The Executive</b>
<b>Date:</b>	<b>4 January 2018</b>
<b>Status:</b>	<b>Key Decision</b>
<b>Report Published:</b>	<b>21 December 2017</b>
<b>Author:</b>	<b>Kevin Ross, Accountant</b>
<b>Executive Member:</b>	<b>Councillor C Lunn, Executive Lead Member for Finance and Resources</b>
<b>Lead Officer:</b>	<b>Karen Iveson, Chief Finance Officer</b>

**Title: Housing Rents 2018/19**

#### **Summary:**

This report presents proposals for Housing Revenue Account rent levels in accordance with Central Government's current policy on rent setting. Registered providers are required to reduce rents by 1% per year for 4 years from April 2016. This action is intended to help protect taxpayers from the rising costs of subsidising rents through housing benefit, and protect tenants from rising housing costs.

This method replaced a revised model introduced from 1 April 2015 to replace rent restructuring. This method was planned to run for 10 years to 2024/25 and linked to CPI increases.

Year 3 of this 4 year policy will see rents decrease on average from £83.77 in 2017/18 to £83.26 (adjusted for sales, housing development & dwellings meeting target through relets) per week on a 48 week basis, an average decrease of £0.51.

Overall this decrease in rents is estimated to reduce Housing Revenue Account rent yield by £130k in 2018/19.

#### **Recommendation:**

- i. The Executive approve the proposed 1.0% rent decrease for 2018/19.**

## Reasons for recommendation:

To allow rent levels to be set in advance of the coming financial year within the constraints of Government rent setting policy.

### 1. Introduction and background

- 1.1 Social housing rents are set according to the Governments rent policy. Following the Chancellor of the Exchequer's budget on 8 July 2015, the Welfare Reform and Work Act 2016 requires registered providers to reduce rents by 1% per year for 4 years from April 2016. 2018/19 rents will be the third year of rents set following this act. This move is intended to help protect taxpayers from the rising costs of subsidising rents through housing benefit, and protect tenants from rising housing costs.
- 1.2 To mitigate the impact on the HRA business plan (where larger rent increases had been anticipated) as part of self-financing, any new tenancies that had not converged with target (formula) rent are let at target. This means that in these circumstances rents do not remain below target rent permanently. Target (formula) rents also reduce by 1% per year for the four years from April 2016. At this point in time 955 properties have not yet converged with target rent.

### 2. The Report

- 2.1 The 2017/18 weekly average rent, set on a 48 week basis is £83.77 (per Housing Rents report to Executive; 5 January 2017).
- 2.2 Actual and Formula rents are calculated using the previous year's rent, except those properties that relet at formula less 1%.
- 2.3 **Average Rent Charges on a 48 week basis**

Year	2018/19 Proposed decrease	2019/20	2020/21
<b>Actual Rent £</b>	83.26	82.43	84.05
<b>% (Decrease) / Increase</b>	(1.0)	(1.0)	2.0
<b>Formula Rent £</b>	84.83	83.98	85.63
<b>% (Decrease) / Increase</b>	(1.0)	(1.0)	2.0
<b>Difference Actual vs. Formula £</b>	1.57	1.55	1.58

- 2.4 The above table shows the formula rent against the actual rent to be charged to tenants. Formula rent is the rent target for our dwellings to be comparable with Registered Social Landlords.
- 2.5 Formula rents on average for 2018/19 are £1.57 per week higher than actual rents on a 48 week basis.

### **3. Legal/Financial Controls and other Policy matters**

#### **3.1 Legal Issues**

The 1% rent reduction was enacted as part of the Welfare Reform and Work Act 2016.

#### **3.2 Financial Issues**

The rent yield from the proposals in this report are summarised as follows:

	<b>2017/18</b> (£000)	2018/19 (£000)	2019/20 (£000)	2020/21 (£000)
Budgeted Rent (£k)	12,070	11,940	11,840	12,037
Annual (Decrease) / Increase (£k)		(130)	(100)	197

Under the HRA self financing regime, the Council keeps all of the rent collected and no longer has to pay subsidy. The amount of debt the Council took on as part of this change was influenced by rent income projections based on formula rent convergence. Rent generated is utilised to service the debt incurred, invest in maintaining our housing stock and new build opportunities as well as cover the running costs of our Housing Revenue Account service. The HRA Revenue Budget has been drafted taking into account the reduction in rental income and our immediate investment needs can be covered although it will impact in the longer term.

On 4 October 2017, DCLG announced that “increases to social housing rents will be limited to the Consumer Price Index (CPI) plus 1% for 5 years from 2020”, this is likely to be consulted on during 2018. Whilst there is no certainty that this will happen, a prudent estimate of an overall 2% increase was applied for 2020/21. For rent increases from 2025/26 there is likely to be a further consultation process.

#### **3.3 Impact Assessment**

The rent reduction has a negative impact on the overall funding of the HRA, meaning that in the longer term there will be less resource for re-investment in our housing stock. This is lost funding which will never be recovered to invest in the housing stock and development. In the shorter term, the HRA can meet its current revenue and capital commitments but capacity to invest in new stock is inevitably limited and will require careful management of the HRA Capital Programme.

### **4. Conclusion**

Although rents generated cover the immediate commitments of the HRA including the capital programme, the rent reduction has an impact on the longer term by reducing the amount built up in reserves to reinvest in our current stock, build houses and the opportunity to repay debt earlier if

required.

5. **Background Documents**

None.

**Contact Details**

Kevin Ross

Accountant

Selby District Council

[kross@selby.gov.uk](mailto:kross@selby.gov.uk)



# Selby District Council

## REPORT

Reference: E/17/40

Item 5 - Public



**To:** The Executive  
**Date:** 4 January 2018  
**Status:** Non Key Decision  
**Report Published:** 21 December 2017  
**Authors:** Josephine Nylan, Senior Solicitor and June Rothwell, Head of Operational Services  
**Executive Member:** Councillor C Lunn, Executive Lead Member for Finance and Resources  
**Lead Officer:** Julie Slatter, Director of Corporate Services and Commissioning

**Title:** Lease of land at Burn Airfield

### Summary:

This report outlines the current position regarding 47.25 acres at Burn Airfield Selby (see location map appendix 1), currently occupied for agricultural use and the proposal to manage this going forward in line with the Council's proposals for this site.

### Recommendation:

- i. **To approve the terms of the proposed lease for the 47.25 acres of agricultural land in respect of which a new lease is required.**

### Reasons for recommendation

- To ensure an income stream is retained by the Council for the 47.25 acres of agricultural land.
- To provide certainty that any lease agreed will ensure the Council is able to take back possession at a time approximately co-terminus with other

occupiers of Burn Airfield to allow development of the Burn Airfield to progress.

## **1. Introduction and Background**

- 1.1 The Council purchased the former Airfield at Burn (“the Site”) in 2016 as a strategic site for potential future development for the better planning of the district.
- 1.2 At the time of the purchase, the Site was subject to a number of agricultural tenancies and the aim has been to, when possible given term end dates and negotiations with tenants, ensure that all leases on the Site are terminable or terminate within a relatively short timescale to provide for certainty and a timescale for future development.
- 1.3 The tenancy in question was originally granted on 10 November 1982. As this tenancy agreement is governed by the Agricultural Tenancies Act 1995, this tenancy has the benefit to the tenants of security of tenure and is subject to succession rights by family members involved in the business. The son of the original tenants (who are now deceased) is the proposed new tenant for this land together with his wife.
- 1.4 The son of the previous tenant did not serve the appropriate notices on the Council as landlord in order to succeed to the tenancy in accordance with the Agricultural Tenancies Act 1995. He and his wife do however wish to take a tenancy and have agreed to enter into a Farm Business Tenancy with the Council.
- 1.5 A Farm Business Tenancy does not give a tenant any rights to renewal (as with the Agricultural Holdings Act 1995) and nor does the Council have to pay any compensation to a tenant should it choose not to renew the tenancy agreement.

## **2. The Report**

- 2.1 Carter Jonas (Surveyors), acting as agents for the Council, have met with the proposed new tenant, and proposed a Farm Business Tenancy on the following terms:
  - (a) Term of 10 years expiring on 30 September 2027
  - (b) A tenant only break clause, the first break to be on 30 September 2020 and then every third anniversary of that date

(c) At an initial rent of £2,160 per annum (as was payable under the old lease) subject to review every 3 years in line with the provisions of paragraph 12 of Schedule 2 of the Agricultural Holdings Act 1986. (This enables the rent to be determined by arbitration in case of dispute).

These terms have been agreed by the proposed tenants (who have an agent advising them) but they have requested a longer term of 15 years.

- 2.2 Purchasing the land safeguarded the land for future use as a strategic site and secondly allows the Council to take vacant possession of this property in 2020 to facilitate development of the Site. Lease negotiations have taken into account the lease to the Burn Gliding Club which has a term expiry date of 27 September 2026 and brings the termination of this tenancy just over 12 months after the expiry of the lease to Burn Gliding Club Limited.
- 2.3 The tenant has proposed a lease term of 15 years which should not be accepted for the reasons outlined above.

### **3. Legal/Financial Controls and other Policy matters**

#### **3.1 Legal Issues**

The Council is under a statutory obligation to obtain the open market value and the best consideration that can reasonably be obtained on a disposal of any of its land (section 32 Local Government Act 1972).

Carter Jonas, as surveyors, have been employed by the Council to negotiate the terms of the Farm Business Tenancy with the proposed tenant to ensure that the Council receive the best terms possible encompassing both the rent receivable and the ability to terminate the tenancy in line with other tenancies on the Site.

A formal legal Farm Business Tenancy will need to be agreed with the solicitors acting for the proposed new tenants and all appropriate notices served to ensure the lease can be legally terminated on 30 September 2027.

#### **Financial Issues**

- 3.2 There are no financial implications as a direct result of this report. Income of £2,160 per annum will be received for the land.

## **Equality Impact Assessment**

- 3.3 The impacts of the decision and how these have been mitigated are referenced in an Equality Impact Assessment. No significant impacts have been identified.

### **4. Conclusions**

- 4.1 If approval of the grant of the Farm Business Tenancy is given, this will firstly provide an income for the Council for this land up until September 2027 and secondly allow the Council to take vacant possession of this property in 2027 to facilitate development of the Site.

### **5. Background Documents**

None.

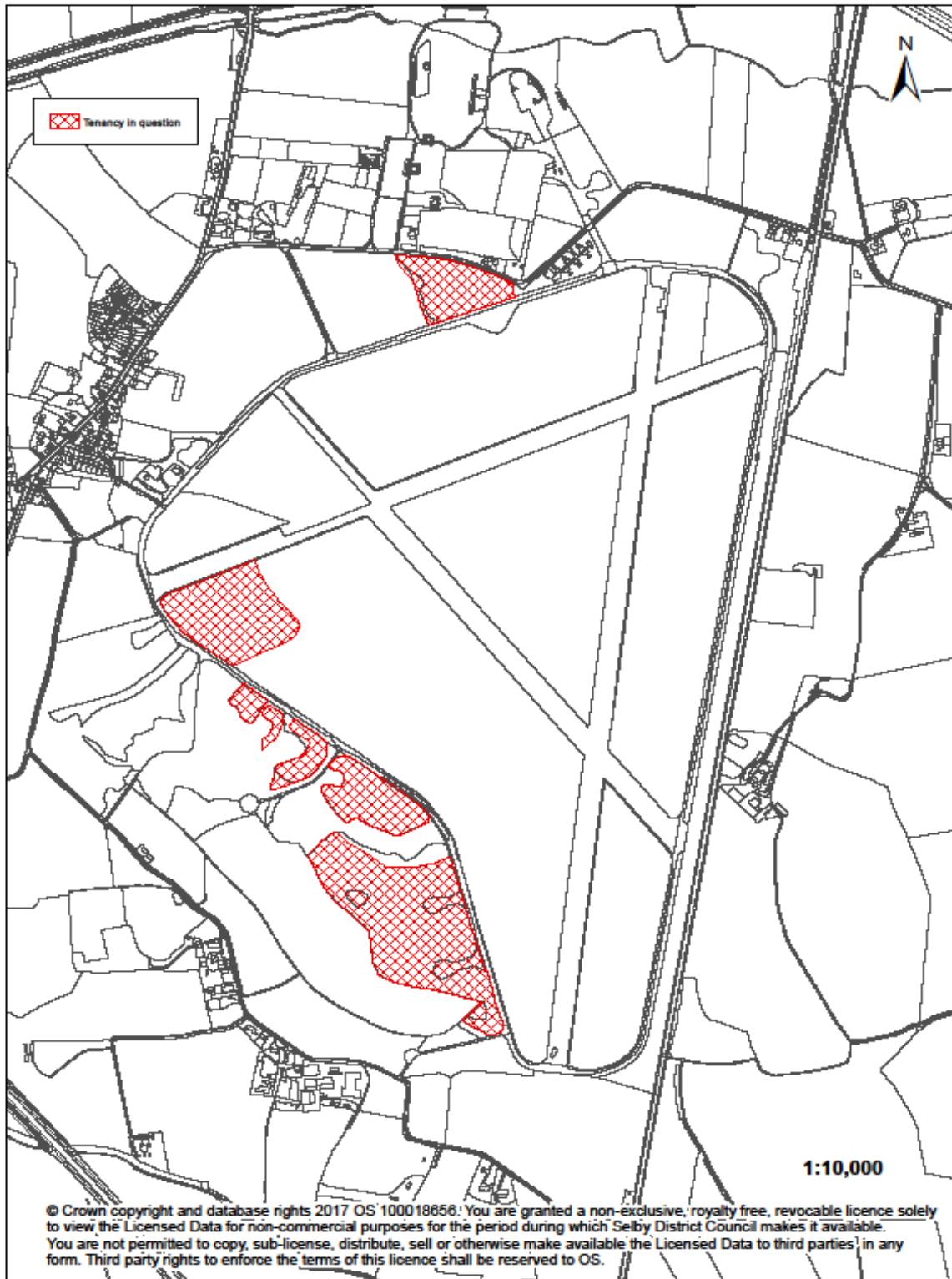
### **6. Appendices:**

Appendix 1 – Location Map

#### **Contact Officer:**

Phillip Hiscott  
Property Management Team Leader  
phiscott@selby.gov.uk

# APPENDIX 1



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# Selby District Council

## REPORT

Reference: E/17/41

Item 6 - Public



**To:** The Executive  
**Date:** 4 January 2017  
**Status:** Non Key Decision  
**Report Published:** 21 December 2017  
**Author:** Sarah Thompson, Housing and Environmental Health Service Manager  
**Executive Member:** Councillor Richard Musgrave, Executive Lead Member for Housing, Leisure, Health and Culture  
**Lead Officer:** Julie Slatter, Director of Corporate Services and Commissioning

**Title:** Empty Homes Strategy and Action Plan

### Summary:

The Selby District Corporate Plan priority to enjoy life identified the need to improve the supply of housing through a range of actions, including bringing empty homes back into use.

This report sets out the Councils proposed Empty Property Strategy and Action Plan to bring more properties back into use.

### Recommendations:

- i. **Adopt the North Yorkshire Empty Property Strategy**
- ii. **Approve the local Selby District Action Plan**
- iii. **Approve the method for assessing and prioritising empty properties**
- iv. **Delegate the authority to purchase properties to the Director for Corporate Services and Commissioning in consultation with the Section 151 Officer and the Lead Member for Housing, Leisure, Health and Culture (subject to meeting the assessment criteria and financial appraisal)**
- v. **Approve the submission of the bid for HCA funding to deliver the Action Plan.**

## Reasons for recommendations:

Reducing the number of privately owned empty homes is a corporate priority of the council. The council believes that the North Yorkshire Empty Property Strategy, supported by a local Action Plan is the best way to bring Selby district's empty homes back into habitable use.

The Council is working with the North Yorkshire Housing Board to provide an overarching vision for the sub-region. The North Yorkshire Empty Property Strategy aims to reduce the number of long-term empty homes through a co-ordinated approach.

The local Action Plan lays out how we will target empty homes across the district, and how we will encourage, support or enforce owners to bring Empty Homes back into use.

### 1. Introduction and background

High levels of empty properties are recognised as having a serious impact on the viability of communities. As the numbers within an area increase so can the incidence of vandalism which acts as a further disincentive to occupation. Tackling empty homes can assist in meeting housing need; improve housing conditions and regenerate blighted areas, thereby supporting the growth agenda.

Some empty properties will be on the market for sale or to rent and will soon be occupied again and therefore our focus is on long-term empty homes, empty homes that have not become re-occupied within six months. At this stage by working to understand what is happening with the property and what the prospects of re-occupation are, a view can be taken as whether we need to intervene and if so, how best to use our resources and powers to ensure that it does not remain empty.

Bringing Empty Properties back into use supports the York, North Yorkshire and East Riding Housing Strategy priorities:

- ✓ Housing Priority 1: Increase the supply of good quality new housing across all tenures and locations
- ✓ Housing Priority 5: Make best use of our existing stock and ensure that it is of a decent quality to meet the needs of our communities.
- ✓ Housing Priority 7: Reduce homelessness

It also links to the council's own priorities within the Selby District Corporate Plan 2015-2020:

- ✓ Priority 1: Making Selby district a great place to do business by working with people and businesses to help Selby, Tadcaster and Sherburn reach their potential



- ✓ Priority 2: Making Selby district a great place to enjoy life by improving the supply of housing

The previous Selby District Empty Homes Strategy ran from 2013 to 2016 and aimed to define our approach to dealing with empty homes across the district. Whilst the strategy offered clear outcomes, the lack of dedicated staff resource made delivery difficult and, whilst progress was made on understanding the districts empty homes issues, tangible results were often lacking.

This report presents the 2017-2021 North Yorkshire Empty Property Strategy and Action Plan (appendix i) and the proposed Local Action Plan (appendix ii) to ensure delivery.

## **2. The Report**

### **2.1 Current Position**

Empty Properties are identified using data gathered as part of the Council Tax billing process and through reports from members of the public. A long term empty is a property that has been empty for 6 months or more. Any empty property that has been empty for two years or more is liable to pay the 150% empty homes premium council tax charge.

On 1 April there were 151 long-term empty homes in Selby District that had been empty for two years or longer. By the end of the 2<sup>nd</sup> quarter 10 of those empty homes had been re-occupied and a further 4 demolished to support regeneration.

Dedicated resource is now available to tackle empty properties and in April 2017 the Empty Homes Officer post was introduced. This post is funded through Programme for Growth until March 2020. The work of this officer specifically supported the re-occupation of 8 properties that had been empty for 6 months or longer. The target for 2017/18 is to bring 12 empty properties back into use.

At the end of the 2<sup>nd</sup> quarter there were 409 properties across the district that had been empty for 6 months or longer and of those 409, 145 had been empty for 2 years or longer. At the end of the 2<sup>nd</sup> quarter 87 of the 409 properties were in Selby Town, an area that has a high demand for housing. Approximately half of those empty properties in Selby had been empty for two or more years and of the 87, 59 are owned by an individual and 28 are owned by private businesses.

Empty property assessments allow us to analyse the reason's properties are empty and then target resources effectively to bring them back into use.

If a property is classed as a long term empty home the Empty Homes Officer will carry out an assessment to determine:

- The length of time the property has been empty
- The type of property and the location
- The condition of the property
- The reason it is empty
- Who the owner is and what their intentions are.

## 2.2 The North Yorkshire Empty Property Strategy and Action Plan

The North Yorkshire Empty Property Strategy 2017-2021 and action plan has been developed to provide an overarching vision for the area and aims to reduce the number of long-term empty homes through a co-ordinated approach.

The strategy highlights the importance of bringing empty properties back into use to meet housing need; to take advantage of any financial rewards such as the new homes bonus and to prevent anti-social behaviour and the blight empty homes can have on a neighbourhood.

The strategic aim of the strategy is 'To reduce the number of long-term empty homes across the sub-region through a co-ordinated approach'.

A small working group of officers chaired by Cllr Metcalfe, was tasked with developing a local Empty Homes Action Plan specifically for Selby that would meet the aims and objectives of the strategy.

There is an empty homes key performance indicator and progress against this indicator is reported quarterly. If the action plan is agreed a new indicator will be introduced to report progress against the action plan. This would also be reported on a quarterly basis.

## 2.3 The Local Action Plan for Selby

In addition to developing a local Empty Homes Action Plan for Selby the working group also considered how Empty Homes would be targeted in the district, how owners would be encouraged and supported to bring Empty Homes back into use and when enforcement action should be considered.

A Property Assessment Flow Chart (appendix iii) and Risk Assessment Matrix (appendix iv) have been developed. This will provide the Empty Homes Officer with a priority case load of key properties that if brought back into use would help meet housing need. Properties that impact detrimentally on a neighbourhood will also be prioritised for action.

The actions available to bring empty properties back in to use include:

- **Contact, encouragement and advice**

The Empty Homes Officer can offer advice and assistance to owners of empty homes on bringing their empty property back into use. The reason a property

is empty maybe related to the owners very specific personal or financial circumstances and through working closely with owners the Empty Homes Officer can tailor the advice and assistance as appropriate. This can include sign posting owners to more specialist assistance. If a property owner is keen to sell, we can link them up with a Valuation company who can assist them to bring their property to market. In some cases owners can hold on to a property hoping for a rise in its market value and a corresponding capital gain before trying to sell it. Advice highlighting the local market conditions can provide an owner with realistic expectations.

Where owners wish to rent out their homes we can direct them to our Housing Options Tenant Find Scheme. This scheme continues to offer support to property owners willing to let a property after they have brought it back into use. The tenant find scheme offers advice and assistance to the owner, ensures the property standards meet relevant requirements and provides support to the tenant to help them maintain the tenancy and thereby preventing homelessness. If an owner, or joint owners, inherited a property it may take some time to sort out and/or decide what to do with it. The Housing Options Development Officer runs the scheme and works to support landlords to understand their responsibilities. This role is funded using the Homeless Prevention Grant and therefore there are no further financial implications.

- **Offering grants and loans**

A number of empty properties can be empty because they need substantial repairs before it can be re-let and the work could be delayed if there are money constraints. Financial support can be offered to owners of empty properties to help them undertake repairs to allow them to bring them back into use. Grant and Loan products have been developed to offer the most suitable solution for the individual circumstances and any offer of financial assistance will be considered and offered in line with the Private Sector Assistance Policy (PSAP). The Private Sector Assistance Policy has been reviewed and a new policy is also being presented to Executive for approval.

Subject to approval the PSAP will offer a discretionary loan of up to £15,000 for owners to use and bring up their property to a standard for sale or let and if they are willing to commit to letting their property at an affordable rent then a grant will be considered. Any loan or grant is issued with conditions and a legal land charge added to protect the repayment. Some Empty Homes would qualify for financial support through other funding streams for example for energy efficiency works. This would build financial flexibility in our financial support offer.

In the right circumstances, grants and loans can be an effective support tool for bringing empty properties back into use. We have currently identified 4 empty homes where the owners have expressed in receiving, and where the property would benefit from, a loan. Grants/loans would predominantly be offered to suitable properties in high demand areas to ensure a contribution to housing choice. The decision to offer a grant or a loan and the subsequent approval would be made by the Private Sector Housing Officer.

- **Direct purchase (voluntary)**

The Council can purchase suitable properties where the owner is willing to sell and bring these back into use. Any purchase would require a property valuation, a repairs valuation, negotiation of the sale, property conveyancing. It is anticipated that the properties would be retained and let by the council through the Housing revenue Account. Individual business cases would consider the future repair and maintenance costs and the rental valuation to assess viability of each potential acquisition.

A Property Assessment Flow Chart (appendix iii) and Risk Assessment Matrix (appendix iv) have been developed. Decisions to purchase properties will be based on meeting the criteria set out in the Flow Chart and Risk Assessment Matrix. Property type and location will be taken into account based on the need for properties in addition to the community impact of the empty property and length of time a property has been empty and a financial appraisal. This will include on the on-going revenue and capital consequences of any units retained for HRA stock.

The Homes and Communities Agency (HCA) Affordable Homes Programme could contribute up to £30,000 per unit towards the purchase and renovation costs provided it is retained as affordable housing.

- **A range of Enforcement Options, including Compulsory Purchase**

The Housing Acts of 1985 and 2004 provide the Council with a range of powers to enforce property owners bring empty homes back into use. The council would seek to use these powers (including Compulsory Purchase Orders and Enforced Sale) as a last resort and with the sole purpose of returning an empty home to use in order to meet identified housing need. Many of these powers are covered by lengthy and thereby, costly processes and therefore decisions to pursue such action would be subject to robust business cases. Officers have already identified 2 properties that may require CPO/Enforced Sale consideration. We are currently investigating options and are liaising closely with our legal team in both instances.

A number of powers are available to improve the amenity of an empty property or to improve the health and safety of a property or prevent unauthorised access and anti-social behaviour. These powers have been used to board properties up and thereby preventing unauthorised access and if a property has been identified through the risk matrix as a priority and the owner is unwilling to engage with us, proportionate enforcement action will be used.

In order to encourage property owners to bring their properties back into use the Council currently charges an Empty Home premium of 50% for properties which have been empty for more than 2 years.

In the recent budget announcement the government has taken further measures to encourage owners of empty homes to bring their properties back into use. To help achieve this, local authorities will be able to increase the empty property council tax premium from 50% to 100%.

There are currently 153 properties charged the empty homes premium. The current value of the premium to Selby District Council is approximately £13k p.a. Should Council resolve to extend the premium to 200% as part of the annual budget and council tax setting, the value of the premium could increase to £26k p.a. although the aim of the premium is to incentivise property owners to bring homes back into use. Should this prove successful the value of the premium would reduce.

### **3. Legal/Financial Controls and other Policy matters**

#### **Legal Issues**

- 3.1 The options open to the Council are set above are governed by various legislation. In terms of the purchase of empty dwellings, The Housing Act 1985 empowers local authorities to acquire land, houses or other properties from private individuals, for the provision of housing accommodation. Any purchase would be subject to an individual business case.
- 3.2 Compulsory Purchase Orders are subject to confirmation by the Secretary of State and The Office of the Deputy Prime Minister. Circular 06/2004 requires an acquiring authority to have a clear idea of how it intends to use the land or interest which it is proposing to acquire under a Compulsory Purchase Order. In the event that officers are considering a prospective compulsory purchase of a property, a Report will be brought to the Executive for approval, which will set out in detail the legislation and legal implications concerning the same.

#### **Financial Issues**

- 3.3 Funding will be needed support the delivery of the Empty Homes Programme to enable the Council to bring empty homes back in to use, either through voluntary sale, compulsory purchase or through grants and loans.
- 3.4 The Executive's draft budget for 2018/19 includes a growth bid to extend the Repair Assistance Loans Fund with a budget of £30k p.a. from 2018/19 to 2020/21. The Repair Assistance Scheme offers urgent/emergency repairs up to a maximum of £6,000. All repair assistance loans are approved by Selby District Council and registered as a local land charge thereby repayable at the point of sale.
- 3.5 The Council has previously approved (Executive report 5 November 2015) use of s106 commuted sums funding for grants to enable empty homes to be brought back into use - £990k at £99k p.a. has been earmarked for this purpose with a limit of £30k per property. To date no grants have been awarded.

- 3.6 The grants and loan scheme is included in the review of the Private Sector Assistance Policy which is the subject of a separate report on the Executive's agenda.
- 3.7 The Executive's draft budget for 2018/19 also includes a growth bid to fund a programme of empty home purchase (voluntary or CPO) and repair using s106 commuted sums, supplemented by capital receipts and HCA funding:

<b>Purchase and Repair Growth Bid</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>Total</b>
<b>Number of Units</b>	<b>6</b>	<b>7</b>	<b>7</b>	<b>20</b>
S106 Affordable Housing funding	180,000	210,000	210,000	600,000
HCA Grant	180,000	210,000	210,000	600,000
Capital receipts	240,000	280,000	280,000	800,000
<b>Total Capital Cost</b>	<b>600,000</b>	<b>700,000</b>	<b>700,000</b>	<b>2,000,000</b>

- 3.6 The programme assumes 20 properties would be purchased over the next 3 years based on average capital cost of £100k per unit. Rent of approximately £120,000 p.a. would be generated from the 20 properties. Individual acquisitions would be subject to a business case similar to that required for new build properties and the financial case would need to meet the Council's Internal Rate of Return and 30 year payback benchmarks in order to proceed.
- 3.7 This report seeks approval to submit a funding bid to the HCA to support the proposed purchase and repair scheme. The bid would be subject to Council approving the s106 funds and capital receipts as part of the 2018/19 – 2020/21 capital programme when the budget is set on 23 February 2018. Should the HCA bid be unsuccessful the proposals would be reviewed and if necessary an amended proposal would be submitted to Council for consideration.

### **Impact Assessment**

- 3.8 Implementation of the Strategy and Action Plan will have benefits to the wider public by increasing the overall supply of housing and reducing the negative impact that neglected empty homes can have on communities.
- 3.9 There is a shortage of affordable homes in the district. The Action Plan aims to bring empty homes back into use in areas where the demand for housing is at its highest.
- 3.10 The Empty Homes Strategy and Action Plan is inclusive of the relevant protected characteristics of age; disability; gender reassignment: pregnancy

and maternity; race; religion or belief; sex and sexual orientation. Neither document has a specific positive or negative impact on any one characteristic.

Where the council takes enforcement action to bring empty homes back into use, it will do so without discriminating against any person who shares a relevant protected characteristic as listed above.

#### **4. Conclusion**

The adoption of the North Yorkshire Empty Property Strategy and the local Action Plan will enable us to bring empty homes across Selby district back into habitable use. Homes remain empty for a number of reasons and the approach proposed in the action plan to bring them back into use will vary according to the individual circumstances. The action plan highlights how we will target empty homes across the district to ensure our empty homes work is proactive and outcome focused.

#### **5. Background Documents**

York, North Yorkshire, East Riding Housing Strategy

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##### **Appendices:**

Appendix I – York, North Yorkshire and East Riding Empty Homes Strategy  
Appendix II – Selby Empty Homes Action Plan  
Appendix III – Property Assessment Flow Chart  
Appendix IV - Property Assessment Matrix

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**NORTH YORKSHIRE  
EMPTY PROPERTY STRATEGY & ACTION PLAN  
2017-2021**

## **1.0 Introduction and background**

Empty properties represent a significant waste of valuable housing resource, at a time of both a severe affordable housing shortage, and low rates of new housing completion. Each vacant dwelling brought back into use represents a gain for the sub-regions for housing stock.

Vacant dwellings often have a detrimental impact on the value of neighbouring properties and the amenities of the neighbourhood in which they are situated. These impacts increase in severity the longer a property remains empty.

Although official figures show that the sub-region has relatively low numbers of long-term empty properties, this strategy commits participating authorities to co-ordinate activities in order to reduce the number of long-term empty properties.

This document represents the Empty Properties Strategy for York and North Yorkshire (excluding Scarborough Borough Council) for the period 2017 - 2021. The strategy outlines the current situation in respect of long-term empty properties (empty for more than 6 months) across the sub-region, and identifies actions which are to be put in place in order to address the issue, and increase

It has been developed by a steering group made up of empty property and private sector housing professionals across the sub-region.

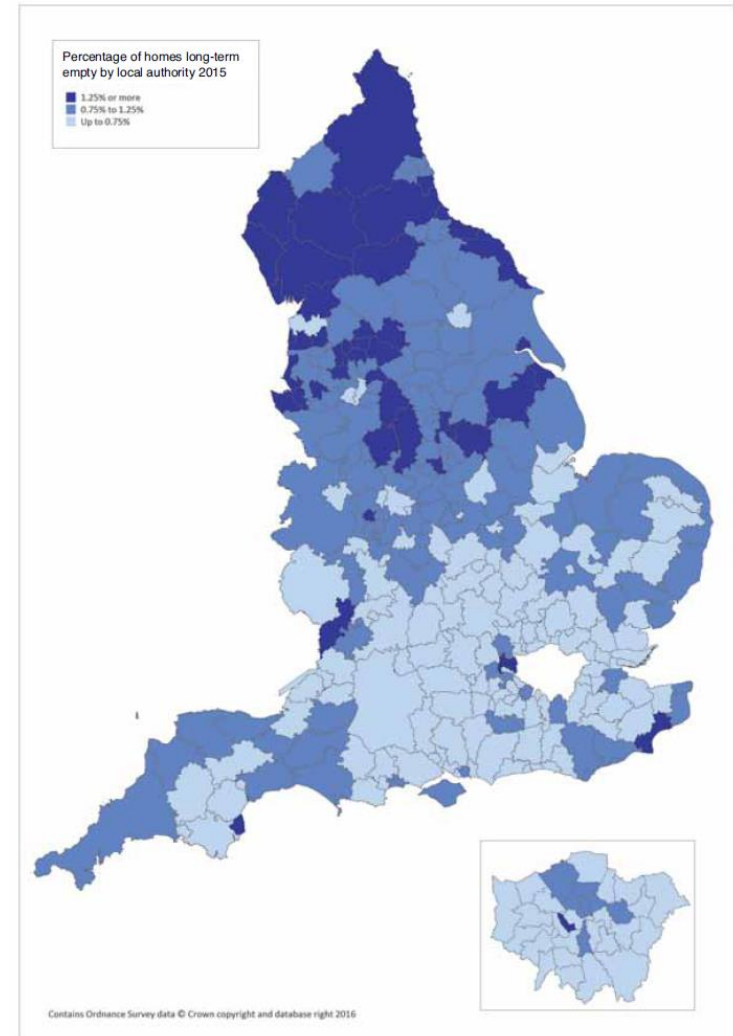
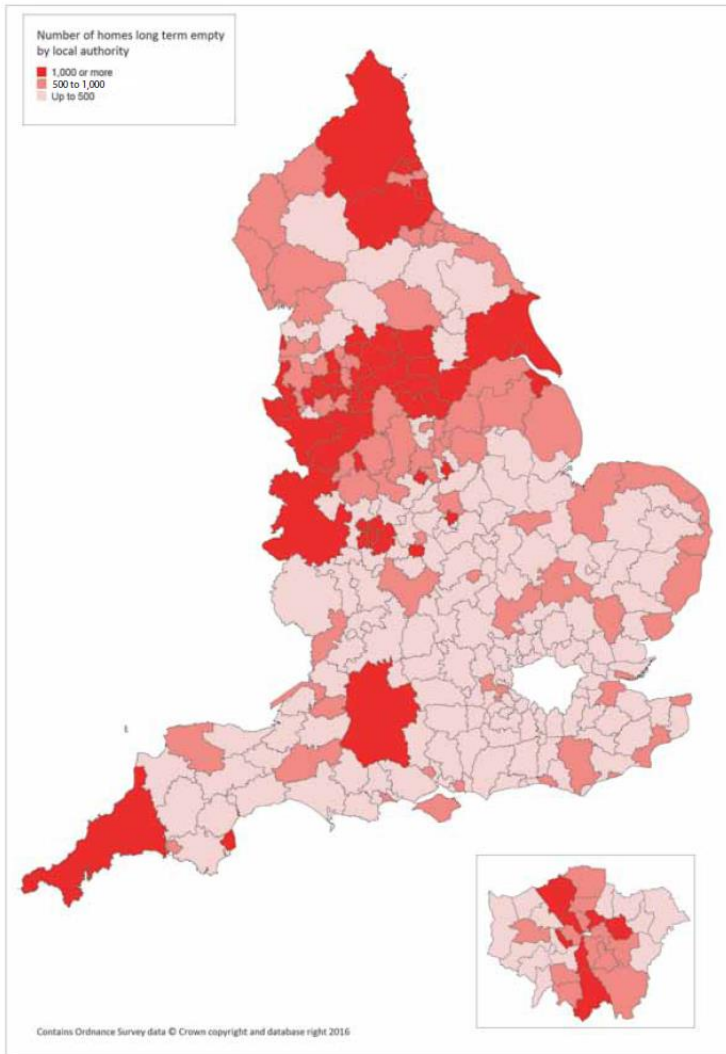
## **2.0 Statistical context**

### **National:**

According to the Empty Homes charity, as of October 2015 there were 205,821 long-term empty properties (empty for over 6 months) in England. This represents 0.88% of the country's total housing stock. This figure includes a small number of council and housing association owned properties, but the vast majority are in the private sector.

## Regional:

As of October 2015 there were 27,048 long-term empty properties in Yorkshire and the Humber, approximately 26,750 of these were empty for longer than 6 months (1.15% of the total housing stock).



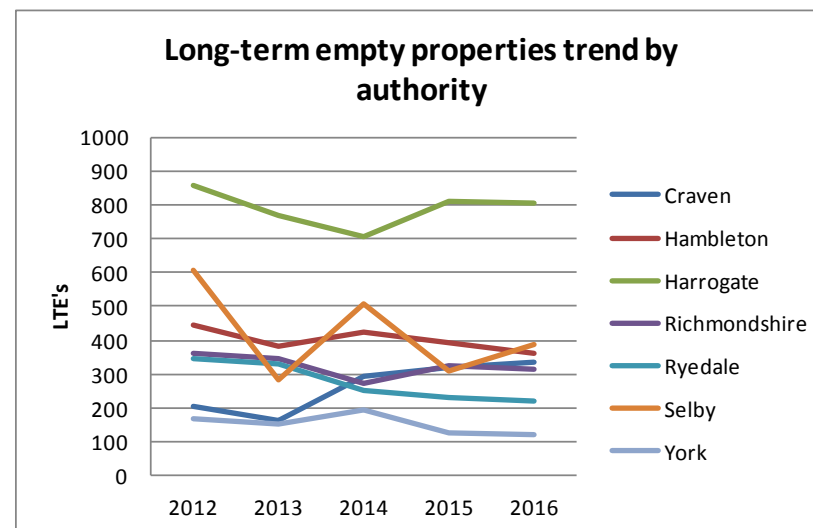
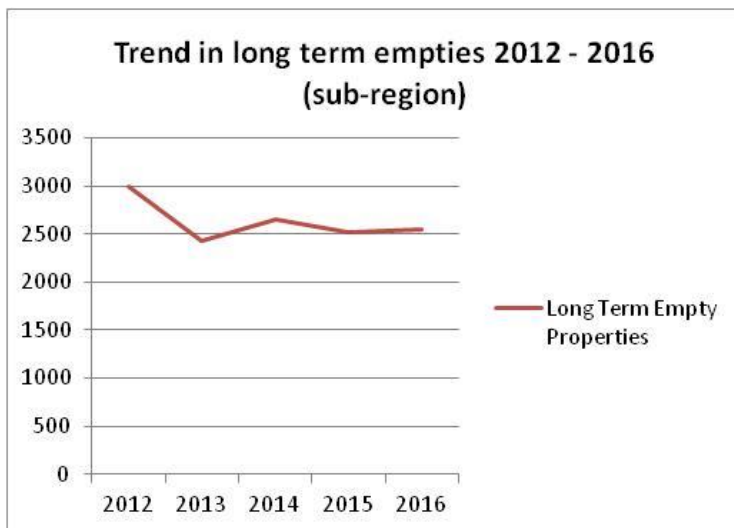
### Sub-regional:

In October 2016, across the strategy area, there were 2542 long-term empty properties that had been empty for over 6 months, representing approximately 1% of the total housing stock within the strategy area.

Table 1: long-term empty properties across the strategy area (2012 -2016)

Authority	Empty Dwellings					2016 figures as % of total stock in 2015
	2012	2013	2014	2015	2016	
Craven	204	162	295	321	333	1.2
Hambleton	444	383	423	393	361	0.4
Harrogate	860	768	709	811	806	1.1
Richmondshire	361	345	273	325	315	1.4
Ryedale	348	329	249	233	218	0.8
Selby	606	283	506	308	387	1
York	169	153	194	127	122	0.4
<b>Total</b>	<b>2992</b>	<b>2423</b>	<b>2649</b>	<b>2518</b>	<b>2542</b>	<b>0.8%</b>

Source: figures obtained from Local Authority 'Council Tax Base' documents (2012-16)



Source: figures obtained from Local Authority 'Council Tax Base' documents (2012-16)

### 3.0 Why it is important to bring empty properties back into use

The importance of bringing empty properties back into use cannot be underestimated. There are a number of reasons why the sub-region should tackle this issue, including:

- There is a severe affordable housing shortage across the sub-region and bringing empty properties back into use will help meet housing need
- To take advantage of financial rewards that are available from the government for authorities who reduce the number of long-term empty properties in their area (New Homes Bonus)
- Long term empty properties can attract anti-social behaviour including vandalism, fly-tipping, crime etc, causing blight on neighbourhoods and distress to neighbours
- Deterioration of empty properties can have a detrimental impact on adjoining properties, both physically and in terms of their value when they come to be sold
- Costs often incurred by other Public Services (i.e. Local Authorities, Police and Fire & Rescue Services)
- Protecting the regions housing assets for the benefit of future generations

#### 4.0 New Homes Bonus

The Government launched the New Homes Bonus in 2010 as an incentive for local authorities to increase housing supply. The bonus scheme awards grants based on the average annual council tax, for a period of up to 6 years, on each additional new home created and empty property brought back in to use within each local authority area. Additional payments are made for affordable housing units delivered. The empty homes element of the bonus is only paid where there is a net reduction in empty homes, net increases attract nil payment. The table above highlights the benefits of a proactive approach to the management of empty properties.

Table 2: New Home Bonus total bonus payments made to each authority in Year 6 (2016/17)

<b>Local Authority</b>	<b>Year 6 accumulative payments (2016/17)</b>
York	£4,648,077
Hambleton	£1,827,487
Ryedale	£1,672,703
Craven	£1,086,494
Selby	£2,446,650
Richmondshire	£865,097
Harrogate	£1,645,329

Source: 'New Homes Bonus – Year 6 calculator

<https://www.gov.uk/government/publications/new-homes-bonus-final-allocations-2016-to-2017>

The government has declared its intention to continue with the New Homes Bonus beyond its original 6 year life, although the expectation is that payments from 2017 will be lower than previously made. Its continued existence means local authorities will need to continue to place strategic importance on the management of empty properties;

empty property data; and work in a more co-ordinated way with relevant departments, in order to maximise the amount of reward received.

## **5.0 Activities to reduce empty properties**

### **Informal engagement with owners**

The starting point and primary focus of empty property work across the sub-region will always be on working informally with owners, with a view to achieving the reoccupation of empty properties. This approach includes, but is not limited to, the following forms of support:

- Property inspections and conditions reports
- Options advice
- Loans/grant assistance

The process of engaging with owners frequently pays off, but can be time consuming and resource intensive. Authorities will identify when negotiation has failed to achieve the outcome they want, and when enforcement needs to be considered as an option of last resort.

### **Enforcement**

Local authorities have a range of enforcement tools at their disposal to address the issue of empty properties, and symptoms associated with them. Annexe 1 lists the full range of legislative powers available.

Many of these powers only address the symptoms of empty properties, rather than secure their long-term occupation. However, the use of such powers is often necessary, to address the concerns of local residents. They also play an important role in persuading owners of the need to take their responsibilities seriously, and engage with the local authority.

The most effective enforcement tools are those that secure the reoccupation of the property, including:

- Compulsory Purchase Orders (CPO): Although not strictly an enforcement tool, this power can be utilised where long-term empty properties are in a poor condition, or in areas of significant housing need. They work best in situations where significant repairs are required, and where all other attempts to achieve progress have failed.
- Enforced Sale: Where a local land charge has been made on a long term empty property, the council can force the sale of the property to a third party. Where there is unpaid council tax local authorities can enforce sale to recover the debt (known as Bankruptcy proceedings). The benefit of enforced sale is that all costs incurred by the council can be recovered.
- Empty Dwelling Management Orders (EDMO): EDMO's can be used by local authorities to bring back into use properties empty for longer than 2 years, where the owner has refused all reasonable offers of assistance and some form of anti-social behaviour has occurred. They are most appropriate for empty properties that are not in need of major repair, as renovation costs must be recouped from rental income.

Each Local Authority will decide which tools are most appropriate, based on the resources available, and local policies and priorities. Enforcement action can often prove costly, and given constraints on capital funding, such action will only be considered as an option of last resort, after negotiation has failed.

Where enforcement action is taken, local authorities will seek to deliver it as efficiently as possible through the sharing of good practice and expertise.



## 6.0 Achievements

The empty property strategy and action plan 2011-2015 has contributed to a number of significant achievements for authorities across the sub-region, some examples of these include:

- The first use of an empty property Compulsory Purchase Order by the City of York Council
- Voluntary acquisition of a long-term empty property by Harrogate Borough Council
- The establishment of a service level agreement between Selby District Council and the City of York Council for the latter to support the delivery of their Empty Property Strategy
- Partnerships between local authorities and private auctions providers, resulting in the successful sale and reoccupation of a number of empty properties
- Improved co-operation/partnership working between empty property practitioners and their local council tax teams, contributing to increased New Homes Bonus payments, and empty properties management across the sub-region
- Delivery of a successful Empty Property Practitioner training course
- Successful implementation of empty property loans in a number of authorities

## 7.0 Aims and objectives of the strategy

### Strategic Aims:

To reduce the number of long-term empty homes across the sub-region through a co-ordinated approach.

### Objectives:

- Developing new, and strengthening existing partnerships
- Improve the quality and consistency of empty property management
- Improve the range of assistance available to owners
- Improve the quality of advice and information available to owners

**Links to other priority areas:**

This strategy is primarily focused on reducing the numbers of long term empty properties across the sub-region; however, it links to other aspects of the North Yorkshire Housing Strategy 2015-21, including:

Housing Priority 1: Increase the supply of good quality new housing across all tenures and locations

Housing Priority 5: Make best use of our existing stock and ensure that it is of a decent quality to meet the needs of our communities

Housing Priority 7: Reduce homelessness

**SUB-REGIONAL ACTION PLAN**

REF	OBJECTIVE	SPECIFIC ACTIONS	TARGET DATE	RESOURCES REQUIRED	LEAD
<b>STRATEGIC OBJECTIVE 1: DEVELOP NEW AND STRENGTHEN EXISTING PARTNERSHIPS</b>					
1.1	Strengthen existing partnerships between sub-regional empty property officers	Annual meetings of the North Yorkshire Empty Property Strategy & Practitioner Group to implement and monitor progress and share best practice.	Ongoing	All Local Authorities	Sub-Regional Empty Property Group
1.2	Make use of private sector resources and expertise, through the promotion of auction sale to empty property owners	Local authorities to explore, (or strengthen existing) arrangements with auction providers, and market the service with empty property owners, both proactively and reactively.	Ongoing	All local authorities	Individual local authority empty property staff resources

1.3	Develop links with commercial property owners and town/city centre business organisations	Local authorities to explore the issue of empty upper storey's town/city centres, with a view to identifying the extent and cause of vacancies, and identify opportunities to convert them to provide additional units of residential accommodation.	Ongoing	All local authorities	Individual local authority empty property staff resources  Sub-Regional Empty Property Group
<b>STRATEGIC OBJECTIVE 2: IMPROVE THE QUALITY AND CONSISTENCY OF EMPTY PROPERTY MANAGEMENT</b>					
2.1	Develop and share knowledge and best practice within the sub-region	Sub-Regional Empty Property Group to: a) develop a protocol for the reporting of empty properties in line with the New Homes Bonus and direct action of each local Authority. b) build upon existing best practice to develop a handbook for use by empty property practitioners across the sub-region	Ongoing	All Local Authorities  Sub-Regional Empty Property Group	Sub-Regional Empty Property Group

2.2	Improve the management of empty property data	Each authority will work with their respective Council Tax departments to improve processes around the collection and management of empty property data, and identify opportunities for more efficient working practices, in order to focus resources and income through the New Homes Bonus (NHB)	Annually in time for the October 'New Homes Bonus' payments.	All Local Authorities (Empty Property Officers and Council Tax Department)	Each Local Authority
<b>STRATEGIC OBJECTIVE 3: IMPROVE THE RANGE OF ASSISTANCE AVAILABLE TO OWNERS</b>					
3.1	Identify and maximise funding options, to support the delivery of local action plans	<p>Authorities will:</p> <ul style="list-style-type: none"> <li>a) review their funding policy in relation to empty properties</li> <li>b) seek to develop loans as the preferred mechanism for funding work to bring long-term empty properties back into use</li> <li>c) present a robust case for investment for the New Homes Bonus to be made available for empty properties work</li> </ul>	Ongoing	Sub-Regional Empty Property Group	Private Sector Housing Group

3.2	Increase the range of support available to owners	<p>Authorities will:</p> <p>a) Develop relationships with auction providers and promote this route as a viable option for owners where appropriate</p> <p>b) Work with commercial property owners to realise the potential of vacant space above shops, to create new residential housing supply</p>	Ongoing	All Local Authorities	Sub-Regional Empty Property Group
<b>STRATEGIC OBJECTIVE 4: IMPROVE THE QUALITY OF INFORMATION AND ADVICE AVAILABLE TO OWNERS</b>					
4.1	Improve the quality and consistency of empty home web pages, local leaflets across the sub-region	Sub-Regional Empty Property Group to review web pages and factsheets; benchmark against other local authorities and agree standard recommended content within the sub-region	Ongoing	All Local Authorities  Sub-Regional Empty Property Group	Sub-Regional Empty Property Group
4.2	Increase the number of reports of empty properties from members of the public	<p>Each authority will:</p> <p>a) Improve links with local communities through ward meetings/parish councils/ community action groups, etc.</p> <p>b) Make use of press released to publicise successes and invite the public to report properties</p>	Ongoing	All Local Authorities  Sub-Regional Empty Property Group	Sub-Regional Empty Property Group

## Annexe 1 - Table of Available Powers

Problem	Legislation	Power granted
Dangerous or dilapidated buildings or structures	Building Act 1984, Sections 77/78	To need the owner to make the property safe (S77) or enable the LA to take emergency action to make the building safe (S78)
	Housing Act 2004	Imposes a general duty upon Local Authorities to take appropriate action in relation to hazards (under the Housing Health & Safety Rating System) including Improvement Notices etc
	(Listed Buildings and Conservation Areas) Planning Act 1990	The LA should consider its powers under this legislation first if the building is listed or in a conservation area. Repairs Notices or Urgent Works Notices can be served. If there is a default on the former, a CPO can be served, but usually only if a “Back to Back” partner can take over the renovation of the building. On the UWN, LA can step in and make wind/weather tight and structurally sound and secure, but time consuming.
Unsecured properties (if there is a risk it may be entered or suffer vandalism/arson, etc)	Building Act 1984 Section 78	To allow the LA to fence off the property
	Local Government (Miscellaneous Provisions) Act 1982 Section 29	To require the owner to take steps to secure the property in order to prevent unauthorised entry and risk to public health. Where they fail the LA can secure it and recover reasonable costs.

Blocked or defective drainage or sewers	Local Government (Miscellaneous Provisions) Act 1982 Section 35	To require the owner to address obstructed private sewers
	Building Act 1984, Section 59	To require the owner to address defective drainage
	Public Health Act 1961 Section 17	To require the owner to address defective drainage or private sewers
Vermin (if it is either present or a risk that they may be attracted)	Public Health Act 1961 Section 34	To require the owner to remove waste so that vermin is not attracted to the site.
	Prevention of Damage by Pests Act Section 4	
	Public Health Act 1961 Section 83	
	Building Act 1984, Section 76	
	Housing Act 2004	
	Environmental Protection Act 1990 Section 80	It is possible to use this power to cure vermin issues, remove waste or ask for certain repairs where there is a nuisance to someone else.



Unsightly land and property affecting the amenity of an area	Public Health Act 1961 Section 34	To require the owner to remove waste from the property
	Town and Country Planning Act 1990 Section 215	To require the owner to address unsightly land or the external appearance of the property
	Building Act 1984, Section 79	To require the owner to take steps to address a property adversely affecting the amenity of an area through its disrepair
An enforced sale can made against long term empty properties	Law of Property Act 1925	The Local authority would have all the legal rights of a mortgage lender under the Law. A charge may be issued against the property if the owner failed to pay debts owed to the local authority and registered as a charge.
Long term properties empty without good reason where owner is not doing anything to bring them back into use	Housing Act 2004 Empty Dwelling Management Orders	Allows the Local Authority to secure occupation and proper management of privately owned houses/flats that have been empty for more than 2 years (subject to conditions).
	Housing Act 1985, Section 17	Allows the Local Authority to acquire the property compulsorily.

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# Selby District Council Empty Homes Action Plan 2017

Aim: To reduce the number of long-term empty homes through a co-ordinated approach

<b>Objective 1: Develop new, and strengthen existing partnerships</b>				
<b>Action</b>	<b>Milestones</b>	<b>Timescale</b>	<b>Lead Officer</b>	<b>Outcome</b>
Promote the Empty Homes Commitment	➤ Launch the Empty Homes Strategy and Action Plan using media promotion ensuring all potential marketing opportunities are considered	January 2018	Housing + EH Service Manager	Promoting the empty homes commitment will: <ul style="list-style-type: none"> <li>✓ re-energise existing partnerships</li> <li>✓ allow other potential partners to understand the benefits of working with us</li> </ul> By publicising the outcomes of any enforcement action we will promote our commitment to tackling empty homes helping to: <ul style="list-style-type: none"> <li>✓ Encourage members of the public and partners to trust in the process and sends a message to owners of empty homes that we are committed to taking action where and when it is required.</li> </ul>
	➤ Support Local Regeneration Initiatives	On-going	Private Sector Housing Officer	
	➤ Publicise the outcome of enforcement action	Ad-hoc and on-going	Housing Enforcement Officer	
Unlock the Benefits of Empty Homes Networks	➤ Identify opportunities for sharing best practice and for training opportunities	On-going	Private Sector Housing Officer	<ul style="list-style-type: none"> <li>✓ By working closely with Empty Homes Networks Selby DC is able to keep up</li> </ul>

# Selby District Council Empty Homes Action Plan 2017

**Aim: To reduce the number of long-term empty homes through a co-ordinated approach**

Page 48	<ul style="list-style-type: none"> <li>▪ NHC Network Event</li> <li>▪ Shadowing COYC Empty Homes Officer</li> </ul>	Complete Complete	Private Sector Housing Officer Empty Homes Officer	to date with best practice.
	➤ Work closely with the HCA to identify and bid for available funding streams	November and on-going	Housing Strategy Officer	✓ Strengthened partnerships between sub-regional empty property officers
	➤ Engage with local Letting Agents, Sales Agents and Auction houses to understand the support available for owners of empty homes	November and on-going	Empty Homes Officer	✓ Any HCA grant will reduce the reliance on SDC funding which will increase the number of properties we are able to bring back into use through financial support  ✓ The Empty Homes Officer can connect owners of empty properties to support them with wider options for bringing their empty home back into use.



# Selby District Council Empty Homes Action Plan 2017

Aim: To reduce the number of long-term empty homes through a co-ordinated approach

<b>Objective 2: Improve the quality and consistency of empty property management</b>				
<b>Action</b>	<b>Milestones</b>	<b>Timescale</b>	<b>Lead Officer</b>	<b>Outcome</b>
Introduce a new specialist Empty Homes Officer Role	➤ Recruit, appoint and train Empty Homes Officer	Complete	Private Sector Housing Officer	✓ Dedicated and intensive resource available leading empty homes management
	➤ Review success of role	Quarterly KPI updates and full review March 2020	Housing + EH Service Manager	
Support the Empty Homes Work of the sub-region and share best practice	➤ Develop a protocol for the reporting of empty properties in line with the New Homes Bonus and direct action of each local authority	On-going	Private Sector Housing Officer	✓ Best practice and knowledge shared within the sub-region
	➤ Support the development of a sub-regional best practice handbook for practitioners	On-going	Private Sector Housing Officer	✓ An understanding of the direct impact the empty homes work is having ✓ A consistent approach to empty property work across the sub-region
Create and maintain a Database of empty homes	➤ Receive real time council tax data reports	Monthly	Revenue and Benefits Team + Empty Homes Officer	✓ This will support our Empty Homes Performance Management and provide an understanding of: <ol style="list-style-type: none"> <li>i. The number of empty properties</li> <li>ii. The length of time a property has been empty</li> <li>iii. The type and location of</li> </ol>
	➤ Create and distribute an empty homes Owners questionnaire	Complete and on-going	Empty Homes Officer	
	➤ Contact owners through a Mail Drop or through local connections	On-going	Empty Homes Officer	

# Selby District Council Empty Homes Action Plan 2017

**Aim: To reduce the number of long-term empty homes through a co-ordinated approach**

	<ul style="list-style-type: none"> <li>➤ Visit all long term empty properties to carry out a visual inspection and audit</li> <li>➤ Create the database</li> <li>➤ Look at options to map empty homes using GIS</li> <li>➤ Introduce Performance Targets</li> </ul>	<p>November 2017 and on-going</p> <p>November 2017</p> <p>November 2017</p> <p>December 2017</p>	<p>Empty Homes Officer</p> <p>Empty Homes Officer</p> <p>Data &amp; Systems + Empty Homes Officer</p> <p>Housing and Environmental Health Service Manager</p>	<p>empty properties</p> <p>iv. The condition of empty properties</p> <p>v. The reason an property is empty</p> <p>vi. Who the owner is and what their intentions are</p> <p>✓ Increased income generated through New Homes Bonus</p>
<p>Page 50</p> <p>Develop and maintain a system to prioritise empty properties for action</p>	<ul style="list-style-type: none"> <li>➤ Agree Empty Homes Action Plan, Empty Homes Assessment Process</li> <li>➤ Introduce a standard risk assessment form</li> <li>➤ Understand Housing demand</li> <li>➤ Assess all properties using the risk assessment matrix</li> <li>➤ Identify and maintain the priority 20 properties</li> </ul>	<p>December 2017</p> <p>October 2017</p> <p>On-going</p> <p>November 2017 and then on-going</p> <p>November 2017 and on-going</p>	<p>HoS + H&amp;EH Service Manager</p> <p>Private Sector Housing Officer</p> <p>Empty Homes Officer</p> <p>Empty Homes Officer</p> <p>Empty Homes Officer</p>	<p>✓ Executive will agree the planned approach to addressing and prioritising empty homes for action</p> <p>✓ The Empty Homes Officer continually has a manageable work load which is outcome focused and will prioritise working with properties that:</p> <ul style="list-style-type: none"> <li>• Have a negative impact on the Neighbourhood</li> <li>• Are of a type and in a location that would meet housing need</li> </ul>

# Selby District Council Empty Homes Action Plan 2017

Aim: To reduce the number of long-term empty homes through a co-ordinated approach

## Objective 3: Improve the range of assistance available to owners

Action	Milestones	Timescale	Lead Officer	Expected outcome
Introduce financial incentives to support owners of empty properties to bring their empty homes into use	➤ Consider options available	Complete	Private Sector Housing Officer	✓ The introduction of a grant and loan scheme will allow owners to access funding to do essential repairs and maintenance works on their homes to bring them up to a saleable or lettable standard
	➤ Undertake some benchmarking and feasibility work as well as some soft market testing to see what would work in Selby	October 2017	Private Sector Housing Officer	
	➤ Identify options for funding and make bids as required	Options 2017 and on-going	Head of Service + Housing and EH Service Manager	✓ By utilising available funding the council & securing grants will be able to maximise the support offered and be in a position to purchase and repair properties on a voluntary basis or pursue Compulsory Purchase Orders where required.
	➤ Complete financial business case for preferred options	October 2017	Head of Service + Housing and EH Service Manager	
	➤ Identify grant funding and submit bids to support the delivery of the programme (e.g. HCA)	December 2017	HoS, Housing Development Team + EH Service Manager	
	➤ Update the Private Sector Assistance Policy	December 2017	Housing and EH Service Manager	
	➤ Review success of incentives	Quarterly	Housing and EH Service Manager	
✓ The Private Sector Assistance Policy will provide the framework required to allow us to administer any grants and loans				

# Selby District Council Empty Homes Action Plan 2017

**Aim: To reduce the number of long-term empty homes through a co-ordinated approach**

Relaunch the Landlords Tenant Find scheme and offer support to owners to let and manage their properties	➤ Review incentives available to encourage Landlords to use the Scheme	December 2017	Housing Options Development Officer	✓ Sustainable longer term let's resulting in an increase in council tax income and housing need met.  ✓ The Tenant Find Scheme allows Landlords to keep up to date with the requirements of them as a landlord in terms of property condition and management
	➤ Consult Landlords	December 2017	Housing Options Development Officer	
	➤ Re-Launch the Scheme	January 2018	Housing Options Development Officer	

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# Selby District Council Empty Homes Action Plan 2017

Aim: To reduce the number of long-term empty homes through a co-ordinated approach

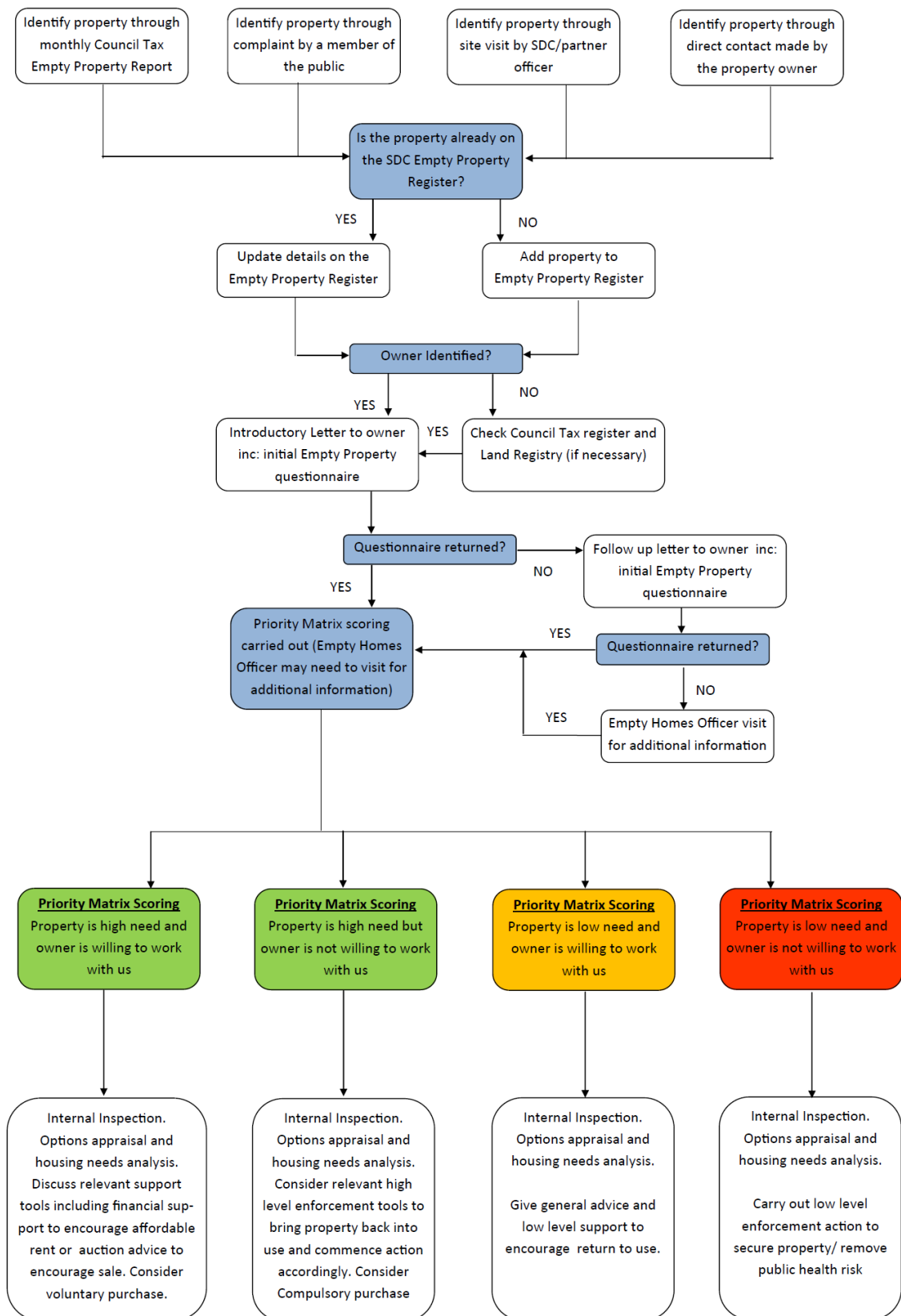
<b>Objective 4: Improve the quality of advice and information available to owners</b>				
<b>Action</b>	<b>Milestones</b>	<b>Timescale</b>	<b>Lead Officer</b>	<b>Outcome</b>
Create an Empty Homes Communications Plan	➤ Complete a Stakeholder Analysis to enable communications to be tailored	October 2017	Housing + EH Service Manager	✓ An increase in the number of empty properties reported by members of the public
	➤ Identify what the Empty Homes messages are and the options for delivering the message	Quarterly	Housing + EH Service Manager	✓ An increased awareness of our Empty Homes work ✓ Empty Property owners engaged with our proposals
	➤ Communicate	Quarterly	Housing + EH Service Manager	✓ Owners and other Stakeholders feel informed
	➤ Review the success	Annually	Housing + EH Service Manager	
	➤ Work with the sub-regional private sector housing group to ensure that any information is consistent and standardised where possible	On-going	Private Sector Housing Officer	✓ Improved links with local community groups ✓ Improved quality and consistency of the information available through our websites and in leaflets
Sign post owners to advice on property maintenance/improvement and options around sale	➤ Understand what advice and assistance is available from other providers through networks	November 2017	Empty Homes Officer	✓ Empty Property owners will access services to enable them to bring their properties to a relevant

# Selby District Council Empty Homes Action Plan 2017

**Aim: To reduce the number of long-term empty homes through a co-ordinated approach**

	<ul style="list-style-type: none"> <li>➤ Ensure through relevant communications that the necessary people are informed of the options</li> </ul>	January 2018	Empty Homes Officer	standard in preparation for lettings or for sale
<p>Ensure information is available to us on the range of enforcement options available and in what circumstances these could be used</p> <p>Page 54</p>	<ul style="list-style-type: none"> <li>➤ Based on the Empty Homes Assessment Process and Standard Risk Assessment, identify Enforcement Options to bring properties back into use and to improve the appearance or safety of empty properties that are unsightly or unsafe</li> </ul>	December 2017	Empty Homes Working Group Housing Enforcement Officer	<ul style="list-style-type: none"> <li>✓ An increased awareness of enforcement options and our willingness to use coupled with promotion of any successful use, will further support our proactive campaign and reduce the need to use them in future</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Increase awareness of the options for enforcement through improved communications</li> </ul>	December 2017	Empty Homes Officer	<ul style="list-style-type: none"> <li>✓ Using 'Quick Win' Enforcement Tools to improve the appearance and safety of empty homes will give the message that the council is taking complaints seriously and that action is on-going. This is especially useful when we are pursuing longer term enforcement options such as EDMO's or CPO's that do not provide quick results</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Take swift and appropriate enforcement action where required</li> </ul>	As required and on-going	Housing Enforcement Officer	
	<ul style="list-style-type: none"> <li>➤ Ensure any successful enforcement action is proactively promoted</li> </ul>	As required and on-going	Empty Homes Officer	

Appendix iii – Empty Property Initial Assessment Flowchart



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Empty Homes Scoring Matrix				
Property Address				
Date of Rating				
Officer				
CATEGORY	CRITERIA	VARIABLE	SCORE	NOTES
Property Type	House/Flat 1 Bedroom	10	10	
	House 2 Bedroom	10		
	House 3 Bedroom	5		
	House 4 Bedroom	2		
Property Location	High Demand	10	10	
	Mid Demand	5		
	Low Demand	2		
Community Impact	High	10	5	
	Medium	5		
	Low	2		
Length of time empty	2 Years+	5	5	
	6 Months to 2 Years	2		
<b>Total Score</b>			<b>30</b>	

If score is **25 or over**, is the owner willing to work with us?

<b>YES</b>	Discuss relevant support tools including financial support to encourage affordable rent or auction advice to encourage sale.
<b>NO</b>	Consider relevant high level enforcement tools to bring property back into use and commence action accordingly.

If score is **under 25**, is the owner willing to work with us?

<b>YES</b>	Give general advice and low level support to encourage return to use.
<b>NO</b>	Carry out low level enforcement action to secure property and remove any public health risk

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# Selby District Council

## REPORT

Reference: E/17/42

Item 7 - Public



**To:** The Executive  
**Date:** 4 January 2017  
**Status:** Non Key Decision  
**Report Published:** 21 December 2017  
**Author:** Sarah Thompson, Housing and Environmental Health Service Manager  
**Executive Member:** Councillor Richard Musgrave, Executive Lead Member for Housing, Leisure, Health and Culture  
**Lead Officer:** Julie Slatter, Director of Corporate Services and Commissioning

**Title:** Private Sector Assistance Policy

### Summary:

This report introduces a new private sector assistance policy for consideration before consultation. It is proposed to return in March 2018 to request final approval and to request that the policy is adopted. The new private sector assistance policy introduces some new discretionary grants and loans.

### Recommendation:

- i. **Approve the draft Private Sector Assistance Policy for consultation with a view for the Policy to return in March 2018 for final adoption.**

### Reasons for recommendation:

It is recommended that the draft Private Sector Assistance Policy (Appendix 1) is approved to allow the Council to provide discretionary private sector assistance. Amendments introduced through the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 allow housing authorities the flexibility to provide discretionary assistance but they must publish a policy and exercise their power in accordance with their policy.

## 1. Introduction and background

- 1.1 The Private Sector Assistance Policy sets out how we will deal with housing in the private sector, specifically the provision of housing assistance.

- 1.2 The disabled facilities grant is a mandatory ‘means-tested’ financial grant that helps meet the cost of adapting a private property where a disabled person lives. Common adaptations include the installation of showers, stair lifts and ramps. Delivery of disabled facilities grants is a mandatory grant and the delivery of the grant is a requirement of each individual housing authority. Details of the provision are included in the policy.
- 1.3 The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 (“the 2002 Order”) gives a power to local authorities for the purpose of improving living conditions in their area by enabling a local housing authority to provide, directly or indirectly, assistance to any person for the purpose of enabling them to acquire accommodation, adapt or improve accommodation or to repair or demolish and rebuild accommodation. In using the powers under the 2002 Order the Council has discretion to provide assistance for the purpose of improving living conditions in the Selby District and to support our current corporate priorities. To meet the requirements of the 2002 order the Council must adopt a policy that sets out under what circumstances the Council may provide assistance. Details of the discretionary proposals are set out in the Policy.
- 1.4 The technical element of the private sector grant delivery was included within a wider NYCC Supporting People Home Improvement Agency (HIA) Contract to which all the North Yorkshire districts signed up. The current contract ran from 1 April 2014 and ended on 31 March 2017 and on completion NYCC advised that the SP contract would not be re-tendered and ended the contract however, it was extended for one year to allow the housing authorities to make alternative arrangements for the delivery of the statutory DFG element of the contract. In April 2018 an alternative arrangement for provision of technical support will be required.

## **2. The Report**

### **2.1 Current Position**

The current private sector assistance policy was adopted in 2013. Since then the funding available for disabled facilities grants has increased considerably and there is an opportunity to use the funding more flexibly. In order to do this a new private sector policy is required. The Private Sector Housing Officer is responsible for approving any grants or loans and the budget is held by Selby District Council. The Selby Home Improvement Agency currently provides technical support including the drawing up of plans, arranging contractors and liaising with the Occupational Therapists.

### **2.2 The Private Sector Assistance Policy**

The private sector housing policy (Appendix 1) aims to improve housing conditions across the district and to help people manage their own health and wellbeing and live independently in their communities for as long as possible.



Delivery will be through a mix of advice and financial assistance which is targeted at assisting those in most need.

The Government believe that it is primarily the responsibility of homeowners to maintain their own property. Whilst many homeowners do have the necessary funds to carry out repairs and improvements there remain a number of homeowners, particularly the elderly and vulnerable, who may not have access to the necessary resources to keep their homes in good repair.

This policy seeks to support these households by offering various methods of advice and financial assistance. If the draft policy is approved, colleagues from health and social care will be consulted on the proposals.

#### 2.2.1 Mandatory Disabled Facilities Grants

The Disabled Facilities Grant remains the only mandatory grant available. Grants of up to £30,000 are available based on a referral from NYCC Occupational Therapist teams and a government prescribed financial assessment. Better Care funding is provided to pay for this grant. In 2014 DFG funding became part of the Better Care Fund, a pooled health and social care budget. The aim of the fund is to provide more joined-up and customer focussed services to reduce hospital and care admissions. Recognising the need for adaptations central government funding for the DFG has been increased considerably and in 17/18 the allocation for Selby District increased to £379,026. All grant approvals are undertaken by Selby District Council.

#### 2.2.2 Discretionary Disabled Facilities Grants

The additional funding has allowed us to consider the introduction of discretionary DFG's. The Mandatory DFG is subject to a test of financial resources. This policy seeks to use the discretionary powers to offer a DFG, without a means test, for works up to £5,000. In addition where works cost in excess of the mandatory maximum we wish to offer an interest free loan of up to £10,000 to top up the grant. This will allow us to speed up the process, deliver a faster and more effective service and thereby meet the aims of the better care fund. All discretionary disabled facilities grants would be approved by Selby District Council and subject to available funding.

#### 2.2.3 Repair Assistance Loans

Discretionary repair loans are available for vulnerable owner occupiers or private tenants with repairing obligations. The Repair Assistance Scheme offers urgent/emergency repairs up to a maximum of £6,000. All repair assistance loans are approved by Selby District Council and registered as a local land charge thereby repayable at the point of sale. This loan is funded through the Council's capital programme and through recycled loans and available subject to sufficient available funding.

### 2.2.4 Empty Property Loans and Grants

An Empty Property Loan is available for owners of long term empty properties. It offers an interest free loan of up to £15,000 to make properties suitable for re-occupation.

An Empty Property Grant is available for owners of long term empty properties who:

- agree to let their property for a five year period;
- at an affordable rent;
- to tenants with a local connection
- for a minimum of a 12 month fixed term;

Funding has been allocated from P4G and from S106 receipts. All empty property loans and grants would be approved by Selby District Council and subject to sufficient available funding. When introducing the loan a repayment procedure will be agreed and to ensure repayment a local land charge registered.

## 3. **Legal/Financial Controls and other Policy matters**

### **Legal Issues**

The Council has a mandatory duty to deliver adaptations through the Disabled Facility Grant scheme and the legislative provisions governing disabled facilities grants (DFGs) are contained in the Housing Grants, Construction and Regeneration Act 1996 (as amended) (HGCRA 1996).

Article 3 of The Regulatory Reform (Housing Assistance)(England and Wales) Order 2002 enables local housing authorities to provide discretionary assistance for the purpose of improving living conditions. Assistance may be in any form and may include grants. Such assistance may **not** be given unless the local housing authority has adopted a policy for the provision of such assistance and they have given the public notice of such adoption.

### **Financial Issues**

- 3.2 The Better Care Fund will be used to provide mandatory and discretionary DFG's and will fund the cost of delivering that service. Although adaptations can be jointly procured for Council Housing and Private Housing, any Council adaptations will be funded through the HRA capital programme and not through the Better Care Funding.

Funding for any discretionary loans is identified in the Council's capital programme and any discretionary grant or loan is subject to the availability of funding and as such will cease once available funds are exhausted. Local Land charges are registered for any discretionary grant or loan reducing the financial risk of non-payment.

## **Impact Assessment**

- 3.3 The Private Sector Assistance Policy aims to provide a framework for supporting vulnerable households with necessary property improvements and repairs.

The Policy is inclusive of the relevant protected characteristics of age; disability; gender reassignment: pregnancy and maternity; race; religion or belief; sex and sexual orientation. It is designed to have a positive impact on vulnerable households which will include people with disabilities.

The support offered by the policy will specifically support the following;

- Independence;
- Accessible housing for all;
- Improved health, safety and well-being;
- Early discharge from hospital;
- Prevent homelessness;
- Allow people to stay in their own homes;
- Allow disabled parents to care for their children;
- Allow disabled children to have more choice;
- To prevent social exclusion;
- To keep families together and to provide help for carers;

## **4. Conclusion**

- 4.1 The private sector assistance policy will allow the Council to provide discretionary assistance to residents in private sector housing in the form of grants and loans that will improve housing conditions across the district and will help people manage their own health and wellbeing and remain independent in their own home for as long as possible. The empty homes loans will help bring much needed accommodation back into use.

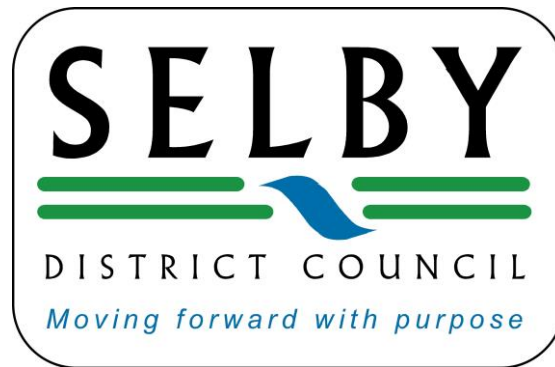
### **Contact Officer:**

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### **Appendices:**

Appendix 1 – The Private Sector Assistance Policy

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**PRIVATE SECTOR HOUSING  
ASSISTANCE POLICY**

**2018-20**

## FORWARD

The Selby District Council Private Sector Housing Assistance Policy 2018-20 (the Policy) is made under Article 3 of the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 Statutory Instrument No.1860 (the RRO).

The Regulatory Reform Order (RRO) radically changed the way in which government sought to encourage private sector home improvement in England and Wales. The RRO swept away much of the prescriptive nature of previous legislation (The Housing Grants, Construction and Regeneration Act 1996) and replaced it with a general power allowing local authorities to provide “assistance” “in any form” “to any person”, to improve, repair, adapt or rebuild residential premises.

The RRO reflects the view that it is primarily the responsibility of private sector owners to maintain their own property but it recognises that some owners, particularly the elderly and most vulnerable, do not have the necessary resources to repair or improve their homes. Local authorities therefore have an important role to play in providing assistance in these cases.

The policy works within the current legislative and financial framework to contribute to providing a decent home for all current and future residents of Selby District through various advice, support and assistance mechanisms whilst aiming to give priority to those most vulnerable households.

The policy will continue to evolve as existing commitments are fulfilled and local, regional and national research and policy developments take place and will be reviewed and updated accordingly.

## 1.0 INTRODUCTION

### 1.1 Policy Aims

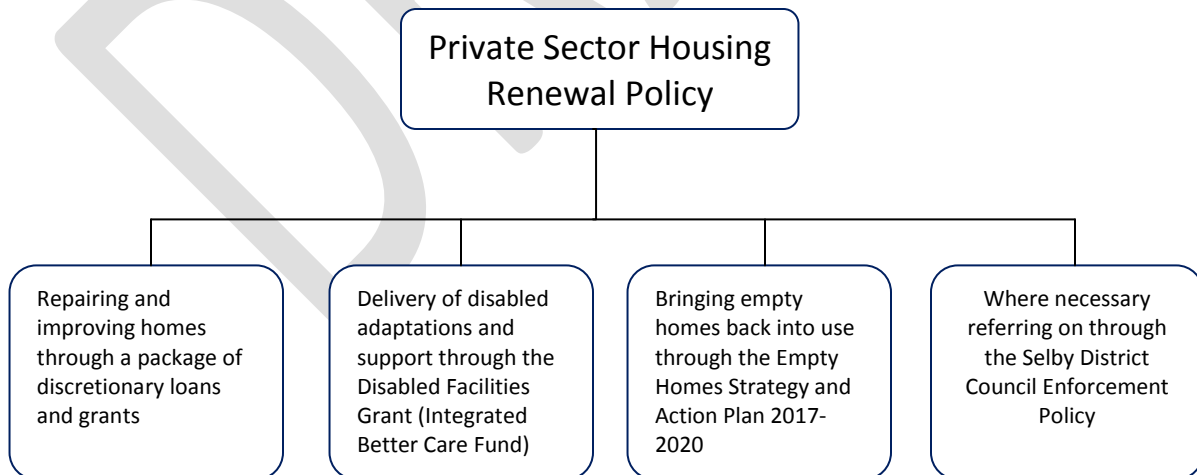
1. To improve housing conditions across the District;
2. To help people manage their own health & wellbeing and live independently in their communities for as long as possible.

Prosperous and sustainable communities need good quality homes that are decent and safe and that meet the needs of the people who live in them. The location, type and quality of the homes people occupy can have a significant impact on all aspects of their lives.

The aim of this policy is encourage the improvement in private housing choice and quality across the district through the use of support and assistance mechanisms, whilst ensuring that where appropriate and necessary enforcement action is taken in line with the councils Corporate Enforcement Policy.

### 1.2 Policy context

This Policy provides the overarching focus for the council's private housing renewal service and sits at the forefront of much that we want to achieve;



It also links to the following specific policies at a National, Sub-regional and a local level.

## National

### **Integration and Better Care Fund Policy Framework 2017 to 2019**

This document sets out the policy framework for implementation of the statutory Better Care Fund in 2017 to 2019 and seeks to outline how best to deliver the Better Care Fund at a local level and in partnership with others.

### **Cutting the cost of keeping warm – a Fuel Poverty Strategy for England (2015)**

A strategy that sets out how the government will deliver their fuel poverty target to ensure that as many fuel poor homes as is reasonably practicable achieve a minimum energy efficiency rating of Band C, by 2030.

## Sub-regional

**York, North Yorkshire & East Riding Housing Strategy 2015-2021** - This strategy sets out the nine sub-regional priorities for housing growth and delivery. Selby District Council is committed to jointly delivering on the following priorities within the theme "Understanding and Improving the Quality of our Housing Stock".

Priority 5: Continue to make best use of existing stock and ensure it is of a decent quality to meet the needs of our communities.

Priority 6: Ensure all homes have a positive impact on health and well-being and are affordable to run.

**North Yorkshire Joint Health & Wellbeing Strategy 2015-2020** - The vision of this strategy is that "people in all communities in North Yorkshire have equal opportunities to live long healthy lives. It gives direction and sets out priorities for Board partners organisations to include in their own strategies and plans.

## Local

Locally, the Private Sector Housing Assistance Policy links to the **Selby District Council Corporate Plan 2015-2020** through Priority 2 -To enjoy life, by ensuring more housing needs are met; empty homes are brought back into use; and more affordable properties are developed.

**Selby District Council Housing Strategy Action Plan** - Our local housing delivery plan includes the following relevant key priority areas:

Priority 2 – Ensure that our housing stock reflects the needs of communities across all areas of Selby district



Priority 3 – Ensure that our housing stock meets the diverse needs of our communities at all stages of their lives

Priority 5 - Continue to make best use of existing stock and ensure it is of a decent quality to meet the needs of our communities

Priority 6 – Ensure all homes have a positive impact on health and well-being and are affordable to run

Priority 7 - Continue to reduce Homelessness

Priority 9 – Provide appropriate Housing and Support for those with Specific Needs

### 1.3 **Legal Context**

#### **Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 (RRO)**

The RRO radically changed the way in which government sought to encourage private sector home improvement in England and Wales. The RRO swept away much of the prescriptive nature of previous legislation (See below), instituting a general power allowing local authorities to provide “assistance” “in any form” “to any person”, to improve, repair, adapt or rebuild residential premises.

**The Housing Grants, Construction and Regeneration Act 1996** - Much of this Act has been repealed by the RRO in order to remove the “burdens upon local authorities in the exercise of their functions in relation to the provision of financial and other assistance for, or in connection with, the improvement, repair and renovation of housing.”

The remaining legislative framework contained within this Act provides the basis for the provision of Disabled Facilities Grants and loans.

**The Housing Act 2004** - The Housing Act covers the national minimum standard for housing standards (currently the Housing, Health and Safety Rating System) and also covers the mandatory and discretionary licensing for houses in multiple occupation (HMOs).

## **2.0 THE POLICY**

2.1 This policy outlines how Selby District Council, through a mix of support, financial assistance (and enforcement\*), will seek to;

- ❑ Help owner-occupiers to maintain and repair their homes;
- ❑ Assist people whose independence may be at risk to remain in or return to their homes;
- ❑ Boost domestic energy efficiency and reduce the number of households in fuel poverty;
- ❑ Encourage private landlords to provide good quality and well managed properties for their tenants;
- ❑ Maximise the use of the existing housing stock to increase housing choice across the district.

\* Enforcement protocols are covered in the councils Enforcement Policy.

### **2.2 Encouragement and Support**

We will provide information and advice to assist any person to improve, repair, adapt or rebuild residential premises. In doing so, we may enter into partnership arrangements with others, including partner local authorities, health and fuel poverty related organisations and with the voluntary sector.

We recognise the importance of education and encouragement when working with Private Sector Landlords and owners of empty properties to uphold legislative requirements and to improve standards and increase housing choice.

Where possible we seek to resolve issues between landlord and tenant in order to achieve tenancy sustainment and reduce homelessness due to the termination of tenancies.

We also seek to help owners of empty properties overcome difficulties in selling, renovating and ultimately re-occupying empty homes.

The Council will provide support in a number of ways including by:

- Ensuring the availability of information and advice on the Council's website;
- Providing advice in person;
- Engaging with groups and forums to provide advice to the community and private sector landlords;
- Working in partnership to distribute information and advice.

## 2.3 Financial Assistance

It is the responsibility of owners to maintain and improve their properties at their own expense. However, the Council recognises that there may be occasions when it is both necessary and appropriate to provide financial assistance to support this work. All financial assistance given is subject to funding being available and terms and conditions relevant to the type of assistance being applied for.

The council will consider all enquiries for financial support and may choose to offer assistance through one or through a mix of the following support options.

### 2.3.1 Disabled Facilities Grants (DFG):

This grant is available to owner occupiers and private sector tenants to help adapt their home to meet the needs of a disabled occupant. Landlords may also apply for a DFG on behalf of a disabled tenant.

The aim of a DFG is to remove or help overcome any obstacles which prevent the disabled person from moving freely into and around the dwelling and enjoying the facilities and amenities in it. Typical work might include the provision of a stair-lift, the replacement of a bath with a level access shower or provision of ramps to main entrance doors.

Eligibility for grant is based on an assessment of the disabled person's need carried out by an Occupational Therapist.

DFG is a mandatory entitlement and the council cannot refuse an application which fulfils the eligibility criteria. They are, however, subject to a legal maximum grant limit of £30,000 and to a mandatory Test of Resources to determine the level of any financial contribution to be made by the applicant.

The DFG funding allocation from Department of Communities and Local Government is currently contained within the Better Care Fund (BCF) which is paid to upper tier local authorities. Within two tier areas the housing authority (i.e. Selby District Council) and the social care authority (North Yorkshire County Council) have established new working relationships to manage the DFG funding as the legal responsibility for provision of DFG remains with the local housing authority.

### 2.3.2 Discretionary Adaptations Assistance

Whilst the Mandatory DFG is subject to a test of resources, the council will use its discretionary powers to provide a Discretionary DFG without a test of resources for all works costing under £5,000. Eligibility for grant is still based on an

assessment of the disabled person's need carried out by an Occupational Therapist. This is expected to speed up the process for installation of the most common adaptations such as stair lifts and level access showers.

In addition, we may offer further financial assistance where the cost of eligible works exceeds the legal maximum DFG limit of £30,000. In these circumstances the applicant may be eligible for an interest free loan of up to £10,000 to top-up the DFG. Other options for additional funding (i.e.: charitable funding) will also be considered in such cases.

### **2.3.3 Repairs Assistance Scheme (RAS) Loan**

The Repair Assistance Scheme is a discretionary loan available to homeowners to provide urgent/emergency repairs to alleviate imminent health and safety hazards. Loans are available up to £6,000. The loan is available to those unable to afford monthly repayments and is repayable upon sale of the property.

Loans are available if the relevant person is the freeholder of the property or is a leaseholder with at least 50 years remaining on the lease. The loan amount is subject to a Test of Resources to determine the level of any financial contribution to be made by the applicant.

### **2.3.4 Empty Homes Grant/Loan**

The Empty Homes Loan is available to help home-owners bring their long-term empty properties back into use. The property must be in a location and be of a type/size that the council deem to be appropriate to the housing needs of the district. Owners can borrow up to £15,000 per property interest free, with no repayments during the loan period, no interest charges and no charges for early repayment. Loans are available if the relevant person is the freeholder of the empty property or a leaseholder with at least 50 years remaining on the lease.

An Empty Homes Grant is available to owners who agree to let the property throughout a five year period at an affordable rent to tenants with a local connection on a minimum twelve month fixed-term, assured shorthold tenancy. Freeholders of an empty property or a leaseholder with at least 50 years remaining on the lease may receive up to £15,000 per property

### **2.3.5 Energy Repayment Loan**

The Energy Repayment Loan aims to help homeowners undertake work within their properties to address excess cold. Owner Occupiers can borrow between £500 and £3000 interest free. The loan is subject to monthly repayments. This loan is funded from recycled regional housing board funding which may be

topped up by Selby District Council funding. The loan is administered by The Homes and Loans service which is operated by Sheffield City Council, on behalf of the Local Authorities across the Yorkshire and The Humber regions.

Loans are available if the relevant person is the freeholder of the property and also occupies the property at the time of application.

### 2.3.6 Indirect Financial Assistance

Where appropriate we may use discretionary financial powers to support partners in the delivery of regional/sub-regional shared housing objectives The Council will use these powers to:

- a) Work in partnership with the Better Homes Programme to source and bid for funding under the banner of “Better Homes Yorkshire”. All initiatives will be made available to residents through signposting to the relevant Better Homes Yorkshire delivery partner.
- b) Support the North Yorkshire Health & Wellbeing Strategy and to Support joint commissioning schemes to address housing and health impacts

## 3.0 RESOURCING THE POLICY

3.1 It is generally agreed that the primary responsibility for repairing and maintaining homes must rest with the property owner. However the council may use a mixture of its own capital funding, Better Care funding and appropriate third party grant funding to provide financial support to those households or individuals who require our help and support.

3.2 Several agencies across the district will work closely together to help encourage and support this investment.

### 3.2.1 Selby District Council

- Provides general advice and information to owners, landlords and tenants regarding legal rights and responsibilities and home maintenance issues;
- Provides wider planning and neighbourhood management services to create safe and sustainable communities;
- Provides advice and help to elderly, disabled and vulnerable people to remain independent in their own homes by identifying necessary repairs and carrying out work through the councils grant and loan initiatives.
- Supports and promotes the work of partnership organisations to deliver housing improvements;

- Implements enforcement powers granted under the Housing Act 2004, used as a last resort, to ensure owners maintain properties to relevant standards, address anti social or nuisance behaviour and tackle long term empty properties.

### **3.2.2 Yorkshire and Humber Homes and Loans Service**

- Administers the regional loan scheme on behalf of the council.
- Uses it's expertise to develop new loan products to target regional housing priorities.

### **3.2.3 Better Homes Yorkshire**

- Promotes energy efficiency and provides free, impartial, locally relevant advice on what people can do in their home to reduce energy costs and to access available energy efficiency financial support.

### **3.2.4 North Yorkshire Adult and Community Services**

- Provides specialist guidance and financial top-up support through the Occupational Therapist service towards the administration of the Disabled Facilities Grant.
- Provides minor disabled adaptations and equipment as necessary.
- Provides a range of Telecare services.

### **3.2.5 North Yorkshire Fire and Rescue Service**

- Provides fire safety checks for vulnerable households.
- Assists with the inspection of Houses in Multiple Occupation (HMOs) and helps deliver the North Yorkshire Fire Safety Standard.

## **4.0 GENERAL PROVISIONS RELATING TO THE POLICY**

4.1 This Private Housing Assistance Policy has been developed to comply with the Regulatory Reform (Housing Assistance)(England and Wales) Order 2002 and Government guidance and to provide the necessary framework to deliver key housing aims of the council. The Council will ensure that services identified within it are directly accessible through the council and/or our partner organisations.

4.2 The following general provisions will apply throughout the policy:

- Before any financial assistance is provided, Selby District Council will set out in writing to each person the terms and conditions relating to such assistance.
- A person's ability to contribute towards or repay any assistance is taken into account.
- Clear details will be given in writing to any applicant for financial assistance of any fees and charges that will be levied prior to any works commencing.
- Risk and fraud is minimised by following Government's Housing Renewal Guidance and working closely with the Audit Team.
- Financial assistance would not normally be available to improve, adapt or repair living accommodation of Registered Social Landlords (RSLs) on the basis that RSLs should have robust business plans which will ensure their properties meet the Government's Decent Homes Standard. The only exception to this provision will be in the provision of assistance through mandatory Disabled Facilities Grant. Applications for Disabled Facilities Grant will be considered from RSL tenants. However in such instances Selby District Council will expect the RSL to have explored all alternative solutions prior to encouraging such an application.
- Payments of financial assistance will normally be made on full and satisfactory completion of works with the discretion to make interim payments for actual work undertaken resting with the Authority. To safeguard against fraud, payments will normally be made direct to the contractor. However, Selby District Council reserves the right to make payment to the applicant in certain circumstances.

### **4.3 Complaints Procedure**

- 4.3.1 A complaint is defined as an expression of dissatisfaction, however made, about the standard of service, administrative actions or lack of such action by Selby District Council or their member of staff affecting an individual customer or group of customers.
- 4.3.2 Any individual is entitled to exercise their right to complain regarding their dissatisfaction with the services that they have received from Selby District Council. All complaints about services will be dealt with in line with the council's Corporate Complaints procedure.

## **4.4 Appeals Procedure**

- 4.4.1 The appeal process is available to anyone who is dissatisfied with an officer's decision made in line with the Private Housing Assistance Policy. The process will also apply in cases where Selby District Council is seeking repayment of financial assistance under conditions which were set out at the time the assistance was given, but the person from whom the repayment is being sought wishes Selby District Council to consider waiving the repayment.
- 4.4.2 Appeals on issues relating to Energy Repayment Loans should be made in writing to Selby District Council, stating the nature of and the reasons for the appeal. The appeal will then be considered by the Special Cases Panel of the Homes and Loans Service. The Regional Loans Manager will notify the appellant of the outcome of the appeal giving full reasons for the decision.
- 4.4.3 Appeals on issues relating to all other assistance schemes should be made in writing to Selby District Council, stating the nature of and the reasons for the appeal. The facts of the case will be reviewed by the relevant Head of Service and Service Manager who will notify the appellant of the outcome of the appeal giving full reasons for the decision.
- 4.4.4 In all cases Selby District Council may request any additional information as necessary from the appellant for a fully informed decision to be made on the matter.



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## Selby District Council

### REPORT

Reference: E/17/43

Item 8 - Public



**To:** The Executive  
**Date:** 4 January 2017  
**Status:** Key Decision  
**Report Published:** 21 December 2017  
**Author:** Chris Kwasniewski, Housing and Regeneration Manager and James Cokeham, Head of Economic Development and Regeneration  
**Executive Member:** Councillor Richard Musgrave, Executive Lead Member for Housing, Leisure, Health and Culture  
**Lead Officer:** Dave Caulfield, Director of Economic Regeneration and Place

**Title:** Housing Development Programme 2017-20

#### Summary:

The Executive is asked to approve a revised Housing Development Programme that seeks to provide 207 affordable homes for Selby District Council (SDC) and Selby District Housing Trust (SDHT) by 31 March 2020.

This Programme is based on three 'delivery pillars' that include direct development on SDC owned sites, the acquisition and development of new sites and the acquisition of affordable homes constructed by other developers.

The Programme will generate revenue streams for SDC as a result of loans provided to the SDHT.

#### Recommendations:

- i. To approve the revised Housing Development Programme as set out in this report;
- ii. To note the additional budget and funding requirements and approve their inclusion in the draft budget proposals to be considered by the Executive in February;

- iii. **That the Council's Chief Finance Officer, in consultation with the Lead Councillor for Finance and Resources, be granted delegated authority to approve loan funding, and the terms and conditions of the loan agreement, from Selby District Council to the Selby District Housing Trust to enable the acquisition of Section 106 properties on the following basis:**
  - a. **That the approved investment is within the budget parameters of the approved Housing Development Programme; and**
  - b. **That the acquisition is subject to a viable business case having due regard to an interest rate which provides for an appropriate margin over the Council's cost of capital and a term of no more than 40 years.**
- iv. **To approve an investment of £251,000 from the Council's Programme for Growth to fund the establishment of a feasibility budget and the recruitment of a new fixed term post to support the revised Housing Development Programme.**

**Reasons for recommendations:**

The Executive is asked to approve the Housing Development Programme 2017-20 in order to deliver 207 affordable homes in Selby District for Selby District Council and the Selby District Housing Trust through a variety of delivery mechanisms.

**1. Introduction and background**

- 1.1 The current Housing Development Programme was approved by Full Council in September 2013. This set out an ambition to develop 106 new affordable homes for Selby District Council (SDC) and Selby District Housing Trust (SDHT) by 31 March 2019 on small sites already owned by the Council.
- 1.2 To date, 20 new affordable homes have been constructed with a further 30 'in the pipeline' on sites at Byram, Riccall and Selby Town.

**2. The Report**

- 2.1 The revised 'Housing Development Programme 2017-21' seeks to achieve a more ambitious delivery target of 207 affordable homes by March 2021 (57 for SDC and 150 for SDHT indicatively), centred on the following 'delivery pillars':
  - A '*Small Sites Programme*' based on the development of new housing on existing Council owned land (primarily former garage sites);
  - A '*Large Sites Programme*' focused on the development of new housing on larger sites acquired or owned by Selby District Council;
  - An '*Acquisitions Programme*' to purchase completed homes or Section 106 (s106) properties from other developers.

2.2 It is envisaged that the Programme will be delivered in three phases:

**Phase 1 (Completed or start on site 2017/18):**

<b>Delivery Pillar</b>	<b>Provider</b>	<b>Location</b>	<b>No. of Units</b>
Small Sites	SDHT	Tadcaster	5
Small Sites	SDC	Eggborough	15
Small Sites	SDC	Byram	
Small Sites	SDC	Byram	13
Small Sites	SDHT	Riccall	5
Acquisitions	SDHT	Selby	12
	<b>TOTAL</b>		<b>50</b>

**Phase 2 (2018/19)**

<b>Delivery Pillar</b>	<b>Provider</b>	<b>Location</b>	<b>No. of Units</b>
Small Sites	SDC	TBC	10
Small Sites	SDHT	TBC	7
Large Sites	SDHT	TBC	11
Acquisitions	SDHT	TBC	27
	<b>TOTAL</b>		<b>55</b>

**Phase 3 (2019/20 & 2020/21)**

<b>Delivery Pillar</b>	<b>Provider</b>	<b>Location</b>	<b>No. of Units</b>
Small Sites	SDC	TBC	19
Large Sites	SDHT	TBC	35
Acquisitions	SDHT	TBC	48
	<b>TOTAL</b>		<b>102</b>

2.3 A detailed breakdown of the Programme's proposed delivery approach is provided in Appendices A & B.

2.4 The Programme is only indicative at this stage and could be subject to change as a result of consultation and pre-application discussions. Members are therefore requested to approve the funding envelopes identified in Section 3 and the report's recommendations, which will provide SDC and SDHT with the necessary flexibility to deliver the agreed programme and develop full business cases for each development/proposal.

2.5 The strategic approach outlined in the revised Programme is aimed at sustaining the Council's Housing Revenue Account (HRA) through focusing priorities on elderly persons accommodation and replacing homes lost through right to buy as part of the Governments desire to see '1 for 1' replacements. It is aligned with the Council's review of the HRA Business Plan and the emerging Empty Homes Strategy and Action Plan. The Empty

Homes Strategy and Action Plan sets out plans to acquire up to 13 units by the end 2019/20, giving an overall total of 220 affordable homes.

- 2.6 Feasibility work is currently funded on a site by site basis. Whilst this has worked well for planned schemes, it does not allow SDC and SDHT to exploit and maximise new opportunities that require initial due diligence work. This is particularly an issue for SDHT and it is recommended that a feasibility budget of £50,000 per annum is incorporated into the 'Housing Development Programme 2017-20', funded from the Strategic Sites element of the Programme for Growth budget.
- 2.7 The expanded programme will also have resource implications for SDHT, particularly with regard to managing the acquisition of 75 s106 homes and developing up to 50 homes on new sites. Currently, the Council provides project management resource by way of in kind support to the Trust, in addition to Managing Director, Company Secretary and Finance Director services being carried out on a voluntary basis, but this is not sustainable in the long term.
- 2.8 It is therefore requested to approve the recruitment of a new post to support the revised Housing Development Programme be funded from the Programme for Growth budget on a 3-year 'fixed term' basis.

### **3. Legal/Financial Controls and other Policy matters**

#### **Legal Issues**

- 3.1 The proposed expanded Programme falls within the original remit and objectives of the SDHT and the Council's own functions - the Trust's main purpose, as set out in the Housing Development Strategy (2013), was to develop new affordable housing-initially on Council owned land.
- 3.2 As the Local Housing Authority, the Council has powers under legislation to invest in the construction of properties within the HRA. Section 24 of the Local Government Act 1988 also provides the Council (as housing authority) with the power to provide any person with financial assistance for the purposes of, or in connection with, the acquisition, construction, conversion, rehabilitation, improvement, maintenance or management (whether by that person or by another) of any property which is or intended to be privately let as housing accommodation. The making of a loan to SDHT would fall within this definition. Accordingly there is a clear power for the Council to make the loans.
- 3.3 The Council's investments can be protected by taking a first charge over the properties acquired or constructed by SDHT.

#### **Financial Issues**

- 3.4 The 50 Units from Phase 1 of the Programme have already been completed, or are committed at a total cost of £6.002m (see Appendix A).

- 3.5 This leaves 56 homes to be delivered by March 2019 to meet the target of the original Housing Development Programme. In total this would require an estimated budget of £5.783m, meaning a further £580k investment from s106 grants and retained 'right to buy' receipts would be needed to complete the original programme (see Appendix A).
- 3.6 As the 'Housing Development Programme 2017-20' aims to deliver a total of 207 units, further investment of £10.3m will be required in order to fund the remaining balance of 101 units (see Appendices A and B).

**Affordable Homes Development Programme - Scheme Funding**

	No. Units	Loans / Internal Borrowing £	P4G Grant £	S106 Grant* £	HRA Retained Receipts* £	Total £
Completed / Committed Programme	50	4,825,451	47,000	923,056	206,587	6,002,094
Balance of existing target	56	5,203,000	-	350,000	230,000	5,783,000
<b>Original Programme Delivery</b>	<b>106</b>	<b>10,028,451</b>	<b>47,000</b>	<b>1,273,056</b>	<b>436,587</b>	<b>11,785,094</b>
<b>New Programme - Required Additional</b>	<b>101</b>	<b>9,720,000</b>	<b>-</b>	<b>330,000</b>	<b>250,000</b>	<b>10,300,000</b>
<b>Split</b>		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
SDHT	150	13,869,451	47,000	1,138,940	-	15,055,391
HRA	57	5,879,000	-	464,116	686,587	7,029,703
	<b>207</b>	<b>19,748,451</b>	<b>47,000</b>	<b>1,603,056</b>	<b>686,587</b>	<b>22,085,094</b>

- 3.7 Potential sources of funding for this include HCA grant funding (up to £36k per property for new build SDC homes), which could add a further £1.4m into the programme, s106 commuted sums anticipated over the period (£4.1m) and unallocated capital receipts (£5m).
- 3.8 When considering loans to SDHT, it should be noted that the Council is limited by the availability of cash to provide loans to support the Trust's programme, which may require the Council to take on external borrowing. This will significantly impact on the business model for the Council and reduce the financial benefit from providing loans (which are intended to contribute to the Council's savings plan). Should the Council be required to borrow externally, the interest paid will reduce the benefit of providing loans to the Trust and may result in a lower net return than our pooled cash investments if interest rates increase. Assuming a 2% margin over the Council's own cost of borrowing (the benchmark assumed for the Council's savings plan) additional loans to a value of £5m could deliver additional interest returns of £50k p.a. (average) over a 30 year term.

- 3.9 The cost of borrowing will be borne by SDHT and will be repaid from the rental income from the properties as they are developed. This provides an income stream to the Council from the interest charged on the loans, and additional income will be generated from the New Homes Bonus payments and increase in Council Tax revenue delivered through the 'Housing Development Programme 2017-20'.
- 3.10 In making decisions concerning any investment and loans the Council makes to the SDHT it must, on each occasion, act efficiently and undertake funding offers (and related decisions) after proper consideration of the risks and rewards of doing so. The Council will need to ensure that it achieves an appropriate return for any risk it takes and that it has minimised the risks and potential costs to it.
- 3.11 If the Council is to support the programme as set out it may require that available capital receipts and future renewable business rates receipts be earmarked to 'cash back' the loans to the trust. Such issues will be considered as part of the Council's Treasury Management Strategy.

## **Impact Assessment**

- 3.12 The overall impact of the new Programme is summarised below:
- The investment will increase the number of affordable homes in Selby District and support SDHT in becoming more sustainable;
  - Loans provided to SDHT to support their Programme will provide an income stream to support SDC's revenue budget;
  - The sustainability of the Council's Housing Revenue Account will be improved through appropriate development and the generation of revenue streams from capital receipts and grants from external partners;
  - The 'Housing Development Programme 2017-20 will result in positive training and apprenticeship outcomes through closer working with contractors and Selby College;
  - There will be a short-term positive economic impact for the District due to construction related employment opportunities.

## **4. Conclusion**

- 4.1 The report sets out the opportunity to extend affordable homes delivery beyond that contained in the Council's original Housing Development Programme.
- 4.2 The Programme will generate revenue streams for the Council as a result of loans provided to SDHT, deliver more affordable homes across the district, generate construction training opportunities for residents and sustain the Council's Housing Revenue Account. The Programme will be supported by leveraging additional funding and will improve value for money for local taxpayers.



## 5. **Background Documents**

Not applicable.

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### **Appendices:**

Appendix A: Summary of the Approved Housing Development Programme  
Appendix B: Indicative revised Housing Development Programme

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## Affordable Homes Development Programme - Scheme Funding

	No. Units	Loans / Internal Borrowing £	P4G Grant £	S106 Grant* £	HRA Retained Receipts* £	Total £	Average cost per unit £	Average Subsidy per unit £
SDHT Pilot 1 & 2 Tadcaster	5	418,091	47,000			465,091	93,018	9,400
HRA (Eggborough / Byram)	15	1,500,000		351,116	86,587	1,937,703	129,180	29,180
<b>Committed schemes (estimate)</b>								
SDHT Ricall (approved but not yet started)	5	646,500		151,900		798,400	159,680	30,380
SDHT Ousegate	12	781,860		407,040		1,188,900	99,075	33,920
HRA (Byram Park Rd Flats)	13	1,479,000		13,000	120,000	1,612,000	124,000	10,231
Completed / Committed Programme	50	4,825,451	47,000	923,056	206,587	6,002,094	120,042	23,533
<b>Revised Programme - to meet original Programme</b>								
Phase 2 - SDHT - S106	15	1,343,000				1,343,000	89,533	-
Phase 2 - SDHT - New Build	7	700,000		140,000		840,000	120,000	20,000
Phase 2 - HRA - New Build	10	1,000,000		-	200,000	1,200,000	120,000	20,000
Phase 3 - SDHT - S106	12	960,000				960,000	80,000	-
Phase 3 - HRA - New Build	12	1,200,000		210,000	30,000	1,440,000	120,000	20,000
Balance of existing target	56	5,203,000	-	350,000	230,000	5,783,000	103,268	10,357
<b>Original Programme Delivery</b>	<b>106</b>	<b>10,028,451</b>	<b>47,000</b>	<b>1,273,056</b>	<b>436,587</b>	<b>11,785,094</b>	<b>111,180</b>	<b>16,572</b>
<b>New Programme - Required Additional Funding</b>								
Phase 2 - SDHT New Build	22	2,200,000		440,000		2,640,000	120,000	20,000
Phase 3 - HRA - New Build	7	700,000		110,000	250,000	840,000	120,000	20,000
Phase 3 - SDHT / Direct Purchase (inc Land)	24	2,980,000				2,980,000	124,167	-
Phase 3 - SDHT - S106	48	3,840,000				3,840,000	80,000	-
<b>New Programme - Required Additional Funding</b>	<b>101</b>	<b>9,720,000</b>	<b>-</b>	<b>330,000</b>	<b>250,000</b>	<b>10,300,000</b>	<b>101,980</b>	<b>5,743</b>
<b>Split</b>		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
SDHT	150	13,869,451	47,000	1,138,940	-	15,055,391	100,369	7,906
HRA	57	5,879,000	-	464,116	686,587	7,029,703	123,328	20,188
	<b>207</b>	<b>19,748,451</b>	<b>47,000</b>	<b>1,603,056</b>	<b>686,587</b>	<b>22,085,094</b>	<b>106,691</b>	<b>11,288</b>

\* Subsidy funding subject to availability of s106 commuted sums and HRA retained receipts & HCA Grant - actual funding package will be determined to make best use of funding available at the time schemes are financed

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HDP Three Year Programme - Summary Table of Outputs

APPENDIX B

DELIVERY MECHANISM UNITS	Prior years		2017/18		2018/19		2019/20		TOTAL (£)
	HRA	SDHT	HRA	SDHT	HRA	SDHT	HRA	SDHT	
Completed schemes		5	15						20
PILLAR 1 Small sites Programme			13	5	10	7	19	0	54
PILLAR 2 SDC larger sites						11	0	11	22
Site purchase and build								24	24
PILLAR 3 Direct Purchase (Ousegate)				12					12
S106 purchase (funded)						27			27
S106 purchase (unfunded)								48	48
<b>TOTAL</b>	-	5	28	17	10	45	19	83	207

DELIVERY MECHANISM	Prior years		2017/18 (£)		2018/19 (£)		2019/21 (£)		TOTAL (£)
	HRA	SDHT	HRA	SDHT	HRA	SDHT	HRA	SDHT	
Completed schemes		465,091	1,937,703						2,402,794
PILLAR 1 Small sites Programme (funded)			1,612,000	798,400	1,200,000	840,000	1,440,000		5,890,400
Small sites Programme (unfunded)							840,000		840,000
PILLAR 2 SDHT larger sites						1,320,000		1,320,000	2,640,000
Site purchase and build						580,000		2,400,000	2,980,000
PILLAR 3 Direct Purchase (Ousegate)				1,188,900					1,188,900
S106 purchase - funded (incl up front deposit in 17/18)				134,300		2,168,700			2,303,000
s106 purchases - unfunded								3,840,000	3,840,000
<b>TOTAL</b>	-	465,091	3,549,703	2,121,600	1,200,000	4,908,700	2,280,000	7,560,000	22,085,094

3C Post***			10,323		42,120		73,917		126,360
Feasibility Budget			12,500	12,500	25,000	25,000	25,000	25,000	125,000
<b>Additional Resources</b>	-	-	12,500	22,823	25,000	67,120	25,000	98,917	251,360

Revised total

22,210,094

Key

Cost Assumptions - future programme estimates

From current programme (appendix A)	DELIVERY MECHANISM	Assumed cost / per unit (£)
Using future programme estimates		
12 funded, 7 unfunded		
P4G Programme	Small sites Programme	120,000
	SDC larger sites	120,000
	S106 purchase	80,000
	Direct Purchase Phase 1	99,095
	Direct acquisition and build	124,000

\*\*\*2019/20 Equates to balance of funding for 3 year post.

Programme	2017/18 (£)		
	Units	Cost	Cost per Unit
Current programme (Appendix B)	106	12,551,094	118,407
Proposed programme (Appendix C)	220	22,085,094	100,387