



**Doncaster
Council**

PUBLIC NOTICE

KEY DECISION MADE BY INDIVIDUALS

The following key decision will be taken on or after 23rd December, 2019, by:-

The Deputy Mayor, Councillor Glyn Jones, Portfolio Holder for Housing and Equalities

'To consider and approve proposals to introduce an Empty Homes Loan Scheme in Doncaster and approval of the Empty Homes Policy Framework, and updates made to the Financial Assistance Policy'

In taking the decision the following report will be relied upon:-

'Empty Homes Loans Scheme'

Unless the contents of the report are likely to disclose information which is confidential or exempt under Schedule 12A Local Government Act 1972, copies of the report are available for inspection between 8.30 a.m. and 5.00 p.m. on working days at the Civic Office, Waterdale, Doncaster.

**Damian Allen
Chief Executive**

Issued on: Friday, 13th December, 2019

**Doncaster Metropolitan Borough Council
www.doncaster.gov.uk**



Doncaster Council

Report

Date: 23 December 2019

To the
CABINET MEMBER FOR HOUSING AND EQUALITIES

EMPTY HOMES LOAN SCHEME

| Relevant Cabinet Member(s) | Wards Affected | Key Decision |
|-----------------------------------|-----------------------|---------------------|
| Housing Portfolio Holder | All | Yes |

EXECUTIVE SUMMARY

1. As part of the wider Empty Homes Policy Framework, which was supported in principle at Executive Board on 1st October 2019, further detail was requested on what the Empty Homes Loan Scheme would look like. In particular, Executive Board members wanted clarification on what criteria and conditions would be attached to the loan product, and how any legal charges against the property would be enforced before being able to give final support and approval to the overarching Empty Homes Policy Framework.

In response, a proposed Empty Homes Loan product has now been developed and the full details, including criteria and associated loan conditions, are highlighted in this report.

In addition, following the floods in November 2019, the development of a loan product for home owners affected and without insurance was requested. This is now also included in this report.

EXEMPT REPORT

2. No

RECOMMENDATIONS

3. It is recommended that:
 - (a) The proposed Empty Homes Loan scheme, as presented in this report, is approved.
 - (b) In approving the loan product, that the necessary changes to the financial assistance policy (updated version attached) are also approved.
 - (c) The Empty Homes Property Framework, previously presented to Executive Board on 1st October, and supported in principle at that time, is now formally approved alongside the request for funding.
 - (d) The proposed loans scheme for home owners of uninsured properties affected by the recent floods, as presented in this report, is also approved.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

4. The proposed empty homes loan scheme is one of the initiatives referenced in the recently drafted Empty Homes Policy Framework. Both the overarching framework, and this empty homes loan scheme, aims to bring long-term empty homes within the borough back into use. This in turn will help provide more homes, including affordable homes, for the citizens of Doncaster.
5. In addition, the development of a specific loan product for uninsured properties affected by the recent floods, will ensure that those affected and eligible are better able to carry out the necessary remedial works, and can return to safe and habitable homes.

BACKGROUND

6. On 1 October 2019, Executive Board considered a draft Empty Homes Policy Framework document. This document set out Doncaster's proposed approach to empty homes, and in particular the range of initiatives it intended to utilise to help bring empty properties back into use.

Whilst Executive Board were supportive in principle of the Empty Homes Policy Framework, and the request for additional resources to be made available to help fund the initiatives within the document, further information was requested in relation to the proposed Empty Homes Loan Scheme before granting any formal approval.

Additionally, following the floods in November 2019, the development of a specific loan product for those owners affected and who were uninsured, was requested, in order to help bring these homes back into use, and to a safe and habitable standard.

Consequently, this report sets out the details of the proposed Empty Homes Loan Scheme and Flood Loan Scheme.

OPTIONS CONSIDERED

Empty Homes Loan

7. In developing this Empty Homes Loan Scheme, research has been undertaken to explore the range of schemes already in operation across a number of other local authority areas. There are some degrees of similarity in many of the products offered, but also some distinct differences, for example whether the loans are interest free or are equity release products. Extensive discussions have also taken place with Sheffield Homes and Loans service (who administer loan products for local authorities across the region). A summary of these discussions can be found at Appendix 1.

Taking into account all the different comparative examples, and thinking about what is best for Doncaster, the following loan criteria have been developed and are now put forward for consideration and approval:

- Loan product will be the first empty homes product offered (i.e. before grants).
- The property for which the loan is being applied for, must have been empty for at least 6 months, and in the ownership of the loan applicant for at least 12 months.
- Loan value will be between £5,000 and £30,000.
- Maximum loan term will be 7 years.
- The loan cannot exceed 50% of the improved property value or 70% of total secured borrowing.
- The scheme will include a no negative equity guarantee.
- Multiple loan products available at a time to an individual, but only on different properties that meet the criteria.
- The loan product can in exceptional circumstances be used in conjunction with other empty home products (i.e. empty property grant).
- The product will be a secured loan, and a charge placed on the property*.
- The applicant will also be required to sign a funding agreement document.
- At application stage, the applicant will also need to provide a simple 'business case' that sets out how they intend to repay the loan at the end of the loan period. Loans will only be granted where the business case provides satisfactory assurance in relation to the prospect of the loan being repaid.
- There will be no monthly repayments. Repayment will normally be at the end of the loan period, or upon transfer of ownership if this is sooner.
- The loan may be repaid early with no penalty.
- Initial valuation fees will be met by the scheme. Should the loan come to fruition, the valuation fees will subsequently be included in the loan amount. Legal fees are also payable (and can be included in the loan amount), or paid separately upfront. Consent fees may also be payable if required. Fees payable will be regularly reviewed and may increase to reflect increased costs.
- The financial elements of the loan product will be administered by Sheffield Council (Homes and Loan Scheme) on behalf of Doncaster Council (and St Leger Homes).
- St Leger Homes will coordinate / administer the Empty Loans scheme overall.
- The loan will be conditional on the property being occupied within 6 months

of the loan being granted. This can include the owner selling the property, or renting the property.

- Where the property is to be rented, it will be a mandatory requirement that this is through St Leger Lettings.
- Rent payable can be affordable or market rent.
- The loan can only be used to fund necessary improvement works to bring the property up to a lettable standard, with no category 1 hazards as defined in HHSRS.
- The property should also meet all other statutory requirements in terms of planning, building control and other areas of compliance (i.e. gas, electrical etc).
- The scope of works to be carried out will be agreed in advance by St Leger Homes.
- The applicant will be responsible for securing 3 written quotes for the work, and project managing the works and appointed contractor.
- St Leger Homes will carry out periodic inspections whilst the works are ongoing to ensure these are good quality, up to standard and are in-keeping with the scope of works agreed.
- Payment will be made to the contractor upon satisfactory completion of the works, and following inspection and final sign off by St Leger Homes.
- Availability and granting of loans is subject to the availability of resources. Doncaster Council / St Leger Homes reserve the right to withdraw this product at any time.
- Where demand for this product outweighs available resources, Doncaster Council / St Leger Homes reserve the right to prioritise applications based on need and anticipated benefits/impact/outcomes.
- Loans will only be approved where there is a reasonable prospect of occupation after the investment and improvement has taken place.
- Loans cannot be granted where there are outstanding debts owed by the applicant to the council, i.e. council tax or St Leger Homes.

* Debt recovery is subject to the limitation act. This allows six years under a contract or 12 years under a deed to recover the costs. This would allow sufficient time to recover any loan amounts not repaid.

Flood Loan Scheme

This will be a loan scheme available to owner occupiers of properties affected by the recent floods that are uninsured and where there is no other financial support available to bring the property back up to a habitable standard. Other applicable criteria will include:

- The applicant must have been the owner occupier of the property at the time of the flooding event.
- Loan value will be between £2,000 and £30,000.
- There is no fixed loan period as the loan is repaid at the point the ownership of the property changes.
- The loan cannot exceed 50% of the unimproved property value
- The maximum loan to value of all secured lending will not normally exceed 70% of total unimproved property value.
- The scheme will include a no negative equity guarantee.
- The product will be a secured loan, and a charge placed on the property.
- The applicant will also be required to sign a funding agreement document.

- The loan may be repaid early with no penalty.
- Initial valuation fees will be met by the scheme. Should the loan come to fruition, the valuation fees will subsequently be included in the loan amount. Legal fees are also payable (and can be included in the loan amount), or paid separately upfront. Consent fees may also be payable if required. Fees payable will be regularly reviewed and may increase to reflect increased costs.
- The financial elements of the loan product will be administered by Sheffield Council (Homes and Loan Scheme) on behalf of Doncaster Council (and St Leger Homes).
- St Leger Homes with support from Doncaster Council will coordinate / administer the Flood Loans scheme overall.
- The loan will be conditional on the property being occupied within 6 months of the loan being granted.
- The loan can only be used to fund necessary improvement works to bring the property up to a lettable standard, with no category 1 hazards as defined in HHSRS.
- The property should also meet all other statutory requirements in terms of planning, building control and other areas of compliance (i.e. gas, electrical etc).
- The scope of works to be carried out will be agreed in advance by St Leger Homes.
- The applicant will be responsible for securing 3 written quotes for the work, and project managing the works and appointed contractor.
- St Leger Homes and/or Doncaster Council will carry out periodic inspections whilst the works are on-going to ensure these are good quality, up to standard and are in-keeping with the scope of works agreed.
- Payment will be made to the contractor upon satisfactory completion of the works, and following inspection and final sign off by St Leger Homes and/or Doncaster Council.
- Availability and granting of loans is subject to the availability of resources. Doncaster Council / St Leger Homes reserve the right to withdraw this product at any time.
- Where demand for this product outweighs available resources, Doncaster Council / St Leger Homes reserve the right to prioritise applications based on need and anticipated benefits/impact/outcomes.
- Loans cannot be granted where there are outstanding debts owed by the applicant to the council, i.e. council tax or St Leger Homes.

REASONS FOR RECOMMENDED OPTION

8. The loan product now put forward has been developed after extensive consultation with Sheffield Homes and Loans service, and draws upon numerous examples of similar products across the region.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

- 9.

| | Outcomes | Implications |
|--|--|---|
| | Doncaster Working: Our vision is for more people to be able to pursue their | Bringing empty homes back into use will improve choice of quality housing close to work |

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| | <p>ambitions through work that gives them and Doncaster a brighter and prosperous future;</p> <ul style="list-style-type: none"> • Better access to good fulfilling work • Doncaster businesses are supported to flourish • Inward Investment | <p>opportunities, therefore supporting business growth.</p> |
| | <p>Doncaster Living: Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none"> • The town centres are the beating heart of Doncaster • More people can live in a good quality, affordable home • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster Clean • Building on our cultural, artistic and sporting heritage | <p>Benefits to the community of bringing empty homes back into use include:</p> <ul style="list-style-type: none"> • Improving the appearance of the neighbourhood, and regenerating communities. • Providing local housing. • Reducing number of empty properties. • Reducing property deterioration and associated crime. • Cutting down anti-social behaviour (due to fire, vandalism, fly tipping and squatting). |
| | <p>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> • Every child has life-changing learning experiences within and beyond school • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work | <p>By bringing empty homes back into use through a loan scheme, will help to provide additional, high quality accommodation.</p> <p>The provision of quality accommodation enables families the opportunity to work and learn.</p> |
| | <p>Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> • Children have the best start in life • Vulnerable families and individuals have support from someone they trust • Older people can live well and independently in their own homes | <p>By bringing empty homes back into use through a loan scheme, will help to provide additional, high quality accommodation.</p> <p>The provision of quality accommodation enables families the opportunity to work and learn, and become part of a settled community.</p> |

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| | | |
| | <p>Connected Council:</p> <ul style="list-style-type: none"> • A modern, efficient and flexible workforce • Modern, accessible customer interactions • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and aspirations of residents • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance | <p>The provision of an empty homes loan product, will help support the work of a range of different departments, including council tax, enforcement, neighbourhood and housing management.</p> |

RISKS AND ASSUMPTIONS

10. The key risks associated with the launch of the empty homes loan scheme are as follows:

No or limited take up

SLHD, in conjunction with key council partners, will promote the empty property loans scheme through a variety of mechanisms, such as direct mail outs, website and social media to encourage as much take up as possible.

Demand for the product outweighs available resources

SLHD will monitor levels of enquiries and take up, and should demand outstrip supply, will seek to secure additional funding. Where additional funding cannot be secured, priority will be given to offering loans to the properties / areas in most need and where the anticipated benefits are greater, as determined by SLHD/Doncaster Council.

Applicants not suitable for loan product

The loan product has some elements of discretion built into it to enable more challenging cases to be effectively dealt with. However, there may still be instances where a loan product is unsuitable. Where this is the case, SLHD and Doncaster Council will seek to offer support and alternate products as far as possible, such as grants, acquisitions, property matching service etc.

Loans not repaid at the end of the loan period

Where loans are not repaid, SLHD, with support from the Council's legal services, will pursue legal action to recover the debt.

LEGAL IMPLICATIONS [Officer Initials...ND..... Date...25.11.19]

11. Each of the options set out in the Policy will require individual legal advice as they are developed but initial legal considerations are:
- that any properties bought under the purchase and repair scheme will be purchased and repaired by DMBC, DMBC has the power to do so under S9 Housing Act 1985.
 - the policy of setting up an Empty Homes Loan Scheme will require further bespoke legal advice as the scheme is developed.
 - enforcement interventions will be carried out by DMBC and should be carried out in accordance with DMBC policy.

FINANCIAL IMPLICATIONS [Officer Initials DH Date...12.12.19]

12. The approved housing capital programme (2019/20 – 2022/23) includes funding earmarked for both Acquisitions / Buy Backs and Landlord Grants. The schemes are funded from different resources as detailed below.

General Fund Scheme

| | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | Total |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| | £m | £m | £m | £m | £m | £m |
| Forecast Capital Costs | | | | | | |
| Landlord Grants | 0.08 | | | | | 0.08 |
| New Empty Homes Loans / Grants and Flood Loans | 0.22 | 0.22 | 0.22 | 0.22 | 0.22 | 1.10 |
| Total Costs | 0.30 | 0.22 | 0.22 | 0.22 | 0.22 | 1.18 |
| | | | | | | |
| Funded from | | | | | | |
| Landlord Grants | 0.08 | | | | | 0.08 |
| Total approved funding | 0.08 | | | | | 0.08 |
| | | | | | | |
| Funding to be identified | 0.22 | 0.22 | 0.22 | 0.22 | 0.22 | 1.10 |

Capital Implications

The approved funding earmarked for landlord grants totals £82k. To date, £46k has been used to fund approved grants and a further estimated £36k relates to ongoing grant applications. The scheme provides grants up to £12k to owners of long term

empty properties to help fund renovation works. The homes are then managed through St Leger Homes for a minimum period of 5 years.

The continuation and roll out of the other initiatives as detailed in this report, including new Empty Homes Loans / Grants and Flood Loan schemes would require additional resources being identified. The recommendation is to provide £1.1m of available resources for the period 2019/20-2023/24 to fund all available schemes. The profiled spend, listed above is subject to change depending upon demand. Any change would be reported as part of the quarterly finance and performance reporting process.

The approved capital programme includes funding for Housing Investment totalling £4.04 m (2019/20 – 2022/23). No schemes are currently committed to using this funding so in the event there is an appetite to do so, these resources could be redirected to be used to help fund the products detailed in this report. Depending on timing, approval of additional / vired funding could be done as part of the budget setting process or as part of the quarterly finance and performance report in accordance with financial procedure rules.

The terms and conditions of the new Empty Homes Loans /Grant and Flood Loan schemes are outlined in the body of the report. Further information can be found detailed in the Financial Assistance Policy.

It is the intention that SLHD will initially fund any valuation fee associated with any new Empty Homes loan application. If the loan comes to fruition, then the fee will be added to the loan amount. If for any reason the loan application is rejected, the valuation fee will be funded from existing SLHD resources. All other fees, including legal costs, consent fees etc. will be paid by the applicant, but can be included in the loan amount.

The issuing of any loans or grants will be subject to the financial procedure rules.

HRA Funded Scheme.

| | 2019/20 | 2020/21 | 2021/22 | 2022/23 | Total |
|--------------------------------|----------------|----------------|----------------|----------------|--------------|
| HRA Funded Scheme | £m | £m | £m | £m | £m |
| Acquisitions / Buy back scheme | 0.6 | 0.3 | 0.3 | 0.3 | 1.5 |

The approved funding earmarked for the empty homes investment / buy back scheme totals £1.5m, of which £1.1m has been committed.

When the large scale acquisitions programme ended, this funding was provided as a small budget to reacquire right to buy properties or to help households in extreme financial difficulties.

Any acquisitions or bought back properties will be done in accordance with financial procedure rule C20. Upon completion, any such properties will be added to the existing stock and managed by SLHD and let at a social rent rate.

HUMAN RESOURCES IMPLICATIONS [Officer Initials...LK... Date 12.12.19.]

13. There are no direct HR implications arising from the implementation of the loan scheme.

TECHNOLOGY IMPLICATIONS [Officer Initials...PW...Date...12.12.19]

14. There are no anticipated technology implications in relation to this report. Any technology requirements to support the Empty Homes Policy Framework and/or the proposed Empty Homes or Flood Loan schemes would need to be considered by the Technology Governance Board (TGB).

HEALTH IMPLICATIONS [Officer Initials...KH..Date 12.12.19...]

15. Secure and appropriate housing important for good health and a healthy community helps residents to thrive, be independent and contribute to society. Access to decent housing is critically important in terms of health and wellbeing, as is living a neighbourhood that is attractive, feels safe and fosters a sense of community. Empty properties could have a number of health impacts on a community including the health and safety risks presented the property itself and the effects on the viability and quality of the neighbourhood.

Neighbourhoods with high concentrations of empty homes tend to have lower house prices and poorer households (Empty Homes, 2018) and therefore those living in deprived neighbourhoods and experiencing income inequalities may be disproportionately affected. Most of the long-term empty properties in Doncaster are Council Tax Band A so it is expected that those who could most benefit from the proposals are those on lower incomes and may face other health and social inequalities.

In addition to the potential for regeneration, making more housing available locally will have a positive impact on Doncaster residents. This includes schemes designed to bring houses back up to safe and habitable standards after flooding. In addition to bringing properties back into use, we recommend that any initiatives consider opportunities to improve the quality, energy efficiency and accessibility of the homes where possible. This would help improve the overall housing offer in Doncaster and help meet the needs of our growing population of older people and people with disabilities and long-term conditions. Where loan products are used as the means for supporting landlords to improve their properties it is important that this is undertaken in an equitable and responsible manner, including how the loans are granted, repaid and pursued in the case of non-repayment.

EQUALITY IMPLICATIONS [Officer Initials...DD Date...12.12.19]

16. There are no equality and diversity implications arising from the implementation of the proposed actions.

CONSULTATION

17. On-going consultation has been undertaken with a range of stakeholders, including:
- Sheffield Homes and Loans service, who will administer the loan product on behalf of Doncaster Council / St Leger Homes, and who already offer similar products to other local authorities.
 - Other local authorities who offer loan products, to identify best practice.
 - Doncaster Council strategic housing, enforcement and council tax teams.
 - Edlington Royal estate working group.
 - Housing delivery board.
 - Housing and Equalities Portfolio Holder.

BACKGROUND PAPERS

18.

Appendix 1 – Summary of discussions with Sheffield Homes and Loans Service
Appendix 2 – Updated Financial Assistance Policy
Appendix 3 - Empty Homes Policy Framework Document (as presented to Executive Board on 1 October 2019).

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

HHSRS – Housing health and safety rating system
SLHD – St Leger Homes of Doncaster

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APPENDIX 1 - QUESTIONS AND ANSWERS FOR LA REQUIREMENTS

| Question | Doncaster |
|---|---|
| 1. Do you want a loan linked to property value i.e calculated as a percentage or interest free option | Yes % |
| 2. What Loan to value do you want to allow for the Loan against the property value e.g 50% | 70%? Are you happy to allow the client to borrow more than 50% of the value of their property? Most L.As restrict the total of the EPL loan amount to property value at 50%. Following discussions with Sheffield Homes and Loans – agreed this would be 50%. |
| 3. What loan to value against the property value do you want to allow for total Secured borrowing including the loan e.g 60% | 70%? Agreed 70%, but with the ability to have discretion to increase in exceptional circumstances. This would need to be signed off at SLHD Director level. |
| 4. Do you want the loan to be repaid on transfer of ownership or repayable over a set period of time or do you want both options. | Loan re-payable at the end of a set loan period, or earlier on transfer of ownership (i.e. if the property is sold). Maximum loan period to be 7 years. |
| 5. Do you wish to include a property growth cap? | Not sure if this is something that would be a big risk in Doncaster? N/A for Doncaster – so no. |
| 6. Do you wish to allow part repayments? | No |
| 7. What would you want to start date of the loan to be. i.e once works completed. | As soon as works are completed and the property is ‘signed off’ as ready to let. |
| 8. If property depreciates in value, do you require original loan amount to be repaid or original %? | Original loan amount. |
| 9. How do you intend to fund the loan set up costs, such as valuation & solicitors fee? By LA grant or | Not sure exactly what loan set up costs there will be? What are these & roughly how much? |

APPENDIX 1 - QUESTIONS AND ANSWERS FOR LA REQUIREMENTS

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| <p>client from their own funds or adding them to their loan?</p> | <p>Our Valuation fees are currently £174, legal Costs for registered properties are £20 for properties registered at the land reg. Unregistered properties are charged on a sliding scale of between £40 and £270 dependant on the property value. Although the valuation fees may go up as the contract is due to expire 31/12/19 but we have an option to extend it but it includes a price review.</p> <p>Also if there is an existing mortgage against the property. A mortgage lender may insist that we obtain consent from them to register our charge. Some lenders charge a fee for this consent. These fees are variable between £20-£150+.</p> <p>Generally I think the fees will need to be met by the applicant, either as part of the loan, or paid up front by them.</p> <p>Agreeing that SLHD will fund the valuation fee initially. If the loan comes to fruition, then it will be added to the loan amount. If not, then SLHD stand the valuation fee. All other fees, such as consent fees will be paid by the applicant, but can be included in the loan amount.</p> |
| <p>10. Agency fees – Are they charging the fee and are they to be added to client loan? LA's documentation will need to specifically outline this to the client in their own documentation as H&L's documents will not cover this.</p> | <p>Unsure if this is applicable to our product - No Agency applicable (poss refers to Home improvement agency management fees)</p> <p>Are you saying there is a HIA involved? If so do you insist that they use the agency? Or is there no agency involved at all and the client appoints their own contractor or would they choose from approved list provided by you.</p> <p>N/A to Doncaster.</p> |
| <p>11. What type of valuation do you require i.e improved valuation or current valuation figure</p> | <p>What would you advise? What do other LA's do? Can discuss.</p> <p>All Local Authorities that use our valuers have the standard valuation done.</p> <p>Agreed that SH&L will facilitate the valuation.</p> |

APPENDIX 1 - QUESTIONS AND ANSWERS FOR LA REQUIREMENTS

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| | <p>Possibly on improved value?</p> <p>I would say that the majority of LAs that we deal with opt for the improved value. You would need to provide Homes and Loans with a schedule of works so that the valuer can estimate the improved value after works are completed.</p> <p>Agreed improved value.</p> |
| <p>12. Do you wish to include a ‘no negative equity’ guarantee?</p> | <p>Is this related to point 8? Yes/No - To discuss</p> <p>The no negative equity guarantee would kick in if there are insufficient funds to repay the loan once the property has been sold. In this circumstance we would only take what remaining funds are available in the property and write off the shortfall.</p> <p>Agreed, given this is what was recommended by SH&L and is what other LA’s offer. This does present a small risk, but without it, it is felt that applicants may otherwise be put off.</p> |
| <p>13. At what point do you want the val carried out i.e prior to application or after application completed and approved by Homes and Loans.</p> | <p>What would you advise? Appreciate there are pro’s and con’s either way.</p> <p>Current thinking is probably prior to application to ensure the loan is sufficient to meet the needs of the property, before spending any more time on the application process.</p> <p>You are right there are pros and cons to both options. If the valuation is done prior to the application, you would know if there is sufficient equity in the property to provide the loan. If there wasn’t enough equity you will have saved a lot of officer time.</p> <p>The downside to carrying out the valuation before would be who would pay the valuation fee. If you want the client to pay the fee and agree to add this fee to the loan, if it then turns out that you can’t lend because the property is worth less than was</p> |

APPENDIX 1 - QUESTIONS AND ANSWERS FOR LA REQUIREMENTS

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| | <p>originally thought or the clients decides not to proceed with the loan, would you then pursue the client for the valuation fee. You would need to ensure that the client was fully informed of the risks of agreeing to have the valuation done and that they would be invoiced for the fee if they were unable to proceed or decided not to proceed with the loan.</p> <p>To negate this some LAs will insist the client pays valuation fee upfront, which can potentially put them off. Or alternatively You could do as Bradford do and pay the valuation fee yourself and not pass this fee on to the client.</p> <p>If you instead decided to have the valuation done after the client has signed up and applied for the loan. If it then turned out that we were unable to lend to them or the client decided to cancel the application, you would be in a much stronger position to pursue the client for the fee. This is because the client will have been fully informed how the loan works and of the risk re the valuation fee. They would have also signed all the paperwork that confirms this.</p> <p>Agreed to carry out the valuation prior to the application.</p> |
| <p>14. What decision making process do you wish to put in place for clients that may have adverse credit information registered against them when we do a CRA search?</p> | <p>If they have an adverse credit rating we would possibly decline the application.</p> <p>It may be that the reason the clients have come to you for assistance is because they can't access a commercial loan to address the issues with their empty property because of adverse credit. It may still be worth considering whether to lend to them based on our advice but still reserving the right to decline the loan. You as the LA will always have the final decision to lend; we would just make recommendation to decline or approve the loan.</p> <p>Each case will be considered on its individual merits. Any concerns will be discussed and agreed with a SLHD Director.</p> |
| <p>15. How are you going to determine suitability or</p> | <p>What options are available? What do other LA's do? We would maybe look at</p> |

APPENDIX 1 - QUESTIONS AND ANSWERS FOR LA REQUIREMENTS

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| <p>affordability?</p> | <p>applicants completing a business case as part of the application process.</p> <p style="color: red;">We have found that the eligibility criteria set by LAs is not as strict as the repair / equity release loans for vulnerable Homeowners. We have found that the eligibility criteria are open to a wider group by most LAs. The eligibility is more based around the property and the equity available. Most Local Authorities will ask the client how they would plan to repay the loan at the end of the term and document the client's response.</p> <p>Each application will be considered on its own merits and in line with available resources and priorities at that time.</p> |
| <p>16. Are you happy to use our panel of valuers.</p> | <p>Links to point 9. Can we use our own in house valuer or do they have to be independent (district valuer)</p> <p style="color: red;">I would advise against using your own in house valuers as this could be construed as a conflict of interest. However there is nothing to stop you carrying out an initial upfront valuation prior to completing the application process. It would at least give you a good idea of the house price and that the loan can be given.</p> <p style="color: red;">Re the district valuer, I again would advise that you go for a more independent valuer from our panel. I also think that our valuers will provide valuations quicker than the district valuer due to our valuers being contracted in to service level agreements.</p> <p>Yes.</p> |
| <p>17. Do you want to insist on Buildings Insurance and at what point in the process do you want it in place by.</p> | <p>Yes, I think we would. I would say at the point the agreement is signed and the works start as that is when the real 'risk' starts for us. What do other LA's do?</p> <p style="color: red;">Yes this what other LA's tend to do.</p> <p>Yes.</p> |

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| <p>18. What stage are they at regarding cabinet approval?</p> | <p>Have in principle approval. However, cabinet want to see and agree the detail behind the loan product before giving final approval. Hence we need to sort the detail out.</p> <p>We are hoping to secure approval by mid-December.</p> |
| <p>19. Any Other conditions to be built into loan documentation? i.e management agreement with St Leger to house tenants on affordable rent</p> | <p>Property to be occupied, whether this is by them moving in themselves as using as their main home, selling the property or renting. If renting, then a condition must be using our St leger Lettings service.</p> <p><i>We would recommend that you carefully consider whether to allow empty properties to be occupied by owners. This is because we have had some issues with this particularly in Bradford. This is due to the fact that when the loan comes to the end of its term, some clients are not able to afford to repay the loan. It is then very difficult to enforce the sale/repossess the property when it is their home. It's much easier and cleaner to enforce the sale of an empty property.</i></p> <p>Agreed that loans are not to be offered for owners to move in. Other avenue that can be explored here are Home Appreciation Loans (which already appear to be set up for Doncaster – and this is now being explored).</p> <p>Can owners have more than 1 loan at the same time or only 1 until repaid?</p> <p><i>I take it that you mean lending to clients with more than one empty property. This would be down to your own individual policy.</i></p> <p>Agreed that there should be the ability to allow more than 1 loan per person, but this would be considered on a case by case basis.</p> <p>Would like some sort of business plan to be submitted at application stage to outline how the loan will be repaid to assess the risk attached to each application.</p> <p><i>This could also be written into the loan documentation where the clients a statement</i></p> |

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| | <p>re how they plan to repay the loan.</p> <p>Agreed that as part of the application, this would be covered.</p> <p>When you say business plan, are you lending to just sole owners or are you wanting to widen the criteria for commercial organisations? Because whilst we have done loans for commercial organisations in the past and have contracts set up for 3 LA's to do them, we have done very few which have been problematic and won't looking to set contracts up with new LA's for new commercial loans.</p> <p>Loans could be considered to commercial businesses where there is clear evidence that they are unable to raise additional capital against other assets?</p> <p>Based on feedback from SH&L, and their reluctance to lend to commercial organisations, this is not being pursued at this time.</p> |
| <p>20. If entering a management agreement, how will confirmation be given that Management Agreement in place . i.e at what stage in loan process.</p> | <p>What do other LA's do?</p> <p>Most LAs don't insist on a management agreement, but it's a good way of monitoring the occupation of the property and ensures that occupation rules can't be breached.</p> <p>If the applicant to rent out the property, the management agreement will be provided by St Leger Lettings, the applicant will sign up in principle at application stage however the management term will not commence until works are signed off as complete and the property is ready to be let.</p> |
| <p>21. What other monitoring is required by H & L for the duration of the loan?</p> | <p>What do you do for other LA's? if so what fees are involved?</p> <p>We send out an annual statement to remind them they have a loan, We also write to the clients regularly (normally with 9, 6 and 3 months remaining on the term) in the last year of the loan term again reminding them of the debt and requesting confirmation of</p> |

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| | <p style="color: red;">their plans to repay the loan).</p> <p>Agreed that SH&L would send out statements as described above.</p> <p>Someone needs to have regular checks around ownership, occupation and % charges on the property.</p> <p style="color: red;">The policing around occupation of the property will be down to you. If the property is unoccupied outside the agreed timescales and you want to take action for the loan to be repaid, we will then issue any notice letters, redemption statements as required.</p> <p style="color: red;">If there is a change of ownership we will be automatically notified by the solicitor dealing with transfer. We would then liaise with the solicitor to obtain the repayment of the loan.</p> <p style="color: red;">Homes and Loans don't currently charge any fees for monitoring the loan during the term</p> <p>If rented, this will be via St Leger Lettings, and therefore we will have up to date information around occupancy.</p> <p>If property is being sold, this can be monitored until the property is sold.</p> |
| 22. LA's legal teams OK to handle repossession proceedings as the legal charge will be in Doncaster's name? | <p>Yes</p> |
| 23. Who will hold the loan funds? | <p>What do other LAs do?</p> <p style="color: red;">Some LA's give us the funds to hold, other's don't but the choice is yours.</p> <p>I would assume Doncaster Council would want to hold the funds.</p> |

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| | <p style="color: red;">That's fine but we would need to approve all payment documentation before you pay the contractor.</p> <p>Agreed SLHD/DMBC to hold the funds given the funding pot is to support both loans and grants.</p> |
| <p>24. What penalties do the LA's want to impose re none payment of the loan by end of term (if there is a term i.e not open ended (payable on transfer of ownership). ?</p> | <p>We want the loan to be repayable at the end of the term or on transfer of ownership. We would want to impose a penalty to discourage non-payment, but not sure what this would be. What penalties can we impose? What do other LA's do?</p> <p style="color: red;">All LAs follow a standard default interest rate of 4% above Bank of England base rate form the date the loans is due for repayment up to when it is repaid.</p> <p>Agreed 4% above BoE rate.</p> |
| <p>25. What fees are chargeable in terms of loan set up fees</p> | <p>Not sure – what do other LA's do? Assume there will be legal fees. Possibly valuation fees depending on the outcome of the questions already answered above. What about things like consent fees? We don't propose charging an admin fee.</p> <p>See question 9 – fees will normally include valuation, consent fees and legal fees.</p> |
| <p>26. What time scales do you want the properties to be occupied by after works complete</p> | <p>Unsure – probably around 3 months? May need to be longer if the proposal is to sell? What do other LA's do?</p> <p style="color: red;">Most LAs allow either 6 or 12 months after completion of works for property to be sold or occupied.</p> <p>Agreed that this should normally be 6 months. Discretion can be applied in needed on a case by case basis.</p> |

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| <p>27. If the properties become unoccupied during the loan term, how long would you allow before the property should be occupied again. E.G the property should be occupied within 3 months of becoming empty.</p> | <p>No more than 3 months.</p> |
| <p>28. Will a booklet be produced?</p> | <p>If you feel this is required or some form of literature... can discuss</p> <p>It's best to provide a basic leaflet as a minimum to illustrate how the loan works. This could just be a pdf document that can be printed off as and when needed. We could help with the content or check it if needed.</p> <p>Yes. This will be available electronically prior to product launch.</p> |
| <p>29. Do you intend to give consent to allow further borrowing? i.e if the client want to take out a further advance on an existing mortgage or re-mortgage to another lender</p> | <p>Only up to % specified above to protect our investment what do other LA's do?</p> <p>Most LAs will allow further borrowing subject to it being no real threat to the loan being repaid. Bradford however does not permit further borrowing.</p> <p>Yes, but in line with the amounts agreed at question 3.</p> |
| <p>30. How do they want to monitor EPL take up, e.g. achieving decency , HHSRS , loan and grant.</p> | <p>How many loans, no of properties brought back into use, value of loans?</p> <p>This is if you are wanting to monitor if properties achieve decency or partial decency – it's just really if you do want us to be able to pull off any sort of stats for you from flare.</p> <p>Agreed to monitor, no. of enquiries, number converting to actual loans, number of properties brought back into use and value of loans given.</p> |
| <p>31. Do we need a condition in the docs that say that can't change the property to be a commercial property- if they do loan is repayable. ?e.g if change front room to a newsagent, chip shop but rest of property remains</p> | <p>Yes, property can only be used for domestic dwelling purposes only. I think we would possibly also want to safeguard against HMOs – the property needs to be a single household dwelling?</p> |

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| <p>homes / tenanted?</p> | <p>That's fine that makes it easier to enforce – if you give a loan on a HMO it becomes more difficult as you then start having to decide how many units need to be occupied etc for defaulting on the loan.</p> <p>Agreed that property can only be used for domestic dwelling purposes only. Loans will not be given for HMOs.</p> |
| <p>32. If using appreciation model , how do we value property at end of term. Do we give client option of either professional valuation (who pays for this) or a desk top.</p> | <p>Value it again? using our valuer?, and therefore at our cost.</p> <p>As said previously this could be a conflict of interest. However we could give the client a choice of either your valuer or your in house valuer, this may be ok as long as it is explained clearly to them the pros and cons of the two choices and the client signs to say what choice they want to make.</p> <p>You would also want to consider how we instruct a valuer where a client is being uncooperative and not allowing access to the property to carry out a valuation. We would then need to consider asking a valuer to carry out a drive by valuation of the property without an internal inspection. Again this would need to be communicated in writing so that the client is aware of the differences between a drive by and a standard valuation.</p> <p>Should they want an independent valuation (district valuer or other– is that possible?) then they meet the cost of this.</p> <p>If selling, it will go on the sale price (with certain restrictions), and if retaining, agreed to use SH&L panel of valuers.</p> |
| <p>33. How will we deal with shortfalls to the loan if neg eq arises on repayment?</p> | <p>What do other LA's do?</p> <p>Again this is mixed. Some offer the no negative equity gtee as discussed in point 8 and others pursue the client for the shortfall after the property has been sold.</p> <p>Assume we would take usual legal proceedings in relation to breach of agreement.</p> |

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| | <p>Alternative would be to go for possession proceedings through the outstanding charge on the property.</p> <p>Agreed to implement the no negative equity guarantee. Therefore any reasonable shortfalls will be written off.</p> |
| <p>34. What would happen if tenant in property and want to repossess? How would this affect when 'loan becomes repayable'.</p> | <p>Need to discuss to clarify.</p> <p>We would need to consider the tenants' rights of occupation. Especially if they have a term of months left on their tenancy agreement that goes beyond the repayment date. Would you consider finding them alternative accommodation?</p> <p>This may not be an issue if letting through St Leger as you would try and manage the tenancy term to coincide with the loan repayment date if it was becoming clear that the client is going to be unable to repay the loan .</p> <p>You may also consider allowing the property to be sold with a tenant in place although this would potentially mean that it would be sold for less which reduces the amount you would get back on the loan.</p> <p>Where it is in the council's interest they will consider repurchase and letting to the tenant in situ (eg where to make a family homeless would create a homeless duty on the council).</p> <p>Property will be let by St Leger Lettings – therefore all tenancy agreements will tie in with end loan dates.</p> |
| <p>How does this affect us when the loan becomes repayable, we currently say that we need rep within 3 months but if tenancy agreement ends in say 5 months we may not be able to ask for the loan to be repaid.</p> | <p>Need a discussion about this.</p> <p>As above</p> <p>See above.</p> |

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| <p>35. Who will carry out loan interviews</p> | <p>What do these entail? What skills do we need? What information needs to be obtained etc?</p> <p style="color: red;">We would ensure that your staff received the necessary training to carry out loan interviews. There is no requirement to provide any legal or financial advice in these interviews. Staff members will just be trained to provide the clients with a set of scripted facts about the loan during an interview. They will also be trained how to prepare for the loan interview and how to package a loan application to send to Homes and loans.</p> <p style="color: red;">Homes and Loans do have the capacity to undertake a reasonable number of loan interviews on your behalf if required. This is currently at no extra cost to you. This will depend on the number of loans you plan to deliver which will probably depend on your budget and client demand.</p> <p>If this is fairly straightforward, we can possibly do this. Is it subject to any regulation?</p> <p>SH&L will carry out the loan interviews. This will be subject to review.</p> |
| <p>36. Will there be a face to face loan interview or will you send out a fact sheet for the client to read terms and conditions.</p> | <p>I would suggest sending paperwork out, but then conducting face to face interview similar to what we do for RTB where possible. Owners can live out of area, what is the process for this?</p> <p style="color: red;">For owners that live out of area and can't come to Doncaster, it is possible to carry out a phone interview and then post out the paperwork for signing. We would provide further guidance on this when required. The clients would however need to get their I.D certified by a solicitor in the local area for our money laundering requirements.</p> <p>Interviews will be a mixture of face to face, telephone, video calling etc, depending on the circumstances.</p> |
| <p>37. Need to be sure of how the client is going to</p> | <p>We would incorporate as part of application process. We have links with Council tax</p> |

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| <p>keep us informed of their correspondence address.</p> | <p>which may help if required. What do you do for other LA's?</p> <p>We would leave this to other LAs to police. However we would need you to inform us of any changes of address as an when the client informs you.</p> <p>SLHD to monitor this, either though St Leger Lettings or SLHD Asset Management Team.</p> |
| <p>38. What checks are required to confirm that lender will allow property to be let if any , or do we make it clients responsibility.</p> | <p>We would insist that clients provide sufficient evidence as part of application process.</p> <p>Would you want to insist on something in writing from the lender? All other LAs just make it the client's responsibility to inform the lender but don't make any checks.</p> <p>To be addressed through the application process, and may involve the need for the applicant to provide consent documentation.</p> |

Key:

Black text – SLHD initial comment

Red text – Sheffield Homes and Loans comments / feedback

Blue text – other feedback from consultation

Black text – agreed way forward/final proposal

FINANCIAL ASSISTANCE POLICY 2019

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FINANCIAL ASSISTANCE POLICY

1. INTRODUCTION

This document sets out Doncaster's policy on providing financial assistance to tackle Empty Homes in the Borough and assistance to owners of ex local authority properties. This is an addendum to the DMBC Private Sector Housing Assistance Policy edition 1, implemented in December 2008 and updates the Private Sector Housing Financial Assistance Policy 2014.

Assistance is available to Landlords and owners of empty homes to bring empty homes back into use.

Subject to the availability of funding, the Council and/or St Leger Homes of Doncaster (SLHD) may also offer a range of financial initiatives to assist with returning empty properties back into use and returning ex local authority properties as affordable housing for social rent. The conditions attached to the empty property initiatives and ex local authority buy back scheme will be subject to the relevant funding stream criteria, and may be subject to change.

2. BACKGROUND

On-going dialogue has shown that some owners do not have the capacity or finance to enable them to bring their properties up to a lettable standard. Feedback received indicates some owners would be interested in accessing financial assistance.

As a result of this research, a discretionary grant scheme was developed and approved by ODR in September 2010, to assist owners of long term empty properties to bring them back into use as affordable housing for social rent. This was a quick win initiative to gauge the level of interest from property owners, with the long term objective of developing an empty property loan scheme and other initiatives with partners to return empty properties back into use.

Empty properties, if left for long periods of time can fall into disrepair, attract nuisance, crime and pest infestations. They can blight a neighbourhood and decrease the surrounding property values. If brought back into use they offer benefits to all. It can provide the owner with a regular income, better sales/long term investment potential and security against vandalism and squatters. The area can also benefit from a reduction in fear of crime, fly tipping and water leaks leading to expensive insurance claims, lower concentrations of empty properties and improved confidence as a result of sustained tenancies.

Proactively working with owners of long term empty properties, successful grant uptake and partnership working with the St leger Lettings has returned a number of long term empty properties back into use as affordable housing.

3. POLICY

This Financial Assistance Policy, which updates the Private Sector Housing Financial Assistance Policy 2014 and is an addendum to the Private Sector Housing Assistance policy (2008), is an important mechanism for helping to deliver the Empty Homes Policy Framework, Doncaster Housing Strategy and the wider Doncaster Growing Together agenda.

We recognise the need to continue with our proactive work to reduce the number of empty homes and maximise the number brought back into use. The ways in which we intend to achieve this, and the mechanisms we intend to utilise are set out in the recently developed Empty Homes Policy Framework. This framework sets out our intention to:

- Continue delivery of Empty Homes Grants
- Continue delivery of Empty Property Purchase & Repair Scheme
- Delivery of the Council House Buy Back Scheme
- Introduction of Empty Property Loans
- Continue joint working initiatives with partners who have the ability to bring empty properties back into use.

The provision of financial assistance will be organised with the overall focus on addressing empty homes.

Our activity is designed to assist owners of empty homes where financial intervention will prevent further decline of both the property and the surrounding area; tackling areas on the brink of decline and developing sustainable communities.

Due to limited funding, the Council and/or SLHD must ensure that financial assistance is targeted in the areas where the greatest benefit in terms of creating a sustainable neighbourhood, going forward, can be best achieved. Therefore each application for assistance will be decided on its own merit and within the eligibility criteria of the relevant financial assistance product, and resources available.

4: TYPES OF ASSISTANCE AVAILABLE (subject to funding)

All financial assistance products offered to tackle empty properties and ex local authority properties will be subject to funding availability and may be removed at any time.

Empty Property Grant

An Empty Property Grant of up to £12,000 (inclusive of VAT) is available to owners of empty homes to carry out the necessary works to bring the property back into use as affordable housing for social rent/affordable rent.

- The grant amount is registered as a local land charge for a five year period and the successful grant applicant must enter into a management agreement with the Council and/or SLHD for the duration of the grant period.
- A property inspection will identify hazards which need to be addressed to ensure the property is safe to live in and at a lettable standard.
- The Council's chosen contractor will manage the works to be carried out as identified in the schedule of works.
- The grant amount and any associated fees will be registered as a local land charge against the property for a period of five years.
- At the end of the five year period, provided the grant conditions are adhered to, the local land charges will be removed from the property.
- The rent will be set at the local housing allowance level and the property will be advertised and tenanted from SLHD Choice Based Lettings.

Empty Homes Purchase and Repair Scheme

This scheme is available to owners of empty properties where the property is empty. Subject to meeting the eligibility criteria and approval, the Council and/or SLHD will purchase the property, renovate to decency standards as a minimum and the property will be used to deliver affordable housing, under SLHD management and Doncaster Council ownership.

Each application for assistance is decided on its own merit and decisions are made based on the eligibility criteria, which may change to meet funding availability. The property valuation will be carried out by DMBC, SLHD or agent acting on their behalf. The main eligibility criteria for this scheme is:

- The property must be empty at the time of application for assistance.

Council House Buy-Back Scheme

Property owners frequently contact us wishing to sell their homes that fall outside the remit of the Empty Homes funding and other schemes currently offered. This initiative will assist those who fall outside the remit of the property being empty at the time of request for assistance. Subject to meeting the eligibility criteria and approval, we will purchase the property, renovate to a lettable standard as a minimum and the property will be used to deliver affordable housing, under St Leger Homes Management and DMBC ownership. The buy-back scheme enables the Council to increase the number of council homes made available to let across the borough.

This scheme will be restricted to purchase homes which fall into at least one of the qualifying criteria below:

- Ex-Local Authority flats in leasehold schemes
- Ex-Local Authority properties in high demand areas

- Adapted properties, where there is an identified housing need (accessible housing register)
- Mortgage Rescue/Repossession cases, where the property meets other qualifying criteria e.g. area/property type
- Properties which are no longer suitable for a householder/or their family to the extent that it impacts on other council service provision – e.g. requires substantial adaptation etc.
- Empty Properties which do not meet the criteria of the existing purchase and repair scheme, but align with the Council's other strategies for increasing the number of affordable homes for rent in areas of housing need across the borough.

The Right to Buy legislation states that where a property purchased under the Right to Buy scheme is being sold during the first 10 years the former landlord must be asked if they want to buy it back at market value. This is called first refusal. Working in partnership with the Right to Buy, this scheme can target Ex-Local Authority properties to bring back into housing stock, provided the eligibility criteria is met.

Subject to meeting the eligibility criteria, the property valuation will be carried out by DMBC, SLHD or agent acting on their behalf. Subject to approval, the Council and/or SLHD will purchase the property, renovate to a lettable standard and the property will be used to deliver affordable housing under SLHD management and DMBC ownership.

Empty Property Loans

The Council and/or SLHD will offer equity release Empty Property Loans (EPL) to owners of empty properties to enable them to be brought back into use. We recognise that a number of initiatives will be required to be linked into the Empty Property Loans to provide a range of tailor-made options to meet specific needs when offering this initiative. The loan is repayable whenever the property is disposed of, for example; is sold, where there is a change of ownership, or if the terms and conditions of the loan are not adhered to.

Outline of Empty Property Loan

- Loan product will be the first empty homes product offered (i.e. before grants).
- The property for which the loan is being applied for, must have been empty for at least 6 months, and in the ownership of the loan applicant for at least 12 months.
- Loan value will be between £5,000 and £30,000.
- Maximum loan term will be 7 years.
- The loan cannot exceed 50% of the improved property value or 70% of total secured borrowing.
- The scheme will include a no negative equity guarantee.
- Multiple loan products available at a time to an individual, but only on different properties that meet the criteria.
- The loan product can in exceptional circumstances be used in

conjunction with other empty home products (i.e. empty property grant).

- The product will be a secured loan, and a charge placed on the property.
- The applicant will also be required to sign a funding agreement document.
- At application stage, the applicant will also need to provide a simple 'business case' that sets out how they intend to repay the loan at the end of the loan period. Loans will only be granted where the business case provides satisfactory assurance in relation to the prospect of the loan being repaid.
- There will be no monthly repayments. Repayment will normally be at the end of the loan period, sale or upon transfer of ownership if this is sooner.
- The loan may be repaid early with no penalty.
- No part redemption.
- Loan expressed as a % of improved property value.
- Redemption amount based on value of the property when loan becomes repayable.
- Initial valuation fees will be met by the scheme. Should the loan come to fruition, the valuation fees will subsequently be included in the loan amount. Legal fees are also payable (and can be included in the loan amount), or paid separately upfront. Consent fees may also be payable if required. Fees payable will be regularly reviewed and may increase to reflect increased costs.
- The financial elements of the loan product will be administered by Sheffield Council (Homes and Loan Scheme) on behalf of Doncaster Council (and St Leger Homes).
- St Leger Homes will coordinate / administer the Empty Loans scheme overall.
- The loan will be conditional on the property being occupied within 6 months of the loan being granted. This can include the owner selling the property, or renting the property.
- Where the property is to be rented, it will be a mandatory requirement that this is through St Leger Lettings.
- Rent payable can be affordable or market rent.
- The loan can only be used to fund necessary improvement works to bring the property up to a lettable standard, with no category 1 hazards as defined in HHSRS.
- The property should also meet all other statutory requirements in terms of planning, building control and other areas of compliance (i.e. gas, electrical etc).
- The scope of works to be carried out will be agreed in advance by St Leger Homes.
- The applicant will be responsible for securing 3 written quotes for the work, and project managing the works and appointed contractor.
- St Leger Homes will carry out periodic inspections whilst the works are on-going to ensure these are good quality, up to standard and are in-keeping with the scope of works agreed.

- Payment will be made to the contractor upon satisfactory completion of the works, and following inspection and final sign off by St Leger Homes.
- Availability and granting of loans is subject to the availability of resources. Doncaster Council / St Leger Homes reserve the right to withdraw this product at any time.
- Where demand for this product outweighs available resources, Doncaster Council / St Leger Homes reserve the right to prioritise applications based on need and anticipated benefits/impact/outcomes.
- Loans will only be approved where there is a reasonable prospect of occupation after the investment and improvement has taken place.
- Loans cannot be granted where there are outstanding debts owed by the applicant to the council, i.e. council tax or St Leger Homes.

Please note that failure to repay the loan within the time period stipulated will result in enforcement action being taken by the Council and/or SLHD to recover the loan amount. An interest rate of 4% above the Bank of England base rate will be applied to the outstanding loan from the due date until the date the loan is repaid and Court costs incurred by the Council and/or SLHD as a result of taking such action from the owner.

Additional Assistance Products

Subject to future funding availability, additional financial assistance products may become available to address empty properties.

5. FINANCIAL ASSISTANCE DELIVERY

We will make applying for assistance as simple as possible, consistent with being able to properly assess applications, on an individual basis and subject to eligibility criteria. Explanatory leaflets, application procedures and eligibility criteria will be made available so applicants can be clear about how their application will be dealt with.

How to apply for Empty Property Financial Assistance

In the first instance, contact SLHD and/or the Council who will advise you on the assistance packages available and send the relevant information pack.

How your application for financial assistance will be dealt with:

Empty Property Grant

- We will check your application, undertake relevant checks to ensure that you are eligible for financial assistance and make a preliminary assessment.
- We will make you an offer of assistance; subject to completion of the relevant grant documentation and conditions.

- If you accept the grant you must also enter into the agreement(s) linked with the financial conditions, which will be dependant on the funding available at the time of grant application. Any client contribution must be paid before works can commence.
- Any unforeseen works will be carried out at the clients expense
- Our surveyor will visit your property and draw up a schedule of works
- We will check that the work has been carried out satisfactorily.
- We will pay the agreed funds direct to the SLHD appointed contractor when the works have been completed.
- We will require completion of the necessary legal documentation and full compliance with the terms and conditions for the duration of the agreement(s).

Property Purchase and Repair scheme

- We will check your request for assistance against the eligibility criteria and notify you of our decision

If your property is suitable for the scheme:

- We will carry out a property visit and inspection
- Subject to meeting the eligibility criteria, we will appoint a valuer from DMBC, SLHD or agent acting on their behalf, to value and purchase the property on behalf of the Council and/or SLHD.
- The property must be free of charges at the time of the sale completion

Subject to funding conditions the eligibility criteria may change.

Council House Buy Back scheme

- We will check your request for assistance against the eligibility criteria and notify you of our decision

If your property is suitable for the scheme:

- We will carry out a property visit and inspection
- Subject to meeting the eligibility criteria, we will appoint a valuer from DMBC, SLHD or agent acting on their behalf to value and purchase the property on behalf of the Council and/or SLHD
- The property must be free of charges at the time of the sale completion

Subject to funding conditions, the eligibility criteria may change.

Empty Property Loans

- We check your application, undertake relevant checks to ensure that you are eligible for financial assistance and make a preliminary assessment.
- Where the maximum loan amount is exceeded, any client contribution must be paid before works can commence.
- Our surveyor visits your property and draws up a schedule of works.

- We will make you an offer of assistance; subject to completion of the relevant loan documentation and conditions.
- If you accept the loan works you must also enter into the agreement(s) linked with the financial conditions, which will be dependent on the funding available at the time of loan application.
- We will check that the work has been carried out satisfactorily.
- We will pay the agreed funds direct to the contractor when the works have been completed.
- We will require completion of the necessary legal documentation and full compliance with the terms and conditions for the duration of the agreement(s).

Additional Assistance Products

Subject to funding availability and eligibility criteria we will offer a range of financial assistance initiatives.

- Subject to the eligibility criteria, we will check your request for assistance against the eligibility criteria and notify you of our decision.
- If the criteria are met, we will progress with the application for assistance.

6. SERVICE STANDARDS

The scheme will be delivered in accordance with the relevant service standards and complaints procedures of SLHD to ensure a consistent and high level of service, and we will monitor our own performance against these standards. If you feel that the service you receive is not good enough or you disagree with a decision we have made, you can complain to us in the first instance.

If this does not resolve the problem, you can make a formal complaint through SLHD complaints procedure.

St Leger Homes of Doncaster

In writing to: Customer Relations Team

St Leger Court

White Rose Way

Doncaster

DN4 5ND

By telephone: 01302 862726

By email: customercare@stlegerhomes.co.uk

7. PREVENTING ABUSE OF THE FINANCIAL ASSISTANCE PRODUCTS AND POLICY

We have robust measures in place for preventing abuse of our financial assistance policies. We carefully check information provided to us by applicants. Where we believe incorrect or misleading information has been deliberately provided in order to gain an advantage, we will deem the application ineligible for assistance. If we find that assistance has been provided on the basis of deliberately incorrect or misleading information, the assistance will be immediately repayable and we may consider prosecution.

The provision of assistance under this policy is limited by the resources that the Council and/or SLHD can make available. The Council and/or SLHD maintain the final decision when awarding financial assistance to owners.

We will keep this policy under continuous review and republish it from time to time, updating thresholds and eligibility criteria. When criteria change, we will specify when the new criteria take effect and how existing applications will be treated.

8. LEGAL BACKGROUND & TRANSITIONAL ARRANGEMENTS

The Doncaster Metropolitan Borough Council's Private Sector Housing Assistance Policy is made under Article 3 of the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 Statutory Instrument No. 1860 (the RRO).

The Private Sector Housing Assistance Policy was approved by Council on 1st October 2008. It brings together and succeeds all previous policies for private sector housing assistance.

The Private Sector Housing Financial Assistance Policy –Tackling Empty Homes is made under the under Article 3 of the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 Statutory Instrument No. 1860 (the RRO).

The Private Sector Housing Assistance Policy – Tackling Empty Homes was approved by Portfolio Holder on 1 December 2011. It brings together and succeeds all previous policies for private sector housing assistance.

This Private Sector Financial Assistance Policy takes effect from April 2020 and will succeed all previous policies for private sector housing assistance. Applications for assistance from that date will be dealt with under criteria set out in this policy. Applications received prior to this date will be dealt with according to criteria in force at the time of the application. Applications more than 6 months old at this date will need to be resubmitted and dealt with as new applications.

9. GLOSSARY

Applicant

The applicant is the person who signs the application form and is responsible for ensuring that all the information is correct. The applicant will normally be the person who owns the property or has a repairing lease on the property, and includes the partner of any owner-occupier who also has an owner's interest in the property.

Assistance

Any assistance given by the Council and/or SLHD, including financial assistance.

Approved Work

Any work carried out to a dwelling or property, which has been provided by financial assistance from the Council and/or SLHD.

Condition Period

The period of time from the date the Council and/or SLHD certifies that the approved works are completed to its satisfaction. The specific period of time will be dependent upon the product.

Disposal

A property will be deemed to be disposed of, if an applicant awarded financial assistance subsequently passes/transfers their interest in the dwelling, sells the property or rents the property (unless approved by the Council and or SLHD in advance) to any other person.

Financial Assistance

Means any assistance given in which the Council and/or SLHD provides a grant or loan to carry out work on the property of the owner, or uses funding to acquire empty properties.

Housing Health and Safety Rating System (HHSRS)

Housing Health and Safety Rating System (HHSRS) is an assessment tool based on the calculated risk that the property condition poses to the potential occupant who is most vulnerable to that risk.

Lettable Standard

This is a minimum standard that SLHD/DMBC set for occupation. The criteria for a dwelling meeting the standard is:

- It is statutorily fit for human habitation and free from Category 1 hazards.
- It is in a reasonable state of repair
- It provides a reasonable degree of thermal comfort

Owner

Person or persons with long term legal interest in the property; includes those with full repairing leases having an unexpired term of more than 50 years i.e. the freeholder or leaseholder.

Property

Means any dwelling, house or building or part of a building used wholly or partly as a private dwelling, together with any yard, garden, outhouses and appurtenances belonging to or usually enjoyed with that building or part, which is the subject of financial assistance.

Required Work

This is the work specified by the Council and/or SLHD which is required to be undertaken to qualify for assistance.

Sustainable

In determining sustainability, consideration will be made of the following four criteria. At the completion of agreed work:

- The intrinsic design, location and type of the property should not be obsolete. There should be reasonable prospect in the foreseeable future of there being sufficient demand for property of that type, in that location, to ensure reasonable full occupancy.
- The property should be reasonably capable of improvement to the lettable standard. It should not require a greater level of investment than the likely market value of the dwelling at that time.
- The design, layout and internal space available within the property should be sufficient and appropriate to accommodate the structure of the household receiving financial assistance.
- The property condition should be suitable for occupation. It should be free from serious risk to health, secure and energy efficient.

10. APPENDICES

APPENDIX 1: General conditions of financial assistance

Grants and Loans

1. No grant or loan shall be paid unless an application for it is made to the Council and or SLHD. An application must be in writing, on the relevant application form specifying the affected property and the relevant works.
2. Applicants must be over 18 years of age.
3. No grant or loan is payable to:
 - a) A local authority
 - b) A new town corporation
 - c) An urban development corporation
 - d) A housing action trust
 - e) The Development Board for Rural Wales
 - f) A health authority, special health authority or NHS trust
 - g) A police authority established under section 3 of the Police Act 1964
 - h) A joint authority established by Part IV of the Local Government Act 1985
 - i) A residuary body established by Part VII of that Act or
 - j) An authority established under section 10(1) of that Act (waste disposal).
4. Applications for grants or loans will not be approved for premises that have undergone construction or conversion less than 10 years before the date of application (except disabled facilities grants).
5. Applications must be made by the person who has or proposes to acquire an owner's interest in every parcel of land on which the relevant works are to be carried out.
6. Each application must be accompanied by the ownership certificate.
7. Grants or loans will not be paid if work has begun or been completed prior to the grant and/or loan being approved.
8. The grant and/or loan will be paid in whole after the work is completed.
9. It is a condition of every grant or loan that the eligible work is carried out not more than 6 months after approval is given. The authority and/or

SLHD may allow additional time if they are satisfied that the reason for the delay is reasonable. The permission for an extension of time is at the discretion of DMBC/SLHD.

10. No grant or loan will be paid unless the authority and/or SLHD is presented with a satisfactory invoice. An invoice from the applicant or a member of his/her family is not acceptable. Grant or loan monies will be paid direct to the contractor.
11. The work must be carried out by the appointed contractor.
12. The Council and/or SLHD retains the right to refuse to pay the grant or loan or any further instalment or to reduce the approved amount in the following cases:
 - a) Where the cost of the works was determined on inaccurate or incomplete information and exceeds that amount to which the applicant is entitled.
 - b) Where the works were started without the local authorities/SLHD permission before the grant/loan was approved.
 - c) The eligible works are not completed to the satisfaction of the local authority/SLHD.
 - d) The final cost of the works plus any preliminary or ancillary charges is more than was originally estimated. Unless such works were notified in advance and approved by DMBC/SLHD.
 - e) That the works were completed by a contractor other than the approved contractor and no permission to change contractor had been approved by the local authority.
13. Grant condition period means a specific set period from the certified date except the condition requiring repayment on disposal which is effective from the date of approval to the end of the grant condition period. The certified date is the date when the local authority is satisfied that the eligible works have been completed in accordance with the specification. The Loan condition period will differ, dependant on the loan product being offered at the time of application.
14. It is a condition of the grant or loan that if the owner makes a relevant disposal or transfer during the grant or loan condition period then the grant/loan shall be repaid. Different condition periods apply to different grants/loans. You will be advised of the grant/loan condition period on application.
15. It is a condition of the grant or loan that throughout the condition period the dwelling is occupied in accordance with the stated intention on the accompanying certificate i.e. Owner-occupation or available for letting. Failure to comply with this condition will be classed as a breach and will result in immediate recovery of the grant or loan. This condition is registered as either a local land charge or a legal charge against the property and is binding on any person who is for the time being an owner of the dwelling.

16. It is a condition of the grant or loan that the applicant takes reasonable steps to pursue any relevant claim and to repay the grant/loan or part of it out of the proceeds of the claim. This applies to:
- a) An insurance claim or legal action against another person in respect of damage to the premises to which the grant/loan applies.
 - b) A legal claim for damages in which the cost of the works to the premises is part of the claim.

In the event of a breach of this condition the applicant will repay to the local authority or SLHD the amount relating to the works together with compound interest (base rate plus 4%) from the date of receipt of the grant or loan.

17. When a grant or loan is repaid in full including any interest due then the conditions shall cease to apply and the registration will be removed from the local land charges register and or the legal charge removed from the property.
18. Where an applicant dies after applying for the grant/loan liability for preliminary or ancillary charges and the cost of any relevant works that have already begun remains with any co-owner, or the applicant's estate. The authority or SLHD may pay the grant/loan if it sees fit. If the works have not begun the authority will cancel the grant/loan.

19. Notice of relevant disposal

- (1) The applicant shall forthwith notify the authority or SLHD of his intention to make a relevant disposal of any dwelling, building or house in multiple occupation with respect to which there is in force a grant or loan conditions and shall furnish to the authority any information reasonably requested by them in connection with such notification.
- (2) This condition shall have effect during the grant or loan condition period.

20. Nomination of tenants to the property

- (1) The applicant agrees not to offer the property (or relevant part of the property) for letting and the authority or SLHD agrees not to make nominations to it, in such manner (including as to timing and the terms of any offer or nomination) as would prevent this condition being or continuing to be, operable fairly and reasonably.
- (2) Without prejudice to the generality of sub paragraph (1) the applicant agrees –
 - (a) if the property (or part of it) is or becomes vacant on the date of approval of the application, or
 - (b) if (and every time that) the property (or part of it) becomes vacant between that date and the end of the grant/loan condition period, forthwith to hold the property (or vacant part of it) available for letting by persons nominated by the

authority or SLHD and to notify the authority or SLHD of its availability for that purpose and of the terms upon which it is so available.

- (3) Subject to the applicant's strict compliance with sub-paragraphs (2), this condition shall not have effect whilst the property (or each of its several parts) is occupied under a tenancy or tenancies satisfying the requirements of such certificate of intended letting, owners certificate or certificate of future occupation as was submitted with the application (or, in a case where the requirement for such certificate was waived by the authority, would meet that certificates requirements had one been so submitted).

21. Insurance for grant or loan-aided property

Where the applicant has an insurable interest in the grant or loan -aided property, he shall arrange and maintain in effect adequate insurance for the property, subject to and with the benefit of the completed works, throughout the grant/loan condition period.

22. Repair of grant or loan-aided property

Where the applicant has a duty or power to carry out works of repair to the grant or loan-aided property, he shall ensure that, to the extent that his duty or power allows, the property remains fit for human habitation through the grant/loan condition period

23. Repayment of grant or loan

In the event of a breach of any of the conditions, the authority may demand repayment from the applicant of a sum equal to the amount of the grant or loan paid with interest.

Purchase and Repair Scheme

1. No purchase shall be made unless an application for the purchase and repair scheme is made to the Council and/or SLHD. An application will be considered from initial point of contact (verbally), specifying the affected property details.
2. Applicants must be over 18 years of age.
3. The property must be free of all charges at the point of completion: including and not exclusively; land charges, mortgages, secured loans.
4. Any outstanding monies owed to the Council/SLHD will be deducted from the agreed valuation. For example: council tax arrears
5. The agreed valuation will be paid in whole at the point of acquisition by the Council and/ or SLHD

Council House Buy Back Scheme

1. No purchase shall be made unless an application for the Council House Buy Back Scheme is made to the Council and/or SLHD. An application will be considered from initial point of contact (verbally), specifying the affected property details.

2. Applicants must be over 18 years of age.
3. The Council and/ or SLHD will consider those properties which were bought under the Right to Buy Scheme which are within the ten year first refusal period and properties previously purchased under the Right to Buy Scheme.
4. The property must be free of all charges at the point of completion: including and not exclusively; land charges, mortgages, secured loans.
5. Any outstanding monies owed to the Council will be deducted from the agreed sale price. For example: council tax arrears
6. The agreed sale price will be paid in whole at the point of acquisition by the Council and/or SLHD.

APPENDIX 2: DETAILS OF FINANCIAL ASSISTANCE PRODUCTS

| | Empty Property Grant |
|------------------------------------|---|
| Purpose | To bring empty homes back into use as affordable housing for rent. |
| Nature of assistance | Grant registered as a local land charge for five years |
| Eligibility | <ul style="list-style-type: none"> • Owners who have owned the property for a continuous twelve month period up to the date of request for assistance. • Applicant must be the registered owner of the property. • Applicant must be aged 18 or over. • The property must be empty on the date of request for assistance. |
| Eligible Works | Renovation of the identified empty home to bring back into use at a lettable standard, addressing primarily Category 1 Hazards. Works required may include re-wire, central heating, kitchen, bathroom, damp proof course, new roof, windows or doors. |
| Amount of Assistance | Normally up to £12,000 Grant inclusive of VAT and associated costs. |
| Procedures | Standard grant application process. Borrowers are recommended to take independent financial and legal advice and will be responsible for any costs. |
| Client contribution payment | Where a contribution from applicant is payable, the applicants contribution must be paid at the time of signing the funding agreement, before any works commence. |
| Making Grant Payment | Payment is made direct to the contractor upon satisfactory completion of works. |
| Conditions | <ul style="list-style-type: none"> • Application for assistance must be made by the owner of the property to the Council and/or SLHD. • The owner must sign up to St Leger Lettings. • The property will be advertised for let through Choice Based Lettings scheme or the Councils appointed letting scheme for the duration of the grant. • Financial assistance will only cover the eligible works as specified in the schedule of works to address any Housing Safety Hazard Rating System (HSHRS) Category 1 Hazards, to bring the property up to a lettable standard, within the grant amount. • The grant approval date will be the date of the signed funding agreement. • Works must commence within 3 months of grant approval date and completed within 6 months of grant approval date. • The rent to be set to the Local Housing Allowance rate. • The grant will be registered for a period of 5 years from date of completion of the works to the property. • The grant will normally be repayable if the grant conditions are not adhered to, the property is sold or ownership is transferred, unless written approval is granted or due to extenuating circumstances. • After 5 years, from the date the grant is registered on the property, the grant conditions will expire. |

| Empty Property Purchase and Repair Scheme | |
|--|---|
| Purpose | To use identified funding to acquire empty properties, renovate to decency standards, managed by SLHD and in Council ownership |
| Nature of assistance | Acquisition of properties, subject to meeting eligibility criteria and valuation agreement |
| Eligibility | <ul style="list-style-type: none"> • Must meet eligibility criteria. |
| Amount of assistance | Agreed sale price following valuation of property. |
| Procedures | <ul style="list-style-type: none"> • Confirmation that property meets eligibility criteria • Property inspection • Valuation carried out by DMBC, SLHD or agent acting on their behalf and sale price agreed • Completion <p>Borrowers are recommended to take independent financial and legal advice and will be responsible for any costs.</p> |
| Making payment | <ul style="list-style-type: none"> • Agreed sale price will be paid at date of completion of sale minus any debts owing to the council. • The vendor is responsible for their own legal costs associated with the sale of the property to the Council and/or SLHD. |
| Conditions | <ul style="list-style-type: none"> • Must meet the eligibility criteria. • All outstanding debts and charges registered against the property must be removed before the completion of the acquisition. |

| EX-Council House Buy- Back Scheme | |
|--|--|
| Purpose | To purchase qualifying properties, in priority areas; increasing affordable housing provision across the borough. The funding would be restricted to purchasing homes which fall into at least one of the qualifying criteria. |
| Nature of assistance | Acquisition of properties, subject to meeting eligibility criteria and valuation agreement. |
| Eligibility | <p>Must meet at least one of the qualifying criteria:</p> <ul style="list-style-type: none"> • Ex-Local Authority flats in leasehold schemes • Ex-Local Authority properties in high demand areas • Adapted properties, where there is an identified housing need (accessible housing register) • Mortgage Rescue/Repossession cases, where the property meets other qualifying criteria e.g. area/property type • Properties which are no longer suitable for a householder/or their family to the extent that it impacts on other council service provision – e.g. requires substantial adaptation etc. • Empty Properties which do not meet the criteria of the existing purchase and repair scheme but align with the Council’s other strategies for increasing the number of affordable homes for rent in areas of housing need across the borough. |
| Amount of assistance | Agreed sale price following valuation of property. |
| Procedures | <ul style="list-style-type: none"> • Confirmation that property meets eligibility criteria • property inspection • Valuation carried out by DMBC, SLHD or agent acting on their behalf and sale price agreed • Completion <p>Borrowers are recommended to take independent financial and legal advice and will be responsible for any costs.</p> |
| Making payment | <ul style="list-style-type: none"> • Agreed sale price paid in full at date of completion of sale minus any debts owing to the council. • Vendor is responsible for own legal costs associated with the sale of the property to the Council and/or SLHD. |
| Conditions | <ul style="list-style-type: none"> • Must meet at least one of the eligibility criteria. • All outstanding debts and charges registered against the property must be removed before the completion of the acquisition. |

| Empty Property Loans | |
|------------------------------------|--|
| Purpose | To bring empty homes in Doncaster back into use. To address Category 1 hazards as identified in Housing Health and Safety Rating System (HHSRS) and bring the property up to a lettable standard. |
| Nature of assistance | Equity Release Loan Dependant on the funding available to the Council and/or SLHD the Empty Property Loan initiative on offer may vary. |
| Eligibility | <ul style="list-style-type: none"> • The property must be empty on the date of application for assistance or first time buyers if accessing the first time buyer initiative. • Applicant must be the registered owner of the property. • Applicant must be aged 18 or over. |
| Eligible works | All works required to bring a dwelling up to lettable standard and address Category 1 Hazards as specified in HHSRS. Works can include repairs, heating, electrical safety, insulation, kitchen, bathroom, etc. |
| Amount of assistance | <ul style="list-style-type: none"> • Loan amount between £5,000 and £30,000 or 50% of the improved property value. (Maximum loan no more than £30,000). • Total borrowing, including any outstanding mortgages and other secured loans must not normally exceed 70% of the improved property value. |
| Procedures | Standard application procedures, plus: Borrowers are recommended to take independent financial and legal advice and will be responsible for any costs. |
| Client contribution payment | Where a contribution from applicant is payable, the applicants contribution must be paid at the time of signing the funding agreement, before any works commence. |
| Making payment | Paid direct to contractor upon satisfactory completion of works |
| Conditions | <ul style="list-style-type: none"> • Property must be kept insured for duration of loan • The property owner must sign up to St Leger Lettings • Includes a “No negative equity guarantee”. • Financial assistance will only cover the eligible works as specified in the schedule of works. • Works must commence within 3 months of the loan approval date and completed within 6 months of the loan approval date. • The loan will be registered as a legal charge against the property for the duration of the loan. • Loan becomes repayable at the end of the loan period, the sale of the property, a move into long term care/sheltered accommodation, transfer of ownership or death of the final surviving borrower. • The loan will normally be repayable if the loan conditions are not adhered to or the property transfers ownership or is sold, unless written approval is granted or due to extenuating circumstances. |

How does an Equity Release Loan work?

- The amount of the loan is expressed as a proportion of the value of the dwelling at the time of application and before work is undertaken. This is the equity share percentage
- The loan becomes repayable whenever the dwelling is disposed of e.g. sold, change of ownership, end of loan period or if the terms and conditions of the loan are not adhered to.
- The amount that is repaid depends on the value of the dwelling at the time of disposal.
- If the value has gone up, the equity share percentage of the new value is repaid.

Additional information regarding Empty Property Loans is available upon request.



Empty Homes Policy Framework

2019 – 2025

September 2019

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Executive Summary

Within any healthy housing market there will always be a degree of 'churn' as private sector properties change hands and as a consequence may be empty for a short period. This policy framework is not about these properties, but is about focusing on those that have been empty for at least 6 months..

Empty properties are potentially a waste of good housing and in some circumstances can contribute to criminal activity and urban blight. There are also a number of people on the housing waiting list in need of good quality housing and private sector empty properties are a waste of a much needed resource.

Doncaster, like many other towns across the country, has experienced the impact that having empty properties can bring. The vast majority of these empty properties are in private ownership, and yet the choice of some property owners to leave their properties vacant can have a wide ranging impact on neighbourhoods, local communities and those needing good quality, affordable housing.

At any one time, there are around 3,500 empty homes throughout the Borough, of which 1,800 are longer term empty properties that have been empty for six months or more, with approximately 570 of these being empty for over two years. Approximately 53% of the properties empty for two years or more are located in seven areas of the Borough, with the remainder being spread out amongst other villages. The general transactional properties (churn) are predominantly made up of house sales, new build and movement in the rental sector.

Over recent years the overall number of empty properties had started to reduce due to the continued partnership working between Doncaster Council and St Leger Homes of Doncaster in tackling the longer-term empty properties. More recently numbers have started to increase slightly, although there is currently no clear indication as to the cause of this upward trend. However, just twelve individual companies / people are responsible for approximately 9% of all empty properties.

Doncaster Council's Housing Strategy 2015-2025 identified the need to reduce the number of empty homes by 'Making Best use of Existing Stock' and maximising the number of empty properties brought back into use as affordable housing, to be delivered between Doncaster Council and St Leger Homes of Doncaster.

Dealing with owners of empty properties on a voluntary basis will always be the preferred option. To provide advice, assistance and incentives to bring these properties back into use helps to reduce the demand on local authority resources and the need for enforcement action at a later date. Where owners are unable to be traced or unwilling to enter into a voluntary discussion then the only practical option available will be enforcement action. However, this can be a costly and drawn out process and is seen as the last resort.

Since 2011/12, Doncaster Council and St Leger Homes of Doncaster have assisted in the renovation and reoccupation of over 170 empty properties, providing good quality, affordable housing for the residents of Doncaster.

This policy framework provides the foundation for Doncaster Council and St Leger Homes of Doncaster, to continue to tackle empty properties for the benefit of the people of Doncaster, utilising the current limited resources available.

1.0 Introduction

Continuing to address long term empty homes, those empty for more than six months, remains a priority for Doncaster Council, St Leger Homes of Doncaster and its partners.

Whilst empty homes are a normal part of any healthy housing market, once they become empty for a long period they can become a wasted resource and can be a potential blight on the community. In some cases this can lead to additional cost to Doncaster Council, St Leger Homes of Doncaster and our partners.

These long-term empty properties represent missed opportunities to provide much needed homes for many families and individuals. There are a growing number of people without suitable housing, and there is a growing demand for housing in general.

Bringing empty properties back into use is only part of the answer to the current housing situation but both central government and local authorities cannot ignore the fact empty properties provide additional accommodation in times of budgetary pressures.

By tackling empty properties and bringing them back into use, it is possible the following can be achieved: -

- Providing good quality housing
- Minimising adverse environmental, social and local impact
- Maximising existing housing resources

This policy framework concentrates on dealing with longer term and problematic private sector empty properties to ensure a pragmatic approach in times of reduced resources and has been developed within the parameters of existing resources.

2.0 Background

2.1 What is an empty home?

There is no widely accepted definition of an empty property. Generally speaking, a vacant dwelling is defined as a unit of residential accommodation that is empty at a particular point in time.

The main purpose of this policy framework is to focus on longer term properties that are inactive in the housing market and have been empty for more than 6 months, but especially those properties empty for over 2 years, which are subject to a further council tax premium.

Therefore, for the purposes of this policy framework, the definition of an empty home is:

Any residential dwelling that has been empty for 6 months or more and where there is no indication of it being returned to occupation in the near future.

2.2 Why do we have empty homes?

There are numerous contributory factors as to why homes become and/or remain empty, these include:

- Property inherited including probate, estate or legal ownership issues.
- Lack of funds for investment / refurbishment.
- Reluctance to rent out.
- Abandonment.
- Employment linked homes.
- Capital Investment properties.
- Lack of awareness of options available.
- Inaction of owners unable to sell or let.
- Personal issues –illness, relationship breakdown etc.
- New build and wider housing market ‘churn’ properties waiting to be sold / occupied.

Many properties may only be temporarily empty as they are waiting to be sold or let; others remain empty while they are undergoing renovation or improvement prior to occupation. It can be said that these empty properties are a consequence of the housing market and can be referred to as normal property ‘churn’.

This period may be prolonged during times of low economic growth and as such, these dwellings should be identified and allowed to be brought back into use through the market without significant intervention from Doncaster Council or St Leger Homes of Doncaster. However, in some cases there can be failure in this turnover process and a home may be left vacant on a longer term basis.

2.3 National and Local Context

National

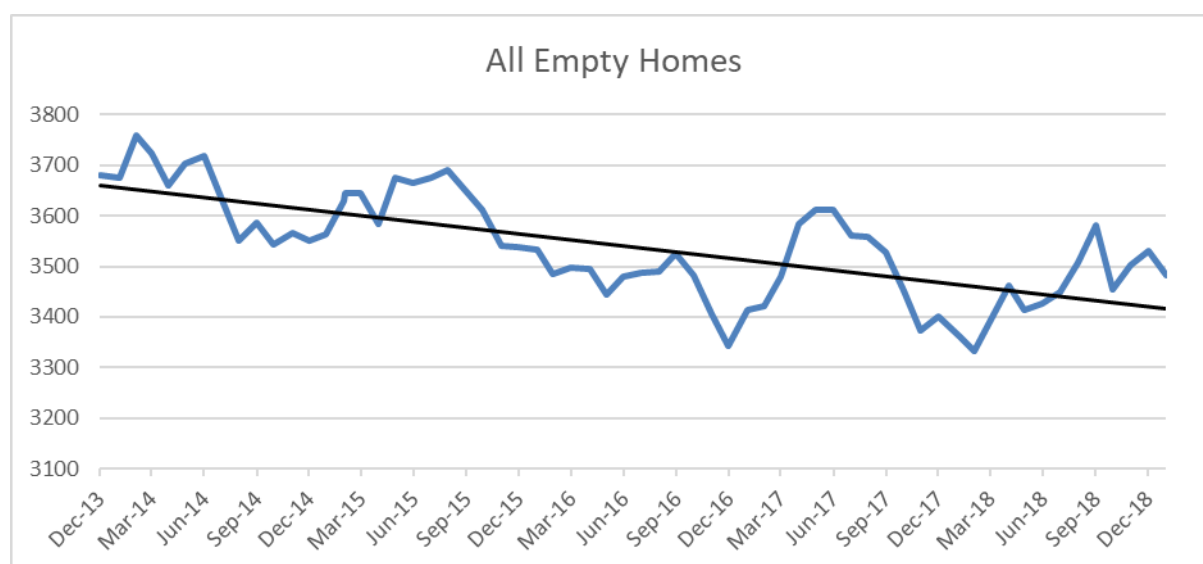
The coalition government placed considerable emphasis on the importance of returning empty properties back into use in 2010. The Housing Strategy document, 'Laying the Foundation' which was published in 2011 stated the commitment to bringing empty properties back into use as a way of increasing the supply of housing and reducing the negative impact that neglected empty homes can have on local neighbourhoods and communities.

Statistics published by the Ministry of Housing, Communities and Local Government (MHCLG) put the number of empty homes in England in October 2017 at 605,891. Of these, 205,293 were classed as long-term empty properties (empty for longer than 6 months).

The New Homes Bonus, launched in 2010, was an additional incentive to bring empty properties back in to use. The scheme is aimed at encouraging local authorities to increase the number of homes in their area. Currently the New Homes Bonus is paid each year for 4 years and also applies to long-term empty homes brought back into use.

Local

At any one time, Doncaster has in the region of 3,500 empty properties. The graph below shows overall empty property trends in Doncaster between December 2013 and January 2019, based on council tax data.

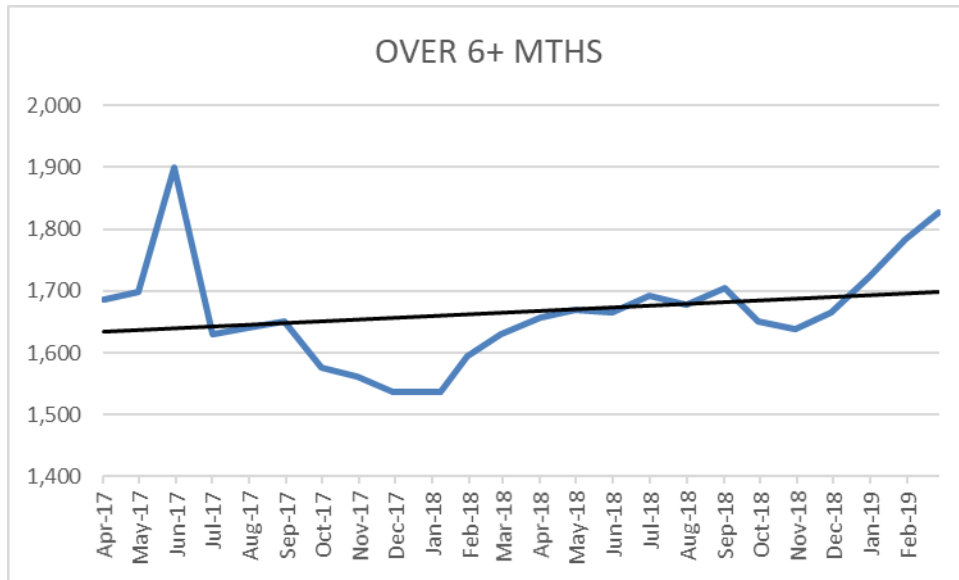


Graph1: Doncaster – All empty properties trend, December 2013 – January 2019 [Source: Council Tax Data].

Over recent years the overall number of empty properties had started to reduce due to the continued partnership working between Doncaster Council and St Leger Homes of Doncaster in

tackling the longer-term empty properties. More recently numbers have started to increase slightly, although there is currently no clear indication as to the cause of this upward trend. However, just twelve individual companies / people are responsible for approximately 9% of all empty properties.

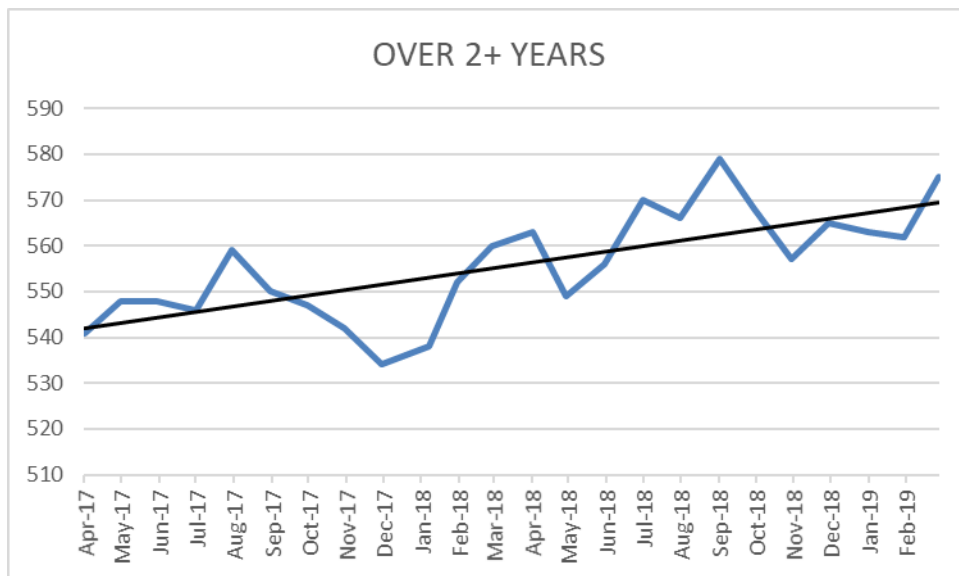
Graph 2 below shows the number of properties empty for 6 months or more between April 2017 and March 2019, based on council tax records:



Graph 2: Doncaster – Empty properties 6 months+ trend, April 2017 – March 2019

In recent months this figure has also increased, and there is no clear indication as to the cause and will need to be explored further as part of this policy framework.

The graph below shows the number of properties empty for 2 years or more between April 2017 and March 2019, based on council tax records:



Graph 3: Doncaster – Empty properties 2 years+ trend, April 2017 – March 2019

This figure has also recently increased, and again, the reason for this is currently not clear. However, properties that are empty as a result of HS2 are now beginning to fall into the ‘empty for two years or more category’, and this is likely to continue to increase.

Whilst a significant proportion of empty properties in Doncaster would be regarded as everyday ‘churn’, as is demonstrated in the graphs above, there are still around 1,800 properties that have been empty for more than 6 months with approximately 570 of these empty for over 2 years at any one time. Approximately 53% of the properties empty for two years or more are located in seven specific areas of the Borough, with the remainder being spread out amongst other villages. At least three of these areas have been identified as areas of housing need in the latest housing needs survey, which raises challenging questions around why properties in these areas in particular remain empty.

The general transactional properties (churn) are predominantly made up of house sales, new build and movement in the rental sector.

The majority of empty properties in Doncaster, especially those empty for two years or more, are privately owned. Whilst the specific numbers will vary from month to month, Chart 1 below shows an indicative breakdown of ownership of properties that have been empty for over 2 years, as at the 1 November 2018:

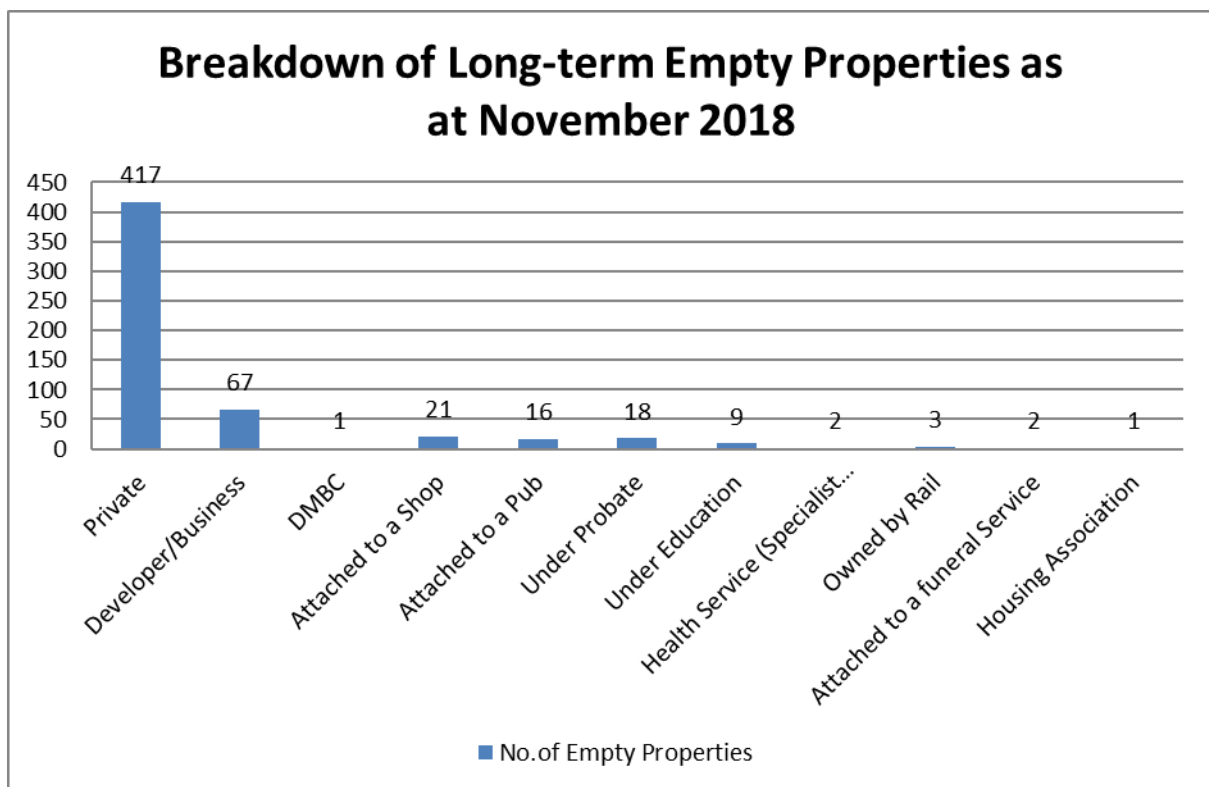


Chart 1: Breakdown of ownership of properties empty for two-years+ as at November 2018

The need to reduce the number of empty homes and tackling empty properties effectively will require continued partnership working and support from all relevant partners and stakeholders, whilst acknowledging we are in an a time of reduced public resources.

Responsibility for tackling empty homes in Doncaster is shared between Doncaster Council and St Leger Homes of Doncaster. Monitoring of empty homes numbers is undertaken jointly. Doncaster Council has responsibility for carrying out enforcement action on any empty properties that may be causing nuisance or blight on local communities. St Leger Homes lead on providing proactive support for owners of empty properties and have led on a successful grant and acquisition programmes that has brought back into use over 170 homes since 2011/12. However, these resources are now almost completely exhausted, and grants in particular will cease in the near future unless additional resources can be secured.

Continued partnership working is key to successfully achieving the aims and objectives of this policy framework.

3.0 Why Tackle Empty Homes?

3.1 Advantages of bringing empty properties back into use

Empty properties are recognised as having a serious impact on the viability of communities. Tackling empty homes contributes to regeneration aspirations, increasing the supply of affordable housing and potentially reducing associated crime and antisocial behaviour.

Returning empty properties back into use can play an important part in maximising existing housing stock for the benefit of the people of Doncaster. Bringing an empty home back into occupation encourages economic vitality, increasing spending in the local economy and protecting house prices within neighbourhoods.

4.0 What have we done so far?

Doncaster Council and St Leger Homes of Doncaster have worked in partnership for a number of years to tackle the issue of empty properties, including:

4.1 Local Grant Scheme

Over the last seven years a local grant scheme, administered through St Leger Homes, has successfully brought more than 70 previously long-term empty private properties back into use in Doncaster.

This scheme has allowed some owners of long term empty properties to apply for up to £12,000 to carry out works so their property could be re-let.

As a condition of the grant, these homes are then let for an affordable rent and managed through St Leger Lettings for a minimum period of five years.

4.2 Purchase and Repair Scheme

This scheme has enabled Doncaster Council to purchase long term empty properties in the borough so that they can be brought back into use.

These properties are then renovated and then let by St Leger Homes at an affordable rent to people in need of accommodation. This scheme was partly funded by Homes England (previously the Homes and Communities Agency).

Over the last five years, the purchase and repair scheme has successfully brought more than 100 empty properties back into use.

4.3 Enforcement

The council's enforcement team have access to a range of data and intelligence around empty properties and use this information to undertake a series of enforcement actions. In the main, enforcement action to date has centred on section 215 notices and carrying out works in default. Going forward, consideration may need to be given to expanding the use of wider enforcement tools and powers.

Specific projects to target areas where empty properties are a blight on the neighbourhoods are undertaken where necessary. A proactive response to these issues is required to ensure communities are less affected by areas with high number of empty properties. Section 6.7 highlights further enforcement related options available going forward to help address empty properties.

5.0 Where do we want to be?

Doncaster Council's Housing Strategy 2015-2025 identified the need to reduce the number of empty homes via "Making Best use of Existing Stock", by maximising the number of empty homes brought back into use as affordable housing, to be delivered in partnership between Doncaster Council and St Leger Homes of Doncaster.

Doncaster Council and St Leger Homes of Doncaster remain committed to this objective and working together in partnership. Collectively we will continue to seek and explore new and innovative initiatives where possible, making full use of powers available whilst accepting the limited resources available.

5.1 What will we do?

Aims & Objectives

Empty properties are a focus for Doncaster Council and St Leger Homes of Doncaster and remain an important issue for the borough. In summary, our plans and actions to tackle empty properties over the life of this policy framework are:

- To understand more about why properties remain empty.
- To assemble relevant, accurate, and up-to-date information on all empty properties.
- To focus efforts proportionately; and target longer term priority empty properties.
- Endeavour to return empty homes back to use through the preferred informal route of co-operation and assistance rather than formal action where possible.

In order to ensure Doncaster Council and St Leger Homes of Doncaster's resources are appropriately focused, priority will be given to those dwellings that meet the following criteria:

- Dwellings that have been vacant for at least 6 months.
- Dwellings that are having a detrimental effect on the amenity of the neighbourhood and/or
- Dwellings that are the cause of serious complaints from members of the public.
- Dwelling that form a cluster or wider 'hot-spot' in a particular geographical location.

Doncaster Council and St Leger Homes of Doncaster will continue to jointly monitor all empty properties including those that are not considered to be priority empty properties. This will enable us to identify those properties where non-statutory intervention may bring them back into use before they become priority long term empty dwellings.

However, priority focus will be on dealing with those dwellings vacant for at least 6 months and causing nuisance, *although in most cases intervention will be subject to the availability of appropriate resources.*

6.0 Options for Tackling Empty Homes

The options below are regarded as the key tools and approaches available to help tackle empty homes in the borough and deliver the objectives of this policy framework:

6.1 Understanding the latest position and continual monitoring of empty properties

To be effective in bringing empty properties back into use, a detailed understanding of empty homes is necessary. Intelligence around empty properties will be enhanced to provide more detailed information on the reasons for homes being empty, the obstacles owners face and their intention for bringing the property back in to use. We will therefore collate specific information about each individual empty property including:

- The length of time a property has been vacant
- Ownership details of the vacant property
- Council tax banding
- Property condition (where possible)
- Reasons given by the owner for the property being vacant
- Owners' intentions i.e. renovate, rent, sell
- Any council debts owed on the property
- Any enforcement action previously taken regarding the property

The development of empty homes intelligence will help Doncaster Council and St Leger Homes of Doncaster ensure tailored guidance and solutions are delivered.

As part of the process of monitoring empty homes, Doncaster Council and St Leger Homes of Doncaster will seek to establish at the outset the reasons for a property being vacant. This information will then inform the type of intervention to be taken and will help our overall understanding of the issues.

6.2 Prioritising Intervention

In order to ensure Doncaster Council and St Leger Homes of Doncaster's resources are appropriately focussed, priority will be given to those dwellings that meet the following criteria:

- Dwellings that have been vacant for at least 6 months;
- Dwellings that are having a detrimental effect on the amenity of the neighbourhood;
- Dwellings that are the focus of serious complaints from members of the public;
- Dwelling that form a cluster or wider 'hot-spot' in a particular geographical location.

Doncaster Council and St Leger Homes of Doncaster will continue to jointly monitor all empty homes including those that are not considered to be priority empty properties. This will enable us to identify those properties where non-statutory intervention may bring them back into use before they become priority long term empty dwellings.

Where necessary, a targeted area approach may be identified in which operational and strategic intervention and monitoring may be required.

Proactive empty property work will therefore deal with those dwellings vacant for at least 6 months first of all *although in most cases intervention will be subject to the availability of appropriate resources.*

6.3 Continuation of Empty Homes Grants and the Purchase and Repair Scheme

The remaining resources for these products that are currently available are limited, and therefore the impact from these initiatives within the current budgetary constraints will be small without additional resources being committed. Consequently, this policy framework will seek to secure additional resources that will enable empty homes grants to continue.

6.4 Consideration of an Empty Homes Loan Scheme

Consideration will be given to the introduction of a loan scheme for long-term empty properties. The details of the product, eligibility and any criteria linked to the loan would need to be established as part of the consideration of introducing such an initiative. If introduced, the product to be made available would most likely be a low interest loan to owners of long-term empty properties, and be subject to a number of terms and conditions.

Development of such a product would be reliant upon securing additional resources. Consequently, this policy framework will seek to secure additional resources that will enable empty homes loans to be introduced.

6.5 Owner and Landlord Liaison and Engagement

Doncaster Council and St Leger Homes of Doncaster will continue to work closely with the owners and landlords of privately owned empty properties. Primarily this will through the provision of advice made available on our respective websites, specific targeted campaigns or through direct contact. Where appropriate, specific events to engage with landlords and owners will be held as and when required, including Landlord Forums.

The purpose of this is to build helpful relationships and offer help and support wherever possible to the owners and landlords of long-term empty properties.

6.6 Seeking additional resources to continue empty property initiatives

The purchase and repair and grant schemes have been successful initiatives in recent years bringing empty properties back into use and providing additional housing.

However, there are now very limited resources available to continue these initiatives. Grant monies are virtually all depleted and acquisition budgets significantly reduced to £600k in 2019/20 and £300k per annum for the three years after that. There is currently no additional grant funding once the existing budget is exhausted. This means the number of properties we will be able to bring back into use in the future will be drastically reduced unless additional funding can be secured.

As part of this policy framework, Doncaster Council and St Leger Homes of Doncaster will, explore further potential funding opportunities to support the introduction and continued delivery of the full range of initiatives highlighted in this policy framework.

It is also proposed that any additional funding secured will form part of a flexible 'pot' that can be utilised to support grants, loans and enforcement activity.

6.7 Property Matching Service

We will explore a Property Matching Service to assist those wanting to sell their empty property and those wishing to buy a property. The scheme would allow sellers, subject to consent, to add their property to a list which could be made available on Doncaster Council and St Leger Homes of Doncaster web pages. This list will also be available to potential buyers or investors.

It will be made clear to both buyers and sellers that Doncaster Council and St Leger Homes of Doncaster will have no part in the buying or selling transaction. This would purely be an introductory service.

6.8 St Leger Lettings

We will continue the valuable working partnership with St Leger Lettings. Where possible we will look to promote the profile of St Leger Lettings as being the agent of choice in the private sector and signpost owners to the service should they be considering renting out their property.

6.9 Partnership Case Management

A partnership delivery group between Doncaster Council and St Leger Homes of Doncaster will be established and will provide a more targeted and joined-up approach to tackling long term empty properties.

By working together and meeting regularly, the group will be able to share intelligence about individual properties and adopt a joint case management approach. The group will particularly focus on specific problematic or challenging empty homes, including those in a poor condition, those that are a magnet for anti-social behaviour, or even those with significant outstanding debt due to unpaid council tax.

Shared intelligence will be collectively analysed and any specific actions or interventions required will be agreed and actioned together. This will help ensure that our limited resources are targeted appropriately and that actions are joined up and complementary.

6.10 Formal Intervention Options (Enforcement)

Doncaster Council and St Leger Homes of Doncaster will look to co-operate with owners and use informal intervention measures where appropriate to improve empty properties and return them to use.

Where these measures fail to secure a desired outcome Doncaster Council will explore more formal enforcement powers where it is considered to be the most appropriate course of action. Some of these powers can be summarised as follows:

- Notices - local authorities have a duty to take appropriate enforcement action where serious hazards are identified in residential properties and a power to take action to deal with any less serious hazards. Notices can be served in relation to housing standards, improvement, prohibition, hazard awareness and emergency measures.
- Empty Dwelling Management Orders - an Empty Dwelling Management Order (EDMO) can allow councils with housing responsibilities to take over the management of some

residential properties that have been empty for more than six months. The council does not take over ownership of the property but can prevent the owner from using it or letting someone else use it whilst the order is in force. A council cannot make an interim EDMO without getting approval from the independent Residential Property Tribunal. The council becomes responsible for the day to day management of the property and must consider the best way to get it occupied. Any costs incurred by the council are recovered from any rental income it receives from tenants. Towards the end of the initial EDMO period (last up to 12 months), councils then assess whether to apply for a final EDMO (last up to 7 years).

- Compulsory Purchase Orders (CPO's) - many local authorities have compulsory purchase powers. Compulsory purchase can be a consideration should the need arise when all attempts to negotiate with owners have been exhausted. There is a detailed formal process to adhere to and requires the approval of the relevant Government Minister.
- Enforced Sales - a process by which the local authority may bring about the sale of a privately owned house where it has incurred the expense of taking statutory based action to deal with a property and where the owner has failed to repay this expense.

The powers are statute based, where a statute confers the necessary rights, a local authority can either recover the expenses incurred through the debt recovery process or by charging the legal title of a property with the debt.

Doncaster Council has a broad range of formal powers for managing empty properties, improving their appearance and ensuring they are safe and secure. These powers can help ensure the negative impact on a community is minimised.

It is important to remember though that any enforcement options are only ever considered as a last resort when all other proactive approaches have been exhausted and any *intervention will be subject to the availability of appropriate resources*.

6.11 Options not being pursued at this time:

A range of other options have been considered in order to bring empty properties back into use, but are not being progressed at this time. Options discounted at this stage include:

- Working With Mortgage Lenders to undertake low level enforcement
- Auction Facility
- Long Term Leasing
- Trusted Supplier Scheme
- Partnership & Social Enterprise
- Homes for £1
- Exemplar Empty Property Refurbishment

- Empty Property Refurbishment Sponsorship
- Sweat Equity
- Homesteading
- Removal of Council Tax Debt/Repayment of Empty Property Premiums

7.0 Monitoring and Review

Delivery of the policy framework will be formally monitored through the Doncaster Growing Together, Housing Delivery Group. In addition, there will be regular monitoring by representatives of Doncaster Council and St Leger Homes of Doncaster to review the ongoing impact of the framework.

8.0 Conclusion

There is an increasing pressure on housing authorities to develop effective empty homes strategies to assist in reducing the number of long term empty homes. There is no single solution that will solve all empty property problems, understanding the drivers for keeping a property empty is a key issue in tackling empty homes.

Additionally, tackling empty properties requires resources. Without adequate funding and resources being made available, the ability to effectively address the issues caused by empty homes is severely compromised. Therefore, the identification and securing of adequate resources will be key to the success of this policy framework.

Having a range of tools from light intervention through to higher level interventions and enforcement will give the ability to offer a broad and balanced approach to achieve a greater level of understanding and success.

There will need to be a strong focus on engagement and assistance as the primary method of returning an empty home back into use. We need to ensure that owners are both encouraged, and where appropriate, required to unlock the potential of their property. However, should such an approach be refused or an unwillingness to engage, then enforcement action may need to be considered where appropriate.

Finally, continued strong working relationships with internal and external partners will be a key element of this framework going forward. The policy framework will also act as a guide on an operational and strategic level when prioritising appropriate resources and intervention.