

## SLDC Housing Advisory Group

### Minutes of meeting held on the 12/02/13

#### Present

Cllr Jonathon Brook(SLDC) – Chair	J McCreesh (SL CALC)
T Whittaker (SLDC)	M Nicholson ( Russell Armer /
D Hudson (SLDC)	Cumbria House builders )
I Withington (SLDC)	J Derbyshire (CRHT)
P Allen (LDNPA)	D Pogson (NPS)
L Campbell (SLDC)	A Willmott (Impact)
G Denwood ( Two Castles)	G Staton (Home Group)

		Action
1.	<b>Apologies,</b> H Irvine	
2.	<b>Minutes of the last meeting.</b> Approved as true and fair record.	
3.	<p><b>Rural Housing Action Plan (TW) – draft plan discussions</b></p> <p>TW introduced the circulated draft Rural Action Plan - its purpose is to</p> <ul style="list-style-type: none"> <li>• give a boost to the provision of rural affordable homes</li> <li>• focus on delivery</li> </ul> <p>Definition of rural was debated. HCA definition is &lt;3000 population but this has the potential for the exclusion of communities in South Lakeland that are considered as rural locally. JD floated &lt;10,000 as the definition from Commission for Rural Communities, and this is the definition they use. They also, have a definition of sparsely rural as &lt;3000.</p> <p>PA suggested that whatever definition we adopt it should reflect what the strategy is trying to achieve, having regard to both definitions and local circumstances. That definition should then be used to inform the HCA what “rural” means on our terms – “Local Circumstances should challenge the norm”.</p> <p>Action plan could draw in Lake District Partnership</p> <p><u>Priority – Evidence base / housing needs</u></p> <ul style="list-style-type: none"> <li>• there is scope for different approaches in different areas as long as they are robust</li> <li>• Choice based lettings information can be used to provide a blunt but up to date tool as long as the right questions (inputs) are used.</li> <li>• View was that CBL information needs to be improved in order for it to provide accurate information on Type and Tenure required now and help provide planning policy evidence.</li> <li>• ACTION - LR to liaise with AW and PA to see how CBL can be utilised further as a tool for housing needs including the identification of need for social housing</li> </ul> <p><u>Priority – Community –led initiatives</u></p> <ul style="list-style-type: none"> <li>• CLT officer post funded for next 2 years – but availability of specific scheme funding is critical.</li> </ul>	LR/PA/AW

	<ul style="list-style-type: none"> <li>● Establish Local Area Partnership Housing sub groups - <ul style="list-style-type: none"> <li>○ Overcome continued resource issues and to enable stronger cascade of message</li> <li>○ Potential to link into Neighbourhood planning groups.</li> <li>○ Some concerns of the suitability of LAP's for the long term policy implementation tool</li> </ul> </li> </ul> <p>ACTION – custom build / self build needs to be encouraged. – ADD TO ACTION PLAN</p> <p>ACTION - clarification of Planning Policy for conversions, building in the countryside. Self build has the potential to provide flexibility in rural areas allowing agricultural workers to satisfy their own needs as long as there are controls in place to ensure homes are kept affordable in the long run.</p> <p>INCLUDE clarification in cross subsidy approach to affordable housing.</p> <p>MN suggested that policy restrictions should be focussed on Principle Home rather than local needs to consider as this reduces the risk for lenders. However there is a balance to satisfy between district wide conditions and the local community expectations.</p> <p><u>Priority - better Stock</u></p> <p>Bring together trusts and estates to discuss ways to improve housing stock</p> <p>ACTION - TW invited considered thoughts on the action plan - please respond directly to Tony</p>	<p>TW</p> <p>DH</p> <p>ALL</p>
4.	<p><b>SLDC Viability Study (IW)</b></p> <p>IW gave overview of Plan Wide Viability study, the tight time scales and the consultation process inviting input from the group on the initial assumptions discussed at the first consultation event which was held earlier on the 7<sup>th</sup> February – the prompt used was circulated and attention was drawn to the invitation letters that had previously gone out and the published presentation. In particular input from the Housing Providers was sought on:</p> <ul style="list-style-type: none"> <li>● The assumption of split on LCHO / affordable rent in rural and urban areas</li> <li>● Rent levels up to 80% market rates set at no more that housing allowance rates, East/West split</li> <li>● % OMV Housing Associations will pay for rental stock for new developments across the district. It was explained that this would be a £m2 value.</li> </ul> <p>IW invited further inputs and clarification of prices by the Friday 15 / 02 /2013</p>	<p>GD,AW,GS Housing Providers</p>
5.	<p><b>LDF updates DH &amp; PA</b></p> <p><u>SLDC position</u></p> <p>The group was informed that the interpretation of the NPPF was beginning to emerge through examinations and the decisions on a case by case basis. There is concern re the meaning of plan preparation. On going changes to planning policy and guidance is resulting in shifting sands. Recent guidance includes -Harmon Guidance, CIL Dec 12</p>	

	<p>A number of main areas of the land Allocation process are under review:-  Plan Viability.  Infrastructure delivery.  Approach to the AONB – decoupling from the main plan  Addressing highways concerns  Approach to Gypsy and Travellers – evidence base for whole plan period.</p> <p>Local Development Scheme has been updated to reflect new challenges and to provide increased certainty of a mechanism for delivery.  The group were advised that the current decisions and government announcements with a focus on viability appear to be worryingly short-termism; however it is clear that policy delivery is intrinsically linked to economic delivery. The LDS includes a time table for CIL  Anticipated that hearings will recommence in May.</p> <p><u>LDNPA position</u>  Published Submission Land Allocation DPD December 2012, Soundness Consultation to begin 22 February. Currently conducting a viability study.</p>	
6.	<p><b>New Homes Bonus Bidding Round</b></p> <p>Details circulated with agenda – approximately £350,000 for 2013 / 2014 to support delivery.  MN sought Council support for further information on managing communities expectations on what NHB and to an extent CIL receipts should and could be spent on.  Action - TW to issue press release to inform Parish Councils and manage expectations</p>	TW
7.	<p><b>Empty Homes update</b></p> <p>LC outlined changes in Council Tax discounts and implications - notes attached below.</p>	
8.	<p><b>Re- Possession Clause in S106 agreements MN</b></p> <p>MN outlined the growing deposit gap as financial institutions are asking for 20 – 25% deposits.  Potential way forward is to build a greater amount of shared equity products altering the repossession clause in the s106 agreements to allow lenders to increase the share of equity to maintain price and thus reduce lending risk.  Potential is that the properties become less affordable.</p> <p>MN to forward further information onto TW/ IW for consideration</p>	MN
9.	<p><b>AOB</b></p> <p>None.</p>	

**Date of next meeting: 14 May 2012, arrive 9.15 for 9.30 start – Town Council Chamber, Kendal Town Hall.**

# Empty Homes Update for Housing Advisory Group

Tuesday 12<sup>th</sup> February 2013

## SLDC - Private Sector Housing Strategy ACTION PLAN

**Continue to provide grants to empty home owners and arrange management of the tenancy by South Lakes Housing on an affordable housing basis** (a sort of 'voluntary' EDMO).

This joint empty homes management scheme with South Lakes Housing is going ahead with an empty home in Steel Street in Ulverston. It was one of the properties badly flooded in 2010. The owners have already spent large sums of their own money trying to repair the property, but without success, and the property is now in its 3<sup>rd</sup> year of being empty with no prospect of being reoccupied.

SLH have drawn up a schedule of works to bring the property up to Decent Homes Standard, then tendered through their procurement process. The property will be repaired then tenanted at a social rent through Choice-based Lettings for a 5-year period.

### (Council Tax)

This same empty home owner we've just been speaking about actually approached us following contact I had made with empty home owners throughout January. **I wrote to owners making them aware of council tax increases on empty homes from April this year.** I targeted empty homes in council tax bands A, B and C, the reasoning being that these are usually the smaller properties which might need less costly repairs.

**In case you're not aware of these council tax increases, they are as follows : -** For homes empty **more than 6 months but less than 2 years**, the 50% discount will be removed and owners will be charged the full 100% council tax

**For homes empty more than 2 years**, a new 50% premium will be added, effectively making the council tax 150%.

I've contacted around 300 empty home owners so far, and have had replies from about 50 of them. Although no-one has been aggressive on the phone, there have been quite a few who are very angry. This tends to be the owners whose properties have been empty for over 2 years and therefore will have to pay 150%. Quite a few of them argue that as their properties have been for sale during a recession, this is an unfair increase. The reason they are not selling might be that the price of some of these properties are unrealistic during this recession. It's also a buyers' market at the moment, and quite a few buyers are dropping out of a chain, or trying to renegotiate during a sale....

However the owners who seem to be the most upset tend to be children who have inherited a parent's retirement flat, where the owners' age is limited to the over-55s. They seem to be particularly vocal, but the reasons are understandable. As well as

paying the council tax (whether the increase is to 100% or 150%), they are obliged to pay **maintenance and ground rent** for a flat, which can amount to around £2,500 a year. If they want to **let** the flat, sometimes they have to pay the management company a £1,000 fee for every new tenant. On looking at the latest Lake District property guide, the properties at Kent Court in Kendal seem to have plummeted in price – one is priced at £45,000 and another is going for auction later this month with a guide price of £30,000+.

I understand from my council tax colleagues that Members will be deciding on exemptions from the new premium sometime this month, and I will be interested to see who will be given an exemption.

It'll also be interesting to see how empty home owners try to avoid paying the 50% premium. All they really need to do is add furniture and say it's a second home, and pay 100% council tax (**give example of Sedbergh owner**). **HOWEVER** the big benefit to SLDC this year will be a larger New Homes Bonus when the figures are taken for empty unfurnished properties in October 2013 – the number of empty unfurnished homes should decrease, as owners either decide to occupy, rent, use as a second home or get an uninhabitable exemption from council tax.. The council tax increases may yet provide a decisive 'push' to empty home owners who up till now have been indecisive about their empty home ...!

**Back to the Action Plan - another item is to :-**  
**Implement a national pilot scheme in South Lakeland for one year, using loans to bring empty homes back into use**

We have been advertising and making owners aware - through our recent contact - of the government's National Empty Homes Loans Scheme – SLDC was chosen to be one of the pilots of this scheme from April this year. Unfortunately we have had no-one interested yet. I have been told by some owners that they feel several factors of the scheme make it less attractive –

For example, the 5% interest ; or the tie-in to affordable rent for 5 years.

However we will continue to advertise the scheme.

**Back to the Action Plan again – another item is to :-**  
**Develop plans with other local authorities for a Cumbria-wide loans scheme to help bring empty homes back into use**

Although as a county we successfully bid for funding from the Cumbria Infrastructure Fund, each local authority would have to match this funding. Loan applications were originally going to be processed through Kent county council's 'No Use Empty' loans scheme, which has been running for over 5 years, however their fee for this service was going to be too high. Eden decided they did not want to be responsible for repayment of loans monies (understandably), so the county council is now limiting loans to a maximum of 2 local authorities with whom they will have a loan agreement. And since there are already other Cumbrian local authorities who have got empty home owners interested in a loan, they will be favourites to work with the county council.

**(YMCA grants of up to £11,000)** – Last year Fylde YMCA on behalf of SLDC, Carlisle, Wyre and Fylde successfully bid for Homes & Community Agency community group funding to re-use empty homes. Grants up to a maximum of £11,000 are available for empty home owners in South Lakeland, with a condition to

let at an affordable rent for 5 years. Unfortunately the interest in grants we have had from empty home owners has been for repairs costing more than £11,000.