

Subject:	Empty Homes Scheme Update	Status:	For Publication
Report to:	Audit & Accounts Committee	Date:	24 February 2025
Report of:	Head of Financial Services	Lead Member:	Leader of the Council
Key Decision:	<input type="checkbox"/> Forward Plan <input type="checkbox"/>	General Exception	<input type="checkbox"/> Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required:	Yes/No	Attached: Yes/No
Biodiversity Impact Assessment:	Required:	Yes/No	Attached: Yes/No
Contact Officer:	Rob Huntington	Telephone:	01706 252409
Email:	robhuntington@rossendalebc.gov.uk		

1. RECOMMENDATION

1.1 That Committee notes the update on the Empty Homes Scheme and actions taken.

2. EXECUTIVE SUMMARY

- Rossendale Borough Council was responsible for administering the Pennine Lancashire Empty Homes Scheme on behalf of itself and other local authorities across East Lancashire.
- Leases on the properties were signed for up to 10 years, with most leases due for termination in December 2024.
- As at February 2025, all 474 properties remaining on the scheme have been returned to their owners.
- Benefits of the scheme have included the Council developing good working relationships with private landlords, housing teams in other local authorities and local housing associations, essential when tackling the current housing crisis.
- In addition, hundreds of families have had a place they could call home for several years, some for the full 10 years of the scheme.
- The scheme was successful in housing families who may otherwise have been homeless due to their personal circumstances as it eliminated many of the barriers often in place in the private rental market and the social housing market.
- The final cost of the scheme was £10.562m consisting of £6.580m revenue and £3.982m capital costs.

3. BACKGROUND

3.1 On 14 November 2012 the Council entered into a consortium agreement with the Homes & Communities Agency (HCA), to deliver a housing purchase and repair scheme. The aim of the scheme was to bring empty properties back into use across East Lancashire. It was agreed with the HCA that the Council would act as an accountable body for five East Lancashire councils: Rossendale, Pendle, Burnley, Blackburn and Hyndburn.

3.2 For all other background information on the scheme please refer to the reports referenced at the end of this report.

4. THE LAST YEAR

4.1 During the last year, managing the scheme has continued to be complex, challenging and rewarding. As properties became empty, negotiations to return these properties to the owners by mutual consent were carried out. Between November 2023 and January 2025, 58 properties exited the scheme.

- 4.2 Ensuring properties met the Decent Homes Standard to let (or to repair damage caused by current tenants) continued to be a key focus in the scheme and on occasion, significant end-of-lease repairs were encountered to bring the properties up to this required standard. The overall cost of repair and refurbishment illustrated the scale of repair works that continued throughout the life of the scheme.
- 4.3 As more leases came to an end, in some cases the 'vacant possession clause' in the lease on some occasions proved problematic where sitting tenants remained. To address this issue, and following specialist legal advice, each property was individually assessed to determine the best course of action. The first principle was always to negotiate with owners to accept sitting tenants at lease end, however they did not always agree. As a result, officers worked closely with neighbouring authorities and with owners to reach mutual agreements. This was important as until local authorities granted a tenant 'Band 1' status, tenants were incredibly unlikely to be offered any alternative social accommodation.
- 4.4 The Council would like to thank and acknowledge Calico and other management agents for their continued role. Their efforts over the term of the scheme are greatly appreciated.
- 4.5 Cabinet has received quarterly updates on the progress of the scheme. Regular project team meetings took place and the Chief Executive is the Project Sponsor (formerly the Chief Finance Officer) to oversee the project.

5. SCHEME OUTCOMES

- 5.1 It is considered important at the scheme end to highlight the impact it has had on tenants across East Lancashire. The scheme was successful in housing families who may otherwise have been homeless due to their personal circumstances as it eliminated many of the barriers often in place in the private rental market and the social housing market. Some examples are outlined below.

'Family A were placed in temporary accommodation provided by the Empty Homes Team, as requested by Housing Options, outside of Rossendale. Despite the family facing significant challenges related to anti-social behaviour, their placement in this property ultimately led to a successful resolution. Through effective negotiation with the landlord, an agreement was reached for the family to remain as sitting tenants. This positive outcome not only reduced the cost of temporary accommodation for the Council but also enabled the family to secure an assured shorthold tenancy. As a result, they have successfully settled into the community and still remain in the property.'

'Tenants B and C were long-term tenants in the Empty Homes Scheme, originally housed by AAW, and had resided in their property for nearly 10 years. Unfortunately, negotiations with the property owner to retain them as sitting tenants were unsuccessful due to previous issues related to anti-social behaviour. In response, the Empty Homes Team collaborated with local authorities and registered housing providers to support the tenants in securing long-term social housing. Through these efforts, both tenants have successfully relocated to appropriate properties. They are now receiving ongoing support from their social housing provider, particularly in areas such as tenancy management and budgeting, to help them maintain stability and integrate into their new homes.'

'Families C and D, both Afghan refugees, were placed in properties through the ARAP scheme by the Housing Options Team. These homes were their first tenancies in the UK. Family C was housed in a property in Blackburn, where successful negotiations with the landlord allowed them to remain as sitting tenants. Family D, however, could not stay in their initial property after the lease expired. The Empty Homes Team located an alternative solution and identified

a property on the same street as Family C, also owned by the same landlord. This property, a former empty home that was returned to the landlord at the lease's end, was now being rented privately. Through further negotiation, the landlord agreed to house Family D. Both families now live on the same street and they have settled into an area that aligns with their cultural needs.'

'Family E struggled to secure suitable housing. The lack of large properties available through B With Us, coupled with their inability to secure private rental housing due to not having a guarantor, added to their difficulties. Through close collaboration with the local authority and the support of their MP, the Empty Homes Team worked to assist the family in finding long-term housing in a location convenient for the children's schools. The family has recently moved into a new property that meets their needs.'

- 5.2 The final cost of the Empty Homes Scheme is £10,562m. Of this £6.580m was revenue and the balance related to capital spend on the renovation of the properties. Included in this amount is a provision of circa £1m for loans made to property owners that are recoverable by way of land charges. The Council will recover these amounts reducing the overall cost of the scheme.
- 5.3 The aim of the Empty Homes Scheme was to bring neglected and sub-standard housing back into use and support the housing challenges that existed across East Lancashire. In this regard the scheme has been successful and significant numbers of housing stock has been made available for social housing for the duration of their leases. As there is a nationwide shortage of social housing, this has been of significant benefit to East Lancashire. For comparison, the annual cost of housing a family in one room temporary accommodation in 2024 was approximately £20,000 net of Housing Benefit. In some local authority areas, 49p in every council pound is being spent on temporary accommodation due to a lack of suitable accommodation. Despite the significant cost to Rossendale Borough Council of the Empty Homes scheme, East Lancashire has benefitted from the additional social housing stock available and the scheme has had a significant impact on the wellbeing of hundreds of families and individuals.

6. THE FORTHCOMING YEAR

- 6.1 The Council continues to keep the scheme under close scrutiny. It reports to the Council's Programme Board, so robust monitoring has taken place, particularly in relation to the financial progress of the project. Regular updates are provided for the Cabinet and this is the sixth update provided for the Audit & Accounts Committee. Any future issues will be appropriately communicated.

7. RISK

- 7.1 All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:
- Disrepair claims – despite the best efforts of Officers, it is possible that future claims in relation to repairs and other property related costs could be made. The Empty Homes team will deal with these if and when they arise.
- 7.2 The scheme risk register will continue to be reviewed periodically.

8. FINANCE

- 8.1 All financial considerations are contained within the body of the report. Any future financial impact will be considered as and when it arises.

9. LEGAL

9.1 The legal implications are covered in the body of the report. Officers will continue to closely monitor the scheme and instigate and defend proceedings as necessary.

10. CONCLUSIONS

10.1 Since the Council became directly responsible for the management of the scheme in 2014/15, the number of properties in the scheme has reduced from 374 to nil. 474 empty properties have also been brought back into use across East Lancashire. All properties have been returned with a positive outcome, either the tenant has been able to remain in the property and secure a lease directly with the owner / landlord, or, where this has not been possible, the Empty Homes team has worked collaboratively with Housing Options teams both internally and at neighbouring districts to ensure that suitable alternative accommodation has been provided.

Background Papers	
Document	Place of Inspection
Management response to the Lancashire County Council Internal Audit report: "Bringing Empty Homes into Use" (inc the LCC Internal Audit report) Council, 9 December 2015	https://www.rossendale.gov.uk/meetings/meeting/874/council
Empty Homes project Audit & Accounts Committee, 28 July 2020	https://www.rossendale.gov.uk/meetings/meeting/1208/audit_and_accounts_committee
Empty Homes project Audit & Accounts Committee, 28 July 2021	https://www.rossendale.gov.uk/meetings/meeting/1270/audit_and_accounts_committee
Empty Homes project Audit & Accounts Committee, 28 September 2022	Agendas, reports and minutes Rossendale Borough Council