

**Environmental Scrutiny Committee 16<sup>th</sup> June 2011**

**Report of the Director of Adult, Community & Housing Services**

**Progress Report - High Cost Voids**

**Purpose of Report**

1. To update Members on the actions taken in respect of high cost voids since the last report in January 2011.

**Background**

2. It has been reported previously that the council has accumulated a number of properties that require significant investment for one or more of the following reasons:
  - a. Major structural works or long-term underlying maintenance issues/defects
  - b. Prior modernisation/Decent Homes refusals
  - c. Major disrepair costs, in particular external/garden works

3. The following options for dealing with High Cost Voids were supported by Select Committee, and recommended to the Cabinet Member for Housing:
  - a. A programme of disposals to Registered Providers (housing associations) and/or other organisations or individuals
  - b. Recycling of receipts from these disposals to provide additional support to the existing capital funding for High Cost Voids
  - c. Where possible, identifying High Cost Voids that could be adapted for tenants with disabilities, to allow some pooling of budgets and resulting efficiencies
  - d. Demolition and redevelopment where this is overall a financially viable solution
  - e. Partial refurbishment by the council where the incoming tenant is able and willing to carry out certain works themselves

It was noted in the report that we would need to aim for 24-30 disposals initially to kick-start this strategy.

4. In debating this issue, Members have also sought assurance that measures are in place to minimise the number of properties returned to us by tenants as High Cost Voids. In particular, Select Committee required the Housing Working Group to investigate whether tenants who refuse improvements can or should be compelled to accept them.
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**Progress against these recommendations.**

6. The strategy and options to be employed to deal with High Cost Voids were confirmed in a Decision Sheet signed by the Director and Cabinet Member for Housing on 21<sup>st</sup> March 2011.

7. A workshop has taken place with Registered Providers, and officers from Housing Strategy, Building Services, Housing Management and Corporate Resources. Several RPs have submitted expressions of interest in working with us and have received sufficient details to begin working up proposals. There has also been the opportunity for RPs to bid into the Homes & Communities Agency's Affordable Housing Programme for some specific funding that is available for empty homes. Most of our interested RPs have submitted bids, and we have also submitted an expression of interest to the RCA to confirm our partnership approach. Although the funding allocations are expected to be known shortly, the funding will not become available until 2012 onwards, and we have therefore asked RPs whether any of them would be in a position to commence the project in the current year ahead of any grant funding being received.

8. The process to declare surplus the first 24 properties has also commenced, and includes consultation with local members. It is intended that most of the 24 will go to RPs, but if individual properties do not fit with the RP's own stock portfolio they will be offered separately for sale on the open market. A further number will be identified and progressed in due course. Most of the 24 would be suited to refurbishment, but four could alternatively be demolished and reprovided as referred to in paragraph 11.

9. Recycling of receipts can only be implemented when disposals have been agreed and completed.

10. So far only one property has been identified that is potentially suitable for adaptation and may meet the needs of a particular family. An outline scheme has been drawn up, and it is intended that either this property or any other that may be identified will be undertaken as a test project to ensure that it provides value for money and delivers some budget efficiencies.

11. In the current financial framework the council would be cautious about undertaking its own demolition and re provision programme, but this may change as the future shape of housing finance develops. In the meantime, discussions are taking place with RPs about particular sites where we have two or more High Cost Voids.

12. Discussions have taken place with Corporate Resources and Risk Management in order to test the option of letting properties to tenants who can complete part of the work themselves. This will initially be targeted at properties with garden/external work, so that the identified tenant completes the work under licence before being granted the tenancy. The opportunity will be offered to people on our waiting list through Dudley at Home, and a competency assessment is being prepared to ensure a successful outcome.

13. The new financial year has also enabled us to issue some of our High Cost Voids against the budget earmarked for this purpose, and this will mainly be targeted at those at the lower end of the cost spectrum, to return the maximum number into use and generate rental income.

14. The Housing Working Group has examined the issue of tenants who refuse improvements. It was concerned that every effort should be made to persuade tenants to accept improvements, but concluded that older people who refuse should not be compelled to allow the work. Younger and more able tenants should be considered on a case by case basis.

## **Finance**

15. This report is a progress report and has no new financial implications.

## **Law**

16. The Council's budgeting process is governed by the Local Government Act 1972, the Local Government Planning and Land Act 1980, the Local Government Finance Act 1988, the Local and Government and Housing Act 1989 and the Local Government Act 2003.
17. The condition of the Council's housing stock is governed by a range of statutory instruments including Environmental Protection Act 1990, The Housing Act 2004, The Defective Premises Act 1972 and the Occupiers Liability Act 1957 and 1984.

The number and type of disposals envisaged is likely to fall within existing General Consents and is therefore unlikely to require Secretary of State consent.

## **Recommendations**

18. Members are asked to note the contents of this report.



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