

Service Specification for the Provision of:

Empty Property Grant (North Thornaby)

Version:

1

Effective Date:

Review Date:

VERSION	AUTHOR	STATUS	DATE
1	JE	Draft	16.11.22
2			
3			
4			
5			
6			

	NAME	TITLE	DATE
Author	Jane Edmends	Assistant Director - Housing & FSOT	
Reviewers	Sam Dixon	Team Manager – Housing Regeneration	
	Gary Knight	Team Manager – Private Sector Housing	
Authoriser	TBC		

Contents

Section	Detail	Page Ref.
1. Introduction	Purpose of the specification	
2. Service Delivery	Description of the service	
	How to apply	
	The local picture	
	Aims and objectives of the grant funding	
3. Service Requirements	Key Requirements	
	How the grant recipient(s) must ensure effective governance	
	Policies and procedures	
	Service monitoring and reporting	
	The role of the Councils named lead officer	
	The Local Government Ombudsman	
4. Appendix Listing	Appendix 1: <i>Map of the priority area – North Thornaby</i>	
	Appendix 2: <i>Empty property grant Q&A</i>	
	Appendix 3: <i>Service monitoring and reporting</i>	
	Appendix 4: <i>Empty Homes grant conditions</i>	

SECTION 1: INTRODUCTION

1.1 Purpose of the specification

Stockton-on-Tees Borough Council ('the Council') is seeking a partner(s) (grant recipient) to bring empty residential properties back into use on an affordable rental basis within the *North Thornaby Area* (as defined in **Appendix 1**).

This specification and appendix listing sets out the required activities, obligations, standards, and outcomes by the recipient(s) of the Empty Property Capital Grant (£400k*) to be made available by the Council through this procurement exercise.

(*Should additional funding become available during the period of the project this would be discussed with the grant recipient(s), as noted in the **Appendix 2: Empty Property Grant Q&A**).

The project will commence immediately a partner(s) has been appointed and will cease on the 31.3.2025 (the deadline for the commitment of grant monies).

The specification will be reviewed periodically by the Council in consultation with the grant recipient(s) to consider any changes in legislation/regulation, operational requirements, or best practice.

SECTION 2: SERVICE DELIVERY

2.1 Description of the Service

The Council is seeking a partner(s) for the specific reason of returning empty private properties back into residential use within the *North Thornaby Area* (**Appendix 1**).

- The Council will support this initiative by making £400k in capital grant funding available.

(As noted previously should additional funding become available during the period of the project this would be discussed with the grant recipient(s) as noted in the **Appendix 2 Empty Property Grant Q&A**).

- The purpose of the grant is to support the Council's appointed partner(s):
 - Purchase empty long-term and/or problematic dwellings.
 - Improve the condition of these dwellings (specifically to return them to an acceptable lettable standard. Further details regarding 'acceptable lettable standard' is detailed at section **2.4** of this document).
 - Return empty properties to residential use on an affordable rental basis.

Further details of the scheme are detailed in the *Empty Property Grant Q&A* (**Appendix 2**).

2.2 How to apply

To apply for the Empty Property Grant, you need to:

- Complete the award questionnaire:
 - Please answer each question unless directed elsewhere.
 - Provide appropriate supporting information.

2.3 The Local Picture

Within the *North Thornaby Area* (**Appendix 1**) there are cc. 1438 residential properties.

Tenure mix:

- Estimated 37% are owner occupiers.
- Estimated 38% are private rented.
- Estimated 25% are Registered Provider.

Numbers of empty properties:

- Total number of empty residential properties – 127 estimated at any one time.
- Number of long term empty residential properties (empty for a period of 6+months) – estimated at 75.

Residential property type and values:

- Most residential dwellings within the area are 2 and or 3-bedroom terraced houses. The average cost of a 2BH in the area is £60,955 and the average cost of a 3BH in the area is £84,541 (data source: Rightmove 10/11/2022).

EPC data for all residential properties within the area (data source: Government EPC Register <https://www.gov.uk/find-energy-certificate>)

- Not available - 21.9%
- G - 1%
- F - 2.6%
- E - 19.5%
- D - 38.7%
- C - 15.9%
- B - 0.4%
- A - 0%

2.4 Aims and objectives of the Empty Property Capital Grant funding

Aims	<ul style="list-style-type: none"> • To reduce the number of long-term empty residential properties within the target area. • To reduce the number of problematic empty residential properties within the area. • To improve the physical condition of empty residential properties and return them to an acceptable lettable standard. <p><i>Target is to achieve Decent Homes Standard* and secure energy efficiency improvements*.</i></p> <p><small>*DHS definition as per DCLG 'A Decent Home: Definition and Guidance for implementation, June 2006 update.</small></p> <p><small>*BEIS Clean Growth Strategy, commitment to upgrading as many homes as possible to EPC C by 2035.</small></p> <p><i>If this cannot be achieved, agree with the Council the standard the property will be returned to use.</i></p> <ul style="list-style-type: none"> • To increase the number of well-managed and maintained residential properties within the area. • To deliver a quality, affordable housing rental offer. • To support the wider regeneration of the area.
Objectives	<ul style="list-style-type: none"> • To return a <i>minimum</i> of 10 empty private properties to use (with the initial £400k capital grant funding). • To increase the supply of good quality and well managed affordable rented properties. Properties to be made available letting via the Tees Valley Allocation Policy (or its replacement) for a minimum of a 10-year period post return to use. • To ensure sustainable lettings (on this basis the Council is willing to work collaboratively with the grant recipient(s) to mutually agree a Local Lettings Policy). • To bring properties up to the Governments Decent Home Standard* and to improve the energy efficiency* of properties. <p><small>(*as per the above footnote)</small></p>

	<i>If this cannot be achieved, agree with the Council the standard the property will be returned to use</i>
	<ul style="list-style-type: none">• To work collaboratively with the Council to support the regeneration of the target area.

DRAFT V2

SECTION 3: SERVICE REQUIREMENTS

3.1 Key Requirements

To ensure the grant recipient(s) understands the requirements of the Council please refer to *Empty Property Grant Q&A (Appendix 2)*.

3.2 How the grant recipient(s) must ensure effective governance

The grant recipient(s) must communicate effectively, accurately and in a timely fashion with the Council. This must include, but is not limited to, the following requirements:

The recipient(s) must:

Ref	Requirement
A	Provide the Council with a quarterly overview report, detailing scheme progress and spend (actual and anticipated). In this instance 'spend' refers to both the grant provided by the Council and the recipient(s) own resources and/or any additional monies secured.
B	Meet with the Council on a quarterly basis to provide an overview of progress against the scheme.
C	Work with the Council to identify a list of priority properties to target acquisition.
D	Provide the Council with a lead name/s and contact details (email and telephone).
E	Seek approval of the Council before any media responses and/or any press releases are issued.
F	Provide relevant information (including photographs) to support any Council press releases and/or articles to be included in Stockton News.
G	Provide the Council with the name and contact details of a nominated Lead Officer and to update the Council (via email) within 10-working days should this Lead Officer change.

3.2 Policies and procedures

The grant recipient(s) must demonstrate that they have relevant policies and procedures in place to ensure they are compliant with relevant legal obligations. All policies and procedures must be reviewed regularly (at least annually) and where applicable updated to ensure they are fully compliant with relevant legislation.

The grant recipient(s) will provide to the Council upon reasonable request with a copy of its relevant current policies and procedures.

3.3 Service monitoring and reporting

As noted above quarterly monitoring meetings will be held. These will be with a nominated (named) Council Lead and the Grant recipient(s) nominated (named) Lead.

To inform these meetings the Grant recipient(s) will complete and return a Service Monitoring Report – **Appendix 3** (example). This must be supplied to the Council a minimum of 5-working days before date of the quarterly review meeting.

The quarterly (standard) meeting agenda will cover:

- (1) Progress against the minimum 10 empty homes target.
- (2) Grant spend (actual / committed / projected).
- (3) Wider funding secured (the grant recipient(s) own and wider external monies secured).
- (4) Discussion on any issues the grant recipient(s) is experiencing i.e., delay with materials.
- (5) Details of the investment works carried out on each property i.e., a description of the works undertaken (including energy efficiency improvements).
- (6) Publicity opportunities.
- (7) Letting criteria/agreement of Local lettings plans.

Please note: the above is not an exhaustive list.

3.4 The Role of the Council's nominated Lead Officer

The Council Lead Officer will oversee the grant award, they will meet with the grant recipient(s) to identify suitable properties and hold minimum quarterly meets to discuss the progress of the scheme. In addition, they will be the Councils Single Point of Contact (SPOC) for general enquires relating to the scheme.

3.5 Local Government Ombudsman

If a complaint is made to the Local Government Ombudsman (LGO) relating to the service provided by the grant recipient, the LGO has the power to investigate such a complaint and the Council requires the grant recipient(s) to co-operate fully in such an investigation.

APPENDIX 1: North Thornaby Area



North Thornaby.pdf

DRAFT

APPENDIX 2: Empty Property Grant Q&A

Qu 1. What is the purpose of the capital grant?

The grant is intended to purchase, repair, and return empty properties to use (as affordable homes). It is expected that each property will be improved to the Governments Decent Home Standard and will support improvements to the property's energy efficiency.

*DHS definition as per DCLG 'A Decent Home: Definition and Guidance for implementation, June 2006 update.

*BEIS Clean Growth Strategy, commitment to upgrading as many homes as possible to EPC C by 2035.

If the above standard cannot be achieved, the grant recipient(s) will agree with the Council an acceptable lettable standard prior property standard.

The grant should not be used to pay for associated staffing costs or day-to-day revenue costs.

Qu 2. Who can apply for the grant?

As properties must be returned to use as an 'affordable' rented dwelling. The grant recipient must be registered as a not for profit / or for-profit Registered Provider with Homes England.

Qu 3. Can community and voluntary groups bid in partnership with a Registered Provider and separately in their own right?

Yes. Community and voluntary groups can bid where they intend to work in partnership with a Registered Provider. In this instance clarification must be provided on who will be the grant recipient(s), who will be the owner of the property and who will be the landlord.

Qu 4. Can Registered Partners bid in partnership?

Yes, however as part of their bid submission details should be provided on how the grant monies will be allocated between the partners.

Qu 5. What is the value of the grant?

The total value of the initial grant award is £400k.

Should additional capital funding become available during the period of the project, the Council will notify the grant recipient(s) of the value of additional grant and agree additional project outcomes before the grant is awarded.

Qu 6. Is there a minimum number of properties the grant must return to use?

Yes, a minimum 10* (with the £400k capital grant).

See **Qu 15 & 16** regarding the conversion of units.

Qu 7. If the grant recipient(s) is successful in spending the £400k grant and returning a minimum of 10 properties to use would further grant funding be available?

The Council cannot commit to additional funding at this stage. However, as noted in **Qu 5** should additional monies become available this would be discussed with the grant recipient(s).

Qu 8. What can monies be used for?

Grant monies can be used to fund property acquisition and associated costs (for example surveys and estate agent fees) and to carry out all necessary repairs and improvements to

ensure properties are improved to an acceptable lettable standard (as defined previously in this document).

Grant monies cannot be used to fund associated staffing costs and/or day to day revenue costs.

Qu 9. Can grant monies be used to return empty Registered Provider properties back to use?

No, grant monies cannot be used to bring empty homes owned by the grant recipient(s) back into use. If the property is owned by another Registered Provider, then prior agreement (in writing) must be secured from the Council before the property is purchased.

Qu 10. What is the timescale of the project?

All grant monies (the initial capital grant and an additional grant monies) must be fully committed by the 31.3.2025.

Qu 11. Follow up question to the above, does this mean the property must be returned to occupation by the 31.3.25?

No, it is expected that the property will be purchased, and refurbishment works are ongoing, and all capital monies are fully committed.

Qu 12. What would happen to any grant funding not committed by the grant recipient(s) as of 1.4.2025?

Uncommitted grant monies will be retained by the Council.

Qu 13. What will happen if the grant recipient(s) overspends?

It is expected the grant recipient(s) will meet such funding commitments from their own resources.

Qu 14. Is there a specific grant amount awarded to each property?

No, as property values and repair condition will vary. However, the grant recipient(s) must return a minimum of 10 properties to use.

Qu 15. Can grant monies be used to purchase a House or Building of Multiple Occupation?

Yes, however only if the grant will result in the conversion of a unit into self-contained accommodation with a separate kitchen, bathroom, bedroom and living room. In such instances, prior agreement must be secured from the Council.

In this example it will be the number of self-contained accommodation units which would be counted as 'returned to use' (not the original number of units in the House or Building of Multiple occupation).

Qu 16. Can grant monies be used for property conversions?

The Council will consider conversion of a large family home into self-contained flats if housing demand can be evidenced. In such instances, prior agreement must be secured from the Council.

In this example only 1 dwelling (the original large family unit) would be counted as 'returned to use' (not the number of converted residential units).

Qu 17. Do all properties need to be long-term empties (empty for 6+months)?

Any property vacant for less than 6 months needs to be agreed with the Council.

The Council for example will consider problematic empties which have been vacant for less than 6 months and/or the grant recipient(s) has a rationale for purchase i.e., may support the sustainability of a street. In such instances prior agreement needs to be secured from the Council.

Qu 18. How will the Council support the grant recipient(s) identify suitable properties?

The Council has an Empty Homes Officer who will meet with the grant recipient(s) on a regular basis to identify potential properties, provide relevant background information and property owner contact details if known.

Qu 19. Must all properties (once purchased and returned to an acceptable lettable standard) be made available for letting by Tees Valley HomeFinder or its replacement?

Yes, for both initial and subsequent lets for the initial 10-year period. The Council will consider the introduction of Local Lettings Plans to support sustainable lettings, however a Local Lettings Plan must be agreed with the Council prior implementation.

The Council will consider alternative letting routes should lettings via Tees Valley HomeFinder (or its replacement) not prove to be a viable option.

Qu 20. Can the property be sold on the open market once purchased and returned to use?

This would need to be the exception and not the norm and in all instances:

- (a) Would require prior agreement of the Council.
- (b) Council grant funding awarded to this property would be repaid to the Council and/or with the prior agreement of the Council used to bring a replacement property back into use.

Qu 21. Can the grant be used for lease and repair?

Generally, no. However, if the grant recipient can evidence that this is the only viable option to return a property to a property to use then this option may be considered. However, before grant can be used, prior approval must be secured (in writing) from the Council.

Qu 22. How will the grant be paid?

The grant will be paid by the Council in arrears and on a quarterly basis. The Council will require a quarterly invoice which details the value of the grant payment being sought (and which properties this relates too). The exact detail to be provided on each invoice will be agreed with the grant recipient(s) before the project commences (see **Appendix 3**).

Qu 23. In addition to purchasing and returning properties to residential use, will any other requirements be placed on the grant recipient(s)?

Yes, the grant recipient(s) is expected to be an active partner with the Council to support the regeneration of the target area. This will include for example, attending community/residents' meetings, attending wider partnership meetings, and providing publicity material as requested). It should be noted this is not an exhaustive list.

APPENDIX 3: Service monitoring and report

Detailed below is the minimum information which will be required by the Council (and will inform the quarterly grant payment). The Council will seek the views of the grant recipient(s) on any additional information which would be useful to include. Following this the Council will issue the grant recipient(s) with a finalised Service Monitoring Report.

For each property targeted to return to use:

- (a) *Current status* – offer made / offer accepted / acquisition pending (anticipated purchase date) / property acquired / property inspection concluded / repairs ongoing (anticipated completion date) / property complete, and property advertising ongoing / date let.
- (b) *Details of property improvements* – overview of the improvement works to be completed (including energy efficiency works) / EPC rating before and after improvement works.
- (c) *Costs* – details of the individual property purchase cost (purchase price and all associated costs) / value of improvement works completed / value of the Empty Property Grant allocated by the recipient(s) to this property / value of the recipient(s) own monies to this property / details of any other monies and or grants allocated to this property.

Costs – as above but on a cumulative basis as the number of properties are purchased and returned to use.

- (d) *Property returned to use* – how long was the property empty before its first letting via this scheme?

Has the property become void once since it was returned to use via this grant scheme YES/NO. If 'yes', please provide details of the void period and any subsequent lets.

- (e) Supporting information to be supplied – proof of ownership (e.g. copy of land registry) / an itemised specification schedule to return the property to an acceptable lettable standard.

General information:

- (a) Details of 'good news' stories relating to the scheme.

Timescales:

	Deadline for reporting the Service Monitoring Report	Anticipated timescale for the Service Monitoring Meeting
Quarter 1	Final week of July	2 nd week of August
Quarter 2	Final week of October	2 nd week of November
Quarter 3	Final week of January	2 nd week of February
Quarter 4	Final week of April	2 nd week of May

Appendix 4: Empty Homes Grant Conditions

1. The purpose of the grant is restricted to purchase and repair empty dwellings. It should not be used for staff costs associated with the scheme, or day-to-day revenue costs.
2. Appendix 1: <i>Map of the priority area – North Thornaby</i> details the areas which this grant is restricted to.
3. The grant award (£400k) is intended to return a <i>minimum</i> of 10 empty private properties to use.
4. Properties purchased with the grant will be made available for letting on an affordable rental basis via the Tees Valley Allocation Policy (or its replacement) for a minimum of a 10-year period post return to use. This includes both the initial and any subsequent lettings during this period.
<p>5. The grant recipient(s) will bring the property up to a standard and condition suitable for an affordable housing letting (the Governments Decent Home Standard* / whilst also delivering energy efficiency improvements).</p> <p><small>*DHS definition as per DCLG 'A Decent Home: Definition and Guidance for implementation, June 2006 update.</small></p> <p><small>*BEIS Clean Growth Strategy, commitment to upgrading as many homes as possible to EPC C by 2035.</small></p> <p><small>*If this cannot be achieved, agree with the Council the standard the property will be returned to use.</small></p>
6. As a condition of the grant, during development and thereafter the grant recipient(s) must insure the property for its full replacement value.
7. If grant monies are not committed (i.e. the recipient can evidence a sale is pending and/or repair costs are committed) then grant monies not committed by 1.4.2005 these will be retained by the Council.
8. Once a property is returned to occupation the grant recipient(s) will provide a responsive repairs service to maintain the properties to a high standard free from Category 1 hazards.
9. The grant recipient(s) is expected to be an active partner with the Council in the regeneration of the North Thornaby area. This will include for example, attending community/resident's meetings, attending wider partnership meetings, and providing publicity material as requested). It should be noted this is not an exhaustive list.