
Empty Property Refurbishment

To: **Governance and audit Committee: 15th March 2016**

Main Portfolio Area: **Communities**

By: **Bob Porter, Interim Head of Housing**

Classification: **Unrestricted**

Summary: This report gives members a summary of the external audit of the Council's empty homes programme completed by Grant Thornton UK LLP. The audit was commissioned at the request of the Homes and Communities Agency (HCA).

The audit identified 7 recommendations, all of which have now been implemented. As a consequence of the audit and the implementation of the recommendations, the HCA confirmed the Council's 'good standing' and its continued investment partner status on 29 January 2016.

For Information

1.0 Introduction and Background

- 1.1 The Council's Empty Property Intervention provided 30 homes for affordable rent and was supported by a grant of £535,000 from the Homes and Communities Agency (HCA). The programme enabled the Council to acquire and refurbish previously empty homes. A condition of the funding was that all of the 30 homes would be completed by 31 March 2016.
- 1.2 The programme proved challenging to deliver for the HCA, partly because of the complex nature of refurbishing previously empty and potentially derelict buildings. The Council's programme had completed 17 of the 30 homes by 31 March 2016. The remaining 13 have been completed subsequently and all are now occupied.
- 1.3 The Council had claimed all of the £535,000 grant from the HCA by 31 March 2016, although it was not eligible to claim for uncompleted homes. As a consequence the HCA requested that the Council commission an external audit of the programme and suspended other funding for the construction of new homes whilst the audit was completed.
- 1.4 The audit was completed and submitted to the HCA in its final form on 11 November 2015. A copy of the audit report made 7 recommendations and is attached at Annex 1. The report also concluded that the Council had over claimed grant totalling £91,242 from the HCA; this amount has been returned to the HCA, together with interest of £192. The HCA responded to this formally on 15 December 2015 (letter attached at annex 2) and set out a number of conditions related to the audit recommendations, that the Council would need to address before further funding could be released.

1.5 The recommendations of the audit have now been fully implemented and the HCA wrote to the Council again on 29 January 2016 (letter attached at annex 3) confirming the Council's 'good standing' and confirming the Council's continued status as an investment partner. This now means that suspended HCA funding for the Council's new build programme, totalling £1.4m, is now available to be used to support the construction of 58 new homes over the coming 2 years.

1.6 New internal control processes are now in place governing the Council's continued HCA funded housing development activities to ensure that conditions of grant funding are fully met before grant claims are submitted. The Housing Revenue account new build programme has been reported to Cabinet and the budget position will be reported as part of regularly quarterly budget monitoring.

2.0 Options

2.1 Members are asked to consider the contents of this report.

3.0 Corporate Implications

3.1 Financial and VAT

A grant repayment of £91,242, together with interest of £192, has been returned to the HCA funded from the Housing Revenue Account balances.

3.2 Legal

There are positive crime and disorder implications arising from the report, including tackling anti-social behaviour that is often associated with empty properties.

3.3 Corporate

The Council's agreed corporate priorities include, 'ensuring local residents have access to good quality housing'. Both the empty property intervention programme and the new build programme support this objective.

3.4 Equity and Equalities

Access to new homes provided through the empty property intervention programme and the new build programme is through the Council's agreed allocations policy. This policy has taken into account equity and equalities considerations. The programme fosters good relations in accordance with the Council's Public Sector Equality Duty.

4.0 Recommendation(s)

4.1 Members are asked to note:

- 1) The contents of this report and the audit findings and recommendations, that are set out in annex 1.
- 2) The formal response from the HCA set out in annexes 2 and 3.

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Annex List

Annex 1	Grant Thornton Audit Report
Annex 2	Letter from HCA dated 15 December 2015
Annex 3	Letter from HCA dated 29 January 2016

Background Papers

Title	Details of where to access copy
<i>None</i>	

Corporate Consultation Undertaken

Finance	Nicola Walker, Interim Head of Finance
Legal	Ciara Feeney, Head of Legal Services and Deputy Monitoring Officer