

North Lanarkshire Council Report

Communities and Housing Committee

approval noting

Ref PH/CA

Date 20/11/19

Update on Open Market Purchase Scheme

From Pamela Humphries, Head of Planning and Regeneration

Email arbucklec@northlan.gov.uk

Telephone Catriona Arbuckle
Development Officer
01698 274105

Executive Summary

The purpose of this report is to provide an update on the progress of the Open Market Purchase Scheme (OMPS) which is an extension of the Empty Homes Purchase Scheme (EHPS). The schemes enable acquisition of properties that are for sale on the open market and are predominately former public sector stock. The acquisition of these properties increases housing supply to meet housing need and can potentially enable progression of common works in mixed tenure blocks. It also allows empty properties that may be causing a blight in the local community to be brought back into use.

Recommendations

It is recommended that the Committee;

- 1) Note the contents of the report
- 2) Note that a further update will be provided to committee in 6 months

The Plan for North Lanarkshire

Priority Improve economic opportunities and outcomes

Ambition statement (1) Ensure a housing mix that supports social inclusion and economic growth

1. Background

- 1.1 The purpose of this report is to provide an update on the progress of the Open Market Purchase Scheme which is an extension of the Empty Homes Purchase Scheme. The Open Market Purchase Scheme is helping to increase the supply of housing to meet housing need as part of the Council's new supply programme.
- 1.2 In 2013 the Council established a scheme to purchase empty homes which was particularly targeted at long term empty properties, particularly those that were falling into disrepair or blighting the local communities. Since inception, the Empty Homes Purchase Scheme has brought 175 empty properties back into use at an average cost of £66,000.
- 1.3 In August 2017 the Enterprise & Housing committee considered and approved recommendations in a report that set out the Ambition plans of Enterprise and Housing Resources, including proposals to further increase housing supply over the coming years and develop options to re-provision existing housing stock and transform town centres.
- 1.4 In addition to the Empty Homes Purchase Scheme the Enterprise and Housing Committee approved the development and implementation of an Open Market Purchase Scheme on 15th February 2018 and set a target of acquiring 100 properties per annum.
- 1.5 Given the level of interest in the scheme, and the number of properties which were being considered, it was projected that up to 100 properties could be purchased in 2018/19. As at 31 March 2019 a total of 130 properties had been purchased exceeding our original target.
-

2. Report

- 2.1 Given the level of interest in the scheme, and the number of properties which are currently being considered, it was projected that up to 150 properties could be purchased in 2019/20.
- 2.2 The Open Market Purchase Scheme has proved to be very popular with over 884 enquiries/ applications. Between 1 April 2019 and 11 October 2019, 68 properties have been purchased with a further 41 at conveyancing stage and 35 being surveyed. The locations of the properties purchased are outlined below:

2019/20	
Area	Number of Properties
Airdrie	18
Bellshill	6
Coatbridge	17
Cumbernauld	6
Kilsyth	3
Moodiesburn	1
Motherwell	10
Shotts	0
Viewpark	0
Wishaw	7
Total	68

- 2.3 Of the properties purchased so far this financial year, 25 are categorised as having been long term empty properties, and 43 have been purchased through the Open Market Purchase Scheme, although in effect the two schemes have now been merged into one. All of the properties purchased were former council or Development Corporation properties.
- 2.4 There are six owners within the first phase of the re-provisioning programme who will require to be bought out, and engagement with these owners has taken place. Four owners have now sold their properties to the council, and discussions are taking place with the remaining two. In addition there are a small number of owners in the remaining multi storey flats, all in Motherwell. Taking account of the future proposed investment in these towers to enhance fire safety, including installation of sprinklers, all owners have been approached resulting in two owners selling their property to the council and an offer has been made to the remaining owners for the council to purchase their flat as soon as possible. It was previously agreed by committee that should owner occupiers wish to remain in the flat as a council tenant they should be allowed to do so.
-

3. Equality and Diversity

3.1 Fairer Scotland Duty

The purchase of additional homes will contribute to meeting housing need and therefore help address inequality.

3.2 Equality Impact Assessment

There are no Equality Impact Assessment implications arising from this report

4. Implications

4.1 Financial Impact

4.1.1 A budget of £12.5m has been allocated to fund the purchase and repair of the 150 properties through the Empty Homes Purchase Scheme and the Open Market Purchase Scheme, which have been brought together as one overall Buy Back Scheme. This includes a contribution of £1.5m from the Scottish Government.

4.1.2 As at Period 7 £3.674m has been spent on acquisition and repair, and £3.479m has been committed. The average purchase price of the properties acquired so far is £66,000 excluding repairs

4.1.3 Funding to acquire properties from owners in the towers/ Phase 1 re-provisioning will be contained within the overall Buy Back budget.

4.2 HR/Policy/Legislative Impact

There are no HR/Policy/Legislative impacts.

4.3 Environmental Impact

The properties purchased will be brought up to the Scottish Housing Quality

Standard, which may improve their thermal efficiency and help reduce carbon emissions.

4.4 Risk Impact

There are no specific risks arising out of the proposal.

5. Measures of success

- 5.1 The acquisition of these properties helps the Council meet its Local Housing Strategy objectives to increase housing supply to meet identified need; help bring empty properties back into use, and help improve housing conditions.
-

6. Supporting documents

- 6.1 No appendices



Pamela Humphries
Head of Planning and Regeneration