

North Lanarkshire Council Report

Housing and Regeneration Committee

approval noting

Ref PH/CA

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Update on Open Market Purchase Scheme Programme of Work P013 (2)

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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 204 empty properties back into use at an average cost of £64,000.
- 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 flatted 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. In 2018/19 this target was exceeded and 130 homes were purchased in total. In 2019/20 this number also exceeded and 143 properties were purchased in total.
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2. Report

- 2.1 The Open Market Purchase Scheme has proved to be very popular with over 1,723 enquiries/ applications. In addition to enquiries / applications, New Supply Team staff proactively engage with sellers and their agents within all areas of North Lanarkshire. This allows targeted identification of potential properties to acquire where identified demand exists or to support and enable progression of common works in mixed tenure blocks. Between 1 April 2020 and 30 September 2020, 26 properties have been purchased with a further 39 at conveyancing stage. The locations of the properties purchased are outlined below:

2020/21	
Area	Number of Properties
Airdrie	4
Bellshill	1
Coatbridge	6
Cumbernauld	0
Kilsyth	2
Moodiesburn	0
Motherwell	2
Shotts	4
Viewpark	1
Wishaw	6
Total	26

2.2 Apartment size by areas -

	2 Apartment - 1 bedroom	3 Apartment - 2 bedroom	4 Apartment - 3 bedroom	5 Apartment - 4 bedroom
Airdrie	1	2	1	
Bellshill		1		
Coatbridge			4	2
Cumbernauld				
Kilsyth		2		
Moodiesburn				
Motherwell		1	2	
Shotts		2	1	1
Viewpark	1			
Wishaw		4	1	
	2	12	9	3

2.3 Of the properties purchased this financial year, 9 are categorised as having been long term empty properties, and 17 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. Five owners have now sold their properties to the council, and discussions are taking place with the remaining owner. In addition there are a five owners in the remaining multi storey flats, all in Motherwell. The Committee previously agreed that the council should seek to purchase these flats and allow owner occupiers to remain as council tenants, should they wish. To date two flats have been purchased and discussions are progressing with the other owners regarding the potential for the council to buy back their flats as soon as possible.

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 was allocated in 2020/21 to fund the purchase and repair of 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 £3m from the Scottish Government.

4.1.2 As at Period 6 £933,929 has been spent on acquisition and repair, and £4.2m has been committed. The average purchase price of the properties acquired in 2019/20 was £64,256 and average repairs cost was £16,914. The average purchase price to date is £66,347, and the estimated average cost of repairs is £15,000.

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



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