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**To: Housing and Community Safety Policy Board**

**On: 17 May 2016**

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**Report by: Director of Development and Housing Services**

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**Heading: Empty Homes Loan Fund - “Homes Again Renfrewshire”**

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**1. Summary**

- 1.1 The Empty Homes Loan Fund is a national programme that is delivered locally by Renfrewshire Council under the “Homes Again Renfrewshire” initiative the key aim of which is to bring private sector empty homes which have been lying empty for more than six months back into use.
- 1.2 The purpose of this report is to seek approval from the Board to amend the eligibility to the existing Empty Homes Loan Fund and enable loans to be issued to companies as well as to individuals.
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**2. Recommendations**

It is recommended that the Board:

- (i) Agrees that the criteria for eligibility to the Empty Homes Loan Fund be amended to allow loans to be issued to companies which own one or more long term empty homes and meet the relevant criteria.
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**3. Background**

- 3.1. The Housing and Community Safety Policy Board of August 2013 approved the arrangements for the Homes Again Renfrewshire Initiative as a means of issuing interest free loans to the owners of long term empty properties. Authority is now sought to amend the criteria to enable loans to be issued to companies such as landlords, businesses or property developers.

- 3.2. Making this adjustment to allow the Council to lend to companies would only require minimal procedural changes to the existing loan fund and would widen the range of empty homes that could be targeted for financial assistance in order to bring them back into use. In this respect it is noted that while there has been enquiries made into the Loan Fund, since its launch none of the expressions of interest have resulted in a loan being issued.
- 3.3. Apart from the proposed change to enable loans to be issued to companies, the other key criteria agreed in August 2013 would remain in place:
- Priority will be given to properties which meet the objectives of the Local Housing Strategy.
  - Awards of loans will be determined by the cost of the essential work required to bring the property up to standard.
  - Properties with major structural defects, requiring substantial external works will not be considered.
  - Loans are conditional on the property being rented out for affordable housing for 5 years; deviation on this could result in interest being applied to the loan.
  - Loans are secured against the property.
  - There must be double the amount of free equity in a property of the loan amount required.
  - Loans of up to £15,000 can be given per property
- 3.4 In 2014, the Scottish Government relaxed the conditions on the Empty Home Loan Fund to enable owners to sell properties following repair/ improvement rather than requiring them to be available for below-market rent. In order to ensure that this loan funding is targeted to provide housing which is affordable, the revised scheme identifies price band thresholds which properties must fall within. On the completion of a sale, loans require to be paid in full.
- 3.5 The risks to the Council are limited as a security against the property would be taken should the company have insolvency issues. Each case would also be assessed on its individual merits. Companies will have to provide a risk register, company accounts, costings and cash flow details and any relevant supporting details about the works required and how it will be managed.
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## Implications of the Report

1. **Financial:** The Council's loan fund budget is £150,000; with 60% of the funding to be repaid to the Scottish Government by the Council by 2019/20 and the remainder by 2023/24.
2. **HR & Organisational Development:** None
3. **Community Planning Safer and Stronger** – Bringing empty properties back into use will contribute to communities being safer as occupation is the best form of security. Empty properties can act as a magnet for antisocial behaviour and can contribute to the deterioration of a neighbourhood, especially when in high concentration.

4. **Legal**  
The loan fund agreement will be supported by Legal Services to ensure that all legal requirements are met.
  5. **Property/Assets - None**
  6. **Information Technology**  
None.
  7. **Equality & Human Rights**  
The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because it involves a minor change to the existing conditions for providing loan funding for long term empty properties.
  8. **Health & Safety**  
None.
  9. **Procurement**  
None.
  10. **Risk** – The loans will be repaid through the rental income generated by the property when it is leased out after being refurbished.
  11. **Privacy Impact**  
None
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### **List of Background Papers**

- (a) Background Paper 1 Homes Again Renfrewshire – Empty Homes Loan Fund, Housing and Community Safety Policy Board, 27 August 2013.
- (b) Background Paper 2 Local Housing Strategy Update 2014 – Housing and Community Safety Policy Board, 11 November 2014

The foregoing background papers will be retained within Development & Housing Services for inspection by the public for the prescribed period of four years from the date of the meeting. The contact officer within the service is Kathryn Kelly, Empty Homes Officer, 0141 618 6262, [kathryn.kelly@renfrewshire.gov.uk](mailto:kathryn.kelly@renfrewshire.gov.uk)

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