

## **Home and Social Development Strategic Policy Committee Working Group on Vacancy**

### 1 Introduction

Following a notice of motion at the June 2022 meeting of the Home and Social Development SPC it was agreed to set up a Working Group to examine the issue of length of time taken from when a Council dwelling becomes vacant to when it is re-tenanted.

The Group was chaired by Cllr. Stephen Keary and the members of the group were:

Cllr Tom Collopy, Cllr Catherine Slattery, Cllr Sharon Benson, Cllr Joe Leddin, Cllr Fergus Kilcoyne, Cllr Sarah Kiely Cllr Bridget Teefy, Cllr Tom Ruddle, Cllr Conor Sheehan and Tracy McElligott

The SPC Working Group held 4 meetings as follows:

- 15<sup>th</sup> September
- 27<sup>th</sup> September
- 12<sup>th</sup> October
- 24<sup>th</sup> November

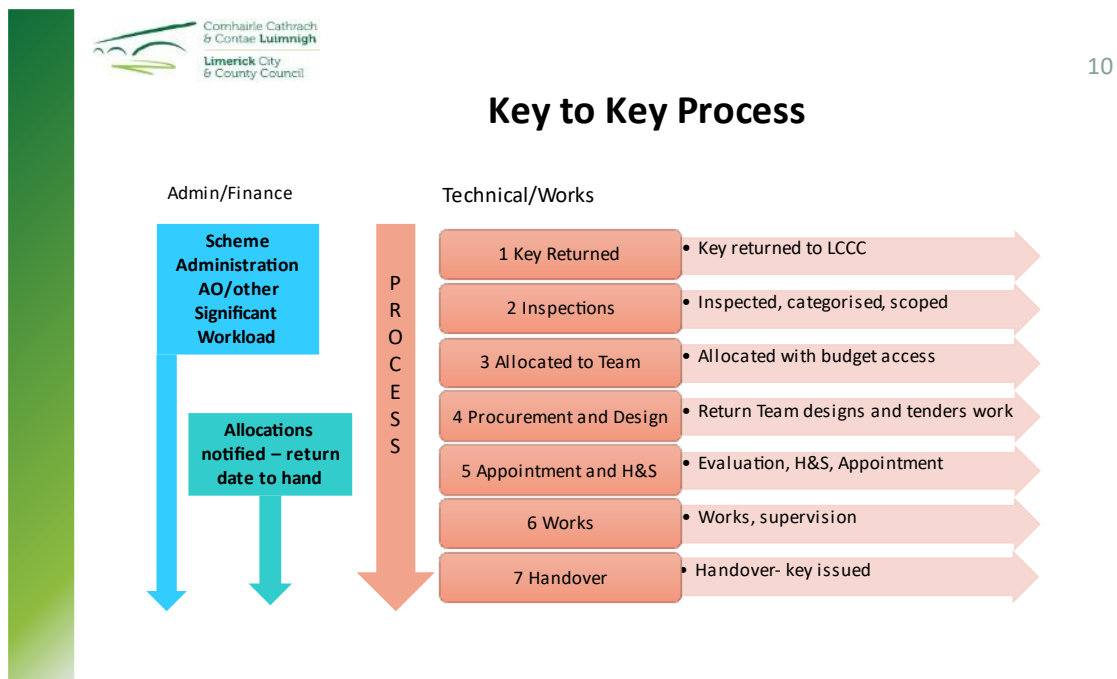
This first meeting focused on Units in LCCC's Stock (Part1) and the following topics were discussed:

- The Return process (Housing Maintenance, Housing Construction and Regen)
- Staff Resources
- Funding Resources
- Continuous improvement using opportunities as they arise

The second meeting Part 2 dealt with the process around the inclusion of new units (such as derelicts) to the housing stock (i.e. new additions from already built dwellings). It provided more detail around the key-to-key sequence for Housing Maintenance (HM) and Housing Construction (HC) and reviewed the housing maintenance tracker.

The third and fourth meeting expanded on some of the earlier discussions and also included presentations from Allocation and Sustainment. In addition Community gave presentation on derelict sites and properties that are compulsory acquired under the Derelict Sites Act.

## 2 Key to Key Process



### Key Points:

- Underpinned by Admin & Finance
- Conveyor belt type of approach
- Requires a huge amount of interaction between teams
- Allocations work in parallel to the process
- Initial assessment is key as it speeds up the whole process, either goes to housing construction or housing maintenance.
- Designated team look after procurement and design
- Procurement routes, allow engineers to be agile
  - Direct Labour (council staff)
  - Contractors
- Health and safety process must be followed based on the specifics of the job
- Supervision & handover
  
- Turnover of 100-120 houses per year.
- Current DHLGH funding of €11,000 per unit. Balance must come from own resources.

### 3 Funding

The Council in Budget 2022 made a provision of €790,000 to deal with pre lets and voids.

The DHLGH under the Voids Funding Programme allow a grant of on average €11,000 per unit.

However, the average expenditure per unit in 2022 is €25,500 thus requiring the shortfall to come from own resources. As a result, houses that required substantial funding in previous years were left vacant with a view to getting the maximum no of houses returned at the lowest cost.

There will always be vacant houses and the no of vacant houses will vary over any period of time. In general, 100-120 houses are returned to Council each year. At the end of 2021 our housing vacancy rate was 4.01%. The national Average was 3.24%. (NOAC Report 2022).

In an effort to tackle the long-term vacancy, at its September 2022 meeting the Council agreed to repurpose Troy loan of €6.4 million to support Energy Retrofit programme 2022 and Voids programme 2022 (99 units) and long term voids (79). This would allow a total of 178 homes to be brought back into use by the end of 2023.

If the annual turnover of units continues at current rate i.e. circa 100-120 houses, and an average cost of €25,500 per house is applied then a budgetary provision of €2.55M - €3.06m is required. The current voids programme if continued by the DHLGH will make provision for €1.1M - €1.32M leaving a shortfall of €1.45m - €1.74m to be met from own resources. As previously indicated in recent years provision of €750,000 has been made in the revenue budget. Thus, in the absence of an enhanced DHLGH funding stream an additional annual provision of €700,000 to €1m is needed.

### 4 Position as at December 2022 re vacant houses

#### **Position with Pre Lets Programme 2022**

Council returned 11 houses from own resources in 2022.

#### **Position with Voids Programme 2022 – Allocation of 99**

To qualify for funding in 2022 the house must be refurbished and allocated prior to 12<sup>th</sup> December 2022. Below sets out the Council's performance in regard to the Voids Programme 2022.

<b>Total Submitted</b>	51
<b>Total Refurb Cost</b>	€ 1,298,618.36
<b>Less Total Grant</b>	€ 561,000.00
<b>Total Cost to LCCC</b>	€ 737,618.36
<b>Average Cost to LCCC per unit</b>	€ 14,463.11

It should be noted that there are an additional 13 houses that will be completed early in the new year. Work will continue on the remainder in 2023.

**Position with Long Term Vacants (75 units)**

In regard to the 75 Long Term Vacants following successful funding applications to the DHLGH the position at 12<sup>th</sup> December 2022 is that 33 units are under contract at various stages of refurbishment. The table below sets out the Council's performance as at December 2022.

<b>Lot no.</b>	<b>No of units</b>	<b>Current position</b>	<b>Expected completion date</b>
1	14	Contract awarded, contractor on site	May 2023
2a	8	Contact awarded, contractor on site	2 completed, remainder due end of February
2b	9	Contract awarded, contractor on site	4 Completed by March, Remainder May
3a	9	Seeking Additional Post Tender information from Contractors,	October 2023
3b	10	Tender docs being prepared	November 2023
4	9 <sup>1</sup>	Approval received. Tender docs being prepared (Regeneration)	December 2023
5a	7	Tender docs being prepared. Advertise early 2023	October 2023
5b	9	Tender docs being prepared. Advertise early 2023	October 2023
<b>Total</b>	<b>75</b>		

**Total Vacant Units refurbished for allocation to tenants 2022**

<b>Scheme</b>	<b>No of units returned 2022</b>
Prelets Programme	11
Voids	51
Long Term Vacants	2
<b>Total</b>	<b>64</b>

<sup>1</sup> Submission amended to 9 no. units which brings overall total to 75. Further submission to be made.

In an effort to speed up the return of long term vacant the Council agreed to sell housing units as follows to Approved Housing Bodies:

- 17 housing units across City & County to Focus Ireland (includes 6 CPO'd properties)
- 10 housing units at Cois na Feile, Abbeyfeale to Cluid Housing. (CPO'd properties). (These houses were never completed and therefore uninhabitable but show on the Council vacant figures).

Statutory provision for such sales comes from the Housing Act 1966 as amended.

## Recommendations from the Group:

**Recommendation 1:** The Group recommended consideration be given to the speeding up of the key-to-key process where possible

**Response:** The key to key process will be kept under review to ensure as speedy as possible return of units taking into account the 7 stages of the process. Surety of funding is a requirement if houses are to be brought to standard for reletting.

**Recommendation 2:** The Group recommended consideration be given to reviewing Council's policy on social housing downsizing.

**Response:** The Council will consider all applications on social housing downsizing subject to availability of suitable housing and funding provision.

**Recommendation 3:** The Group recommended consideration be given to continuing the Council's policy on private downsizing.

**Response:** It is intended that this policy will continue subject to funding from the DHLGH.

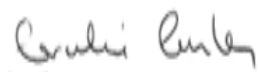
**Recommendation 4:** The Group recommended consideration be given to the introduction of pilot scheme for the sale of Council houses in need of refurbishment at low cost to people on housing list.

**Response:** Bearing in mind the annual shortfall in funding and the requirement to ensure that housing units are returned to use as soon as possible there is merit in developing a scheme that will allow for the sale of a selection of vacant Council houses. The criteria for such a scheme will have to be given consideration.

Section 90(1)(b) of the Housing Act 1966 as amended allows for the sale of a vacant dwelling by Section 183 notice. Consent of the Minister is required if price is not the best reasonably obtainable.

**Recommendation 5:** The Group recommended consideration be given to examination of dwellings compulsorily acquired under the Derelict Sites Act with a view to offering a portion to first time buyers on the housing list.

**Response:** Units acquired under Derelict Sites Act are specifically acquired for the purpose of taking the property out of dereliction. Any purchaser of the property will need access to finance and unfortunately first-time buyers on waiting list would only be approved for low levels of funding. It is likely that prospective purchasers would expect to qualify for Croí Cónaithe grant of €30 - €50K. Croí Cónaithe sets out the condition for qualifying for grants for owner occupiers. It is difficult to see how the Council can legally set additional conditions bearing in mind the purpose for which the units were acquired. This may also lead to issues with compensation for owners if houses not sold on the open market without additional restrictions. This requires further examination.



Caroline Curley,  
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Housing Directorate.

January 2023