

Briefing: Accessing Funding From Homes England Via An Existing Registered Provider For Renovation Costs - Without Having To Be An Registered Provider

This briefing note explains how it's possible to access funding to cover the cost of renovating vacant properties in your ownership, with funding from Homes England, without having to be a "registered provider" yourself.

Registered Providers (housing associations) are still able to make use of the arrangements which were put in place during the 2011-2015 Empty Homes Programme, which made it possible for them to lease vacant properties from private landlords (non-social landlords) and claim funding to cover the cost of renovating them.

As a result, unregistered organisations that own vacant properties in need of repair can work with a sympathetic and co-operative registered provider to access funding, while still retaining ownership and management of the property, by means of a lease back arrangement .

The arrangement could work as follows:

- You lease your property to the registered provider/housing association in question for at least 5 years (this is a requirement of Homes England funding)
- The housing association claims funding from Homes England to undertake the renovation needed – although it will be necessary for them to negotiate the amount of expenditure with Homes England and some match funding might be required.
- The housing association then leases the property back to you for the same period of time for you to manage
- At the end of your lease to the housing association (and theirs to you), you resume unencumbered ownership without their being any leases in existence.

This arrangement has successfully been put into effect by a housing association and a non-registered organisation in the North East.

Below is an extract from Homes England's Capital Funding Guide, which sets out how the arrangement works for the housing association that is taking on the leased property and claiming the funding.

Capital Funding Guide Chapter 9: Procurement & Scheme Issues

Section 4 Other Types Of Schemes

4.1 Lease and repair to bring empty homes back into use

4.1.1 Registered Providers are able to bring empty homes back into use as Affordable Rented homes through lease and repair.

4.1.2 Eligible Properties

4.1.2.1 Empty properties must not be existing social housing owned by the Registered Provider or by another Registered Provider.

4.1.2.2 The minimum lease period for a property is five years and up to 30 years.

4.1.2.3 Lease and repair empty homes accommodation is excluded from the Right to Acquire although an empty homes tenancy might count towards a Right to Acquire applicant's residency requirements. Please see [Right to Acquire section 2.2](#).

4.1.2.4 Where appropriate for the client group, leased empty homes may be used for supported housing. Please see the [Specialist Homes for Older, Disabled and Vulnerable People](#) chapter for more information.

4.1.2.5 Properties should be refurbished to the Decent Homes standard as a minimum. Where it is proposed that properties will be leased for longer than 10 years, providers are encouraged to exceed the Decent Homes standard wherever possible

4.1.2.6 While existing social housing is not eligible other property owned by other Registered Providers and/or local authorities is eligible:

- Former Right to Buy properties that do not currently meet the definition of social housing and are in private ownership
- Non-residential properties owned by Registered Providers or local authorities that has had no public subsidy in the past e.g. commercial, agricultural buildings or community facilities such as community halls
- Properties acquired through Compulsory Purchase Orders (CPO) and Empty Dwelling Management Orders (EDMO) (in exceptional circumstances). Funding will not be available in respect of costs for CPOs and EDMOs
- Properties that are already owned by the Registered Provider (including other, registered or unregistered organisations that are part of the provider's group structure) are not eligible for grant funding under lease and repair. Providers looking to bring their own properties back into use should see section 3 above

4.1.2.7 Aside from those listed above, there are no restrictions on the current ownership of properties to be brought back into the programme. These may include, for example:

- Public bodies e.g. health authorities, Ministry of Defence, government departments etc.
- Unregistered landlords and co-operatives which are not subsidiaries of Registered Providers
- Private individual(s) or companies.

4.1.3 Ending a tenancy (Lease and Repair)

4.1.3.1 Funding for lease and repair empty homes is provided to utilise properties with a 'life' of less than 30 years. At the end of the this 'life', Registered Providers will be required to offer timely and reasonable advice and assistance to the existing tenants to help them find suitable alternative accommodation in line with requirements of [Housing for Rent section 3](#).

4.1.3.2 Acknowledging the time-limited availability of lease and repair properties, Registered Providers' strategies must incorporate rental terms that sit within the overall lease length on the property.

4.1.4 Grant Recovery

4.1.4.1 Grant will be recoverable when a relevant event occurs as specified in the Grant Recovery chapter section 3. Grant will be recovered in respect of any unexpired term of the lease, regardless of whether the lease is terminated by the owner or the Registered Provider, and whether or not Registered Providers have been similarly reimbursed by the property owner.

NB – No requirement to have been empty for 6 months

<https://www.gov.uk/guidance/capital-funding-guide/8-procurement-and-scheme-issues>

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