



WEST OXFORDSHIRE
DISTRICT COUNCIL

WEST OXFORDSHIRE DISTRICT COUNCIL

Name and Date of Committee	COUNCIL – 19 MARCH 2025
Subject	PROVISION OF AN EMPTY PROPERTIES LENDING SCHEME
Wards Affected	ALL
Accountable Member	Councillor Alaric Smith –Executive Member for Finance Email: alaric.smith@westoxon.gov.uk
Accountable Officer	Jon Dearing – Assistant Director, Resident Services. Email: jon.dearing@westoxon.gov.uk
Report Author	Mandy Fathers – Business Manager, Environmental, Welfare and Revenue Services. Email: mandy.fathers@westoxon.gov.uk
Purpose	To consider a loan provider for owners of long-term empty properties who need financial support to bring their properties back into use.
Annexes	Annex A – Pricing and Lending Model
Recommendations	<p>That the Executive on 12 March 2025 is recommended to:</p> <ol style="list-style-type: none">1. Agree to partner with Lendology for the administration of loans subject to legal agreements being implemented for an initial period of one year.2. Agree that loans are for the sole purpose of bringing empty properties back into use.3. Delegate authority to the Director of Finance to approve the level at which interest is to be set on a loan repayment. <p>Subject to the resolutions of the Executive on 12 March 2025, Council is recommended to:</p> <ol style="list-style-type: none">4. Approve a capital investment of £300,000 to create a lending pot.5. Approve an initial set up fee of £30,125.
Corporate Priorities	<ul style="list-style-type: none">• Working Together for West Oxfordshire• Enabling a Good Quality of Life for All• Responding to the Climate and Ecological Emergency

Key Decision	NO
Exempt	NO
Consultees/ Consultation	Chief Executive, Chief Finance Officer, Monitoring Officer, Interim Head of Legal Services, Finance Business Partner, Interim Executive Director, Interim Managing Director

1. BACKGROUND

- 1.1** Bringing empty homes back into use can support local strategies to meet shortfalls in supply. Not only are empty homes a wasted resource, but they are also often the subject of complaints and frustration for communities.
- 1.2** Officers are increasingly exploring opportunities to work with owners of empty properties to enable the property to be brought back into use, but without financial support/incentives it is increasingly difficult to move some properties forward where necessary repairs and/or refurbishment is needed.

2. MAIN POINTS

- 2.1** At the end of March 2024, 1128 properties were registered as long term empty (LTE). This represents 2% of all domestic properties within the district; of which, 125 were identified as being empty for two years or more. The remaining 1003 are those properties that have been empty for between 6 months and up to two years.
- 2.2** For the purposes of this report a LTE property are properties that have been empty for six months or more.
- 2.3** There are many reasons why properties are left empty. Some are easily categorised, and other circumstances are more complex with owners having their own individual reasons for keeping their property vacant, for example, a sentimental attachment to a property they may have inherited. Many of the properties that are classified as empty are a mixture of those properties that remain on the market for sale, deceased owners, requiring works to bring them up to a decent standard and those pending demolition or mass refurbishment.
- 2.4** For those properties in a state of disrepair or those that require works to bring them up to a decent living standard need financial investment. As a majority of these properties can be inherited, many owners do not have the financial capability to further invest, potentially leaving the property to deteriorate further.
- 2.5** Officers have been exploring areas of how the council may be able to provide an incentive which not only supports but encourages owners of such properties to carry out the essential works to enable the property to be brought back into use.
- 2.6** Lendology, a Community Interest Company (CIC) is a unique not-for-profit social enterprise lender already working in partnership with many local councils mainly across the Southwest of the country to improve private sector housing stock. It is regulated by the Financial Conduct Authority (FSA) and offers an extensive range of financial solutions addressing a spectrum of homeowner needs, including essential repairs and improvements through its lending model which could provide much needed support to the councils' strategy of bringing LTE properties back into use.
- 2.7** Lendology have completed a lending and pricing model which is attached as Annex A of this report; however, a brief summary of their service provision is as follows:

- The council make a capital investment to lendology to create a lending pot
- The Council stipulate the type of works that can be considered for a loan and the type of property. For example, the council will consider those properties more favourably that are in the areas that feature as preferences to those on the Common Waiting List.
- The Council set its own interest rate which is set throughout the life of the loan
- Lendology manage loan applications, including repayments, legalities, and any other associated management in respect of a loan.

2.8 There is a fixed set up cost to implement the scheme specifically for the council plus additional annual fees which are detailed within pages 4 and 5 of Annex A.

2.9 Officers have reached out to North Devon Council, a local authority that utilise the services of Lendology, to obtain their experiences and scheme successes. Over a 2-year period (2022 to 2024) they have had 65 enquiries from residents in respect of their loan provision and administered 43 loans.

2.10 Not all of these loans were applied to LTE properties, as they also allow loans for essential repair/improvement works, including radon remediation works and energy efficiency.

2.11 Their loan maximum is assessed by Lendology, based on individual circumstances. Their only stipulation for loans on LTE properties is that the property must be for sale or rent following the works and that North Devon Council encourage the owner to engage with the Councils Housing Team for either a direct rent or match.

2.12 North Devon Council have set their interest rate at 4% (fixed interest rate), representative 4.2% APR.

3. ALTERNATIVE OPTIONS

3.1 The Council may decide not to approve the recommendations.

4. FINANCIAL IMPLICATIONS

4.1 A capital investment of £300,000 would be needed to create a lending pot. £100,000 of this would be transferred to Lendology at the start of the project, with further transfers being made when the funding pot becomes reduced. The council will have control over when and if any further transfers are made, dependent on take-up of the scheme. There would also be an initial one-off set up fee payment of £30,125 followed by annual oncosts of £9,000 plus £450 for each loan approved and £175 management fee per loan per year.

5. LEGAL IMPLICATIONS

5.1 Lendology are authorised and regulated by the Financial Conduct Authority.

6. RISK ASSESSMENT

6.1 Risks have been identified and assessed against potential loss of council's investment should Lendology enter into administration. Assurances have been given that accounts are ring-

fenced, meaning capital held on behalf of partners would not be impacted and that any loans already administered would be transferred back to the council or another loan provider to ensure all monies are repaid.

- 6.2** There is an additional risk in respect of Local Government Reorganisation and the longevity of this proposal. Proposals should therefore be considered to approve this scheme initially for one year to prove the concept. Thereafter consider further investment following a review and possible discussions with partner Oxfordshire local authorities for a countywide lending scheme.

7. EQUALITIES IMPACT

- 7.1** There are none associated with this report.

8. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

- 8.1** Potential improvements in energy efficiency from increased housing standards may impact positively on the environment as well as addressing nuisance empty homes that adversely affect people and their environment.

9. BACKGROUND PAPERS

- 9.1** None

(END)