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*The National Association of Empty Property Practitioners*

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# ***POLITICAL PARTY POSITIONS ON EMPTY HOMES***

***A briefing paper for the 2010 general election***

***NAEPP Information Paper 2 – 1st edition***

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***For NAEPP’s proposals for a National Empty Homes Initiative:***

Our latest (October 2009) draft is available at:

<http://www.naepp.org.uk/NationalActionPlanFinal>



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## 1 INTRODUCTION

### SCOPE

In this briefing paper, we take a quick look at the policies of the main political parties regarding empty homes.

We have also included the Green Party policies as we think these are more likely to influence the main-stream than other minority/fringe parties. (Neither Plaid Cymru nor UKIP appeared to have any housing policies on their websites, in any case.)

### FUTURE UPDATES

The paper will be updated as necessary to reflect changes or amplification of policies as we become aware of them. It is important to be aware of the date on the document

### BACKGROUND

The review was conducted in order to situate NAEPP's own thinking about empty homes in the context of the policies of the major parties. NAEPP's proposals for a national empty homes initiative can be found at [http://www.naepp.org.uk/NationalActionPlan Final](http://www.naepp.org.uk/NationalActionPlanFinal)

### METHOD

The review was conducted by visiting the websites of the parties concerned and seeking out the housing policies (which proved not be quite as instant as you might hope). Where there was a named policy document we then googled for that to see if there had been any formal response to it. This proved to be the case only for the Conservative parties offering.

### AVAILABILITY

This paper is available to anyone. Links to the various documents and web-pages mentioned are in our Information Library but only available to Full Members.

## NAEPP'S VIEW OF PARTY POLITICS

We think empty homes and wasted commercial space is an issue which is substantially outside party politics. Just about everyone would like to see something done about them for a variety of reasons. For example there is no obvious correlation between the political complexion of local authorities and their commitment to tackling empty homes.

Thus, NAEPP's proposal for a National Empty Homes Initiative is modelled in part on the Rough Sleeper's Initiative. Whilst Labour claimed the "success" of reducing rough sleeping by two thirds, the initiative began under a Conservative government.

## 2 THE LABOUR PARTY

### HOUSING GENERALLY

It isn't too difficult to find Labour's housing page on their website. Selecting Labour's *Policies* from the drop-down menu brings up a page that includes links to 21 policies, one of which is housing.

However, the footer of every website page has a column entitled *Labour's policies* with only 18 policies. The missing three are housing, culture, media and sport and public health. It is possible that this footer area is less dynamic than the content on the body of each page and that the absence of housing among Labour's policies here reflects the low priority given to the issue in previous years.

A separate section of the site deals with policy-making in the Labour government. This invites you to "*read the six policy commission documents*" one of which is "*creating sustainable communities*". However, the policy-making process has not in fact yet created any policy document to read: the page for the relevant commission simply describes the membership of the group involved in developing the policy.

## EMPTY HOMES

The housing policy page contains only a handful of bullet-points encapsulating what are seen as the government's "key achievements" in housing, along with another handful of the most recent policy initiatives. There is no reference to empty homes.

Looking instead at the Communities and Local Government empty homes website page as expressive of Labour policies, the key statement is "*The Government, working with the [Empty Homes Agency](#), an independent campaigning organisation, encourages local authorities not only to deal with their own empty properties but also to adopt measures to bring privately owned empty properties back into use as part of their strategic housing approach.*" Empty Dwelling Management Orders are presented as the main government policy achievement.

Arguably Labour is under-selling its achievements by not referring to relevant fiscal measures such as Flat Conversion Allowances, the reductions in VAT for homes empty over two years and the changes to council tax discounts introduced in 2003. This may reflect departmental boundaries .

## 3 THE CONSERVATIVE PARTY

### HOUSING GENERALLY

The *Policy* page of the Conservative party's web-site lists 25 policies under *Where We Stand*, one of which is Housing. The *Housing* policy page has only a brief resume of a handful of key points but there is a separate housing policy document *Strong Foundations: Building Homes and Communities* available for download:.

Of potential relevance to empty homes policy is their proposal to "*incentivise new house-building by matching local authorities' council tax take for each new house built for six years - with special incentives for affordable housing.*"

Our own latest proposals for a national empty homes initiative suggest that a similar "council-tax" reward would be appropriate for local authority's successes in tackling empty homes.

Detailed proposals further on in the document also discuss extra incentives for new affordable homes.

It is not clear from the document who would benefit from this reward in two-tier areas where the planning authority typically only gets around 15% of council tax (the rest going to the county).

Funding for this reward grant is to be found in part by abolishing Housing Planning and Delivery Grant, which had been one of the possible sources for funding our proposed national empty homes initiative. Of course, we are precious about where any funding comes from.

## EMPTY HOMES

### The overall picture

Empty homes features in the *Executive Summary to Strong Foundations* under the sub-heading *Community-led Housing* where one of the bullet points is "*Relax the rules that prevent thousands of habitable empty properties being used to house those on local waiting lists*".

Regardless of the merits of the proposal (which is discussed further below), this gives a welcome degree of prominence to the issue.

In the main analysis of the housing situation in section 2, much is made of Labour policies that have led to the growth in the number of flats and reduction in the number of family-sized houses being built, connecting this with empty homes: "*The over-supply of flats and small homes has helped fuel a remorseless rise in the number of vacant properties*" - which they quote as rising from 723,000 in 2005 to 763,000 in 2007. (These figures are reported to come from Hansard.)

They state that "*official statistics lag well behind the situation on the ground and it is widely predicted that the total will top*

800,000 by the end of the year". (This figure is reported to come from the Empty Homes Agency).

NAEPP's recent analysis of the Council Tax Base figures produced slightly different figures, but showing the same trend and scale of increase. But there are many ways of aggregating figures to arrive at the "total" of empty homes. In our analysis of the figures from 2004 to 2008 inclusive, **long-term** empty homes had increased the least of the various categories - by only 3.1 % since 2004 - and had actually **decreased** as a percentage of all dwellings, from 1.46% to 1.45%. Over the longer term (which is harder to assess because there is less consistency in the statistics) numbers of vacant homes seem to have reduced since 1997. So the claim of a "*remorseless rise*" isn't entirely convincing.

Nevertheless, NAEPP's figures do show a definite jump recently, and no doubt newly-built flats standing empty as the housing market bubble has deflated feature in that, as the document suggests.

*Stronger Foundations* goes on to paint a mainstream but nevertheless welcome view of what empty homes are all about: "*Unoccupied properties are not just a waste of a scarce resource; they often act as a magnet for crime and anti-social behaviour and so can have a negative impact on local neighbourhoods and undermine community spirit*".

Perhaps the only surprise is that the impact on property values has not been mentioned.

### *Wasted publicly-owned assets*

There is a strong commitment to release surplus public sector land and buildings. The Conservatives want to facilitate this by extending the government's electronic property database to include all centrally funded executive agencies such as quangos, NHS trusts and so on. The data would be published online making people aware of the opportunities.

This could be expected to address NAEPP's proposal that central government should collect its own statistics on empty homes rather than the current time consuming and

inadequate process of relying on local authorities to collect it as part of the HSSA process.

The Conservative suggestion is supported by the proposal to extend the use of "public requests to order disposal" (PRODs) to all "*empty or unused public sector brownfield land*" again including the assets of quangos and the like.

This is a useful suggestion, sitting well alongside NAEPP's current proposal that public sector properties should not be exempt from EDMO powers. The two approaches can complement one another as there will be occasions where assets should legitimately be retained in the longer term - so that a PROD would not be appropriate - but an EDMO would be appropriate in the short to medium term. Our concern is that the Conservatives will not be prepared to refine the EDMO approach because it is a Labour measure that is applied to private sector homes.

NAEPP also believe that local authorities - as democratic representatives of their local communities - should have the right to initiate a PROD.

### *Empty Property Rescue Scheme*

#### **Outline**

The proposal, which is caveated with the description of "*special temporary arrangements*", is to make it easier for housing associations to buy empty properties by relaxing some of the regulatory framework applicable to such purchases. Physical standards could be lower, tenancies could be assured shortholds and properties could be bought on the basis of being able to dispose of them relatively easily at a later date.

#### **Letting Arrangements**

Associations could let the homes outside of normal letting criteria by being "*allowed to exercise their own nomination rights*" although they will "*manage these properties and set rents as usual*". The policy states that the scheme is "*likely to provide a way of helping those who might not otherwise benefit from affordable housing*".

This must be a concern insofar as a significant proportion of any investment in affordable housing is purely to subsidise the rent. It is difficult to see why people should benefit from this subsidy if they would not normally be eligible for it. It would be a bit like giving child benefit to people without children.

This proposal would actually be easier to promote and defend if it continued to rely on choice-based letting procedures and allowed intermediate rents to be charged. Under-choice-based lettings households bid for and are allocated homes in process which involves both their priority for housing and their aspirations and willingness to accept different rent levels, property standards etc. This would seem to create the best balance between different policy strands. Allowing intermediate rents to be set would of course also make the money go further.

It is difficult to resist the thought that, as far as the letting arrangements go, the proposal is framed with an eye to making sure that those living next door to an empty homes bought under the scheme do not end up with the "wrong sort of people" as neighbours, an outcome which might generate bad publicity for its architects.

### **Leasing**

Other strands to the Empty Property Rescue Package include the possibility that "*housing associations might opt to leave the properties in the hands of a developer to newbuild or the current owner from existing empty properties and simply rent the house*". Presumably this is a leasing arrangement.

It is not clear how this differs from the existing Temporary Social Housing Grant regime, which among other things already gives housing associations more flexibility in respect of rents and physical standards. Many local authority practitioners would certainly welcome the involvement of more housing associations in leasing schemes: many struggle to find suitable partners in their areas.

### **Incentives to local authorities**

To encourage local authorities to work with housing associations it is proposed that "*empty existing homes brought back into use will count towards new supply and performance indicators*". If this is taken to mean that the properties would count towards the arrangement whereby the local authority would get a reward equivalent to six years or more of council tax then this would be a very significant incentive.

The problem with this, as an incentive, is that it would bear little relationship, if any, to the work undertaken by the local authority in tackling empty homes: it would create a free for all to grab as much grant is possible in order to acquire as many homes as possible without reference to the extent to which those properties were problematic. The "temporary" nature of the proposed arrangements and the limited amount of capital likely to be engaged means that the incentive would not help create a sound basis for ongoing empty homes work

We think NAEPP's proposal to calculate any reward on the basis of how long a property was empty would be a more effective incentive.

### **Self-build / short-life?**

The document also trails the possibility that homes could be taken on by those who might "*complete renovations on empty homes themselves*". It is not clear exactly what is being proposed here but it certainly sounds worthy of further exploration. NAEPP's draft National Empty Homes Action Plan includes the suggestion of greater support for short-life housing schemes.

### **Funding**

The document indicates that no additional funding would be required for this scheme as it would be drawn from the Homes and Communities Agency's existing National Affordable Housing Programme.

### **NAEPP's evaluation**

There are many positive features in this proposal. Certainly no one is likely to oppose the creation of more affordable housing. But



as an approach to tackling longer term empty properties it is over-sold. Most commentators feel that the current market is being propped up by an under-supply of homes. In practice, a temporary Empty Property Rescue Scheme would be likely to mean housing associations simply competing for homes already up for sale and with every likelihood of being brought back into use anyway. (Though with a double-dip recession this could easily change).

Moreover, so long as money is poured into schemes involving acquisition rather than grants and loan the volume of homes benefitting must always be relatively low.

NAEPP's main concern, then, is not with the *Rescue Scheme* proposals themselves (although we think they would benefit from refinement) but rather with the fact that by taking centre ground they obscure the potential for other effective and probably more productive approaches. In particular we are promoting the role of local authorities, working closely with the private sector, offering assistance via loans / grants direct to private owners supported by leasing or management arrangements or garnering nomination rights. This aligns with the Conservative commitment to localism - but it is localism with legs and teeth.

### The housing market

Finally, *Stronger Foundations* states that this proposal is in part driven by the desire to "*prevent over-correction in house prices by putting a floor under the housing market*". Arguably, a somewhat different stance is adopted where the Local Space partnership with London Borough of Newham is referred to as an example of how a housing association "*can procure a considerable number of properties at a social rent without distorting the local housing market*".

Many commentators think we have so far had an under-correction of house prices, with affordability remaining a huge issue. So it is debatable whether the foregoing aligns with the comment later in the document that "*home ownership is the ultimate goal for many families and individuals. It is the duty of government to help make this goal a reality.*"

### *Other References to Empty Homes*

Under the heading *Review of waiting list management* the document notes an under-supply of larger homes. It comments that "*in the short term, we will expect local authorities to maximise their efforts to bring empty homes back into use, and to tackle under-occupation of larger properties.*"

On the other hand, there is no mention of empty homes work under the subsection entitled *Tackling homelessness*.

Section 6 on the private rented sector correctly notes the important role of the private sector in tackling empty homes: "*Private landlords could play an important role in bringing under-utilised or empty homes back into the patient stop individual landlords are also capable of delivering small developments and conversions on sites to marginal or too difficult for larger businesses to undertake. Single operators can quickly and effectively operate at low margins on brown field sites*".

As we have noted earlier, what is not sufficiently recognised is the ability of local authorities to support these endeavours through grants and loans schemes and through the encouragement and enabling role of empty homes practitioners.

### *Empty Dwelling Management Orders*

The Conservative Party ambivalence about local authorities is also reflected in a recent (November 2009) Early Day Motion proposed by Grant Shapps. In full this states:

*"That this House is concerned by the rising number of empty homes in England; notes that of the 784,000 homes which are currently vacant, 327,000 have been empty for a period of more than six months; is worried that, despite the presence of 1.8 million families on the social housing waiting list and an escalation in the number of mortgage repossessions, more has not been done to make use of the one in 30 empty local authority properties; further notes that just 24 Empty Dwelling Management Orders (EDMOs) have been enforced since their*

implementation in April 2006; and calls on the Government to scrap EDMOs and instead consider adopting a less bureaucratic approach to the rules which have meant that social landlords are unable to use their empty housing stock to provide families who will otherwise be homeless with a place they can call home.”

There is quite a lot to digest here, but for practitioners the hostility to EDMOs stands out. Apparently it is not the vast preponderance of long-term empty properties in the private sector that are a problem but the claimed 1-in-30 empty local authority dwellings (most of which are surely not long-term empties?). We will be approaching the Conservative Party in respect of the final claim above as we unclear what the substance of the issue is.

The Empty Homes Agency has been in contact with the Conservatives about this and report that, according to a spokesman, “*scrapping EDMOs is not Conservative policy*”. Indeed, we understand that 13 out of the 15 local authorities that have used EDMOs are Conservative-controlled. It would be interesting to know how they view the idea that taking power away from democratically-elected councils to the detriment of property-owners affected by empty properties is consistent with a commitment to “localism”.

Early Day Motions are about politics and point-scoring, by all accounts so perhaps too much should not be read into it. But this particular contribution does not augur well for a nuanced, pragmatic and effective approach to the issue.

## CONCLUSION

It is to the credit of the Conservative Party that a commentary on their empty homes policies requires so much space. So long as they are making such an issue of empty homes, they are generating expectations that they will do something meaningful about them given the chance. Should they form the next government, there seems to be a real possibility of a constructive dialogue that could move the work forwards.

## 4. THE LIBERAL DEMOCRATS

### HOUSING GENERALLY

For anyone involved in housing, the Liberal Democrat offering is a disappointment. Under *Policy* the website lists 12 separate areas, none of which are “housing”. The long list of links at the bottom of each web-page, also omits housing.

There are *Policy Briefings* and *Policy Papers* on issues such as *Asylum, Agriculture and Fisheries, Older People, Rural Living*. It would be difficult to know where to look for a systematic review of housing or empty homes in any of the ones listed.

The only place we could find housing policy was in a document entitled *Pocket Guide to Policy*. The website comments that this document “*has no formal status, although the policies summarised within it have all been passed by local party representatives at party conference*”. The 15 policy areas covered still do not include Housing but browsing the document throws up a few references to it mainly under *Local Communities*.

This includes a proposal to abolish council tax and replace it with a local income tax: obviously any of our proposals that rely on hypothecation of council tax would be impossible to implement in such circumstances. This does not mean NAEPP would oppose such a measure: it would just imply that funding would have to come from another source.

### EMPTY HOMES

The key proposals are: “*We will cut VAT on repair and renovation to encourage developers to repair and re-use empty buildings and Brownfield land, rather than always building over the countryside. In areas where second homes are overwhelming the local housing market and harming local communities, we will give councils the power to require planning permission before turning another full-time home into a holiday home*” .

The proposal to alter the VAT in respect of repair and renovation is welcome and supported in our proposals for a national action plan on empty homes. However, it is certainly not a panacea for long-term empty properties and would not provide any additional levers to local authorities to intervene more effectively.

Beyond this, the section on Rural Affairs mentions a "Home on the Farm" initiative which would "encourage farmers to convert existing building into affordable housing".

Many local authorities have looked at redundant rural buildings and concluded that they were not well-situated to be of much use as affordable housing. But if the fundamental planning objection to further homes in the "open country" is not an obstacle to affordable housing then it would seem reasonable to open up the potential for any form of housing i.e. market housing, too. It is possible that such projects would in fact only be viable (or sufficiently free of risk) if they were able to produce market housing.

This is a measure that NAEPP would support but which would have a negligible impact on the overall issue of empty homes.

(The quote implies that there is a recognised Lib-Dem policy called "Home on the Farm" but there is no search feature on the website and no way of finding any reference there. However, a Google search brought up a scheme of this name proposed by Tim Farron, Liberal Democrat M.P. for Westmorland and Lonsdale and taken up by South Lakeland District Council in the form of increased funding from their "second homes" funding pot accompanied by changes in planning policy to allow such conversions to take place.)

## 5. THE GREEN PARTY

### HOUSING GENERALLY

Housing policies are easy enough to find: one of the 18 areas listed under *Policies* is *Housing and communities*.

Some high-level policies imply but do not explicitly state a contribution to tackling empty homes, for example:

*A £6 billion fund to enable local authorities to buy up and convert, or in some cases build, new housing for rent.*

*A £3 billion investment to support a ... scheme whereby local authorities purchase homes threatened by repossession*

The key phrase here is "local authorities". There is an emphasis on local democracy which can be contrasted with the more popular political choice that focuses on the role of housing associations. The Green Party is explicitly opposed to "privatisation" of social housing, including ALMOs.

Detailed policies can be found on a separate "policy" site. Housing policies can be viewed there or downloaded as a 6-page PDF file.

The *Background* section offers a commitment to introduce "*disincentives to the speculative ownership of housing*" - including "*higher rates of Council Tax for unoccupied properties and second homes*". The homelessness part of the *Background* notes the need for policies to "*maximise the use of empty homes*".

The Green Party comments that "*many of the policies required are more suited to implementation locally, enabled and assisted by national government*". This is very much in line with the position taken in NAEPP's proposed National Empty Homes Action Plan.

### EMPTY HOMES

Under *Resources for Housing* the policy notes that "*the existence of land monopoly and speculation leads to empty properties, inflated prices for land and the problem that any financial assistance encourages higher prices*".

It is unlikely that there many practitioners who would attribute a significant proportion of empty homes to the effects of speculation - although that is certainly something that the recent housing bubble produced in some areas (as well as significant reductions in long-term empties in areas of low demand).

The section entitled *Use of existing housing* expresses a strategic commitment to making best use of existing stock. Policy H0416 states that *Better use will be made of existing housing. This will include action on both publicly- and privately-owned empty properties*". Policy H0418 states that *"Flats over shops and similar properties will be brought into use. Other commercial property may be suitable for housing use."*

Under *Personal Finance*, there is a commitment to end any discount or exemption on empty or second homes. This would mean an end to exemption "C" (short-term unfurnished empty properties). If this is intended to apply to other exemption classes such as those for properties subject to Probate or where owners have gone into care then a serious backlash could be expected. NAEPP would be unlikely to support the removal of exemptions in these cases.

NAEPP's own proposals are to allow more local discretion on some council tax exemptions, such as "C", possibly replacing it with a 50% discount.

The other key empty homes policies come under the section on *Homelessness*. Policy H903 states that *"Better use of publicly owned property will be achieved by requiring public bodies either to use all such property, or to permit its use by housing associations, properly organised groups of homeless people or similar groups"*. Policy H904 states that *"Better use will be achieved by empowering local authorities to use empty property use orders, in appropriate cases and with proper safeguards and rights of appeal, to enable the local authority either to use such property itself or to secure its use in co-operation with those groups listed in H0903"*.

It is not clear how Empty Property Use Orders differ from Empty Dwelling Management

Orders. It is possible to wonder whether the Greens are not fully up to speed with the current legislative context. It is difficult to assign a precise meaning to *"secure its use in co-operation with..."* If this is intended to mean transferring the powers accruing under an EDMO from a local authority to a third party , then this looks - at first glance - like a legal minefield and the value of doing so is questionable.

Policy H0905 requires local authorities to draw up registers of empty property and strategies for its use.

NAEPP has pulled back from proposing that it should be a statutory requirement for local authorities to have an empty homes strategy. Strategy documents are no substitute for action and we think that results are best achieved by central-local partnerships buttressed by independent reviews by auditors, as proposed by our draft National Action Plan, rather than edicts form on high

Local authorities will *"advise and assist groups of homeless persons to make proposals about the use of empty property, and put those proposals into effect"*. Policy H0906 goes on to state that *"local authorities will be empowered to make or guarantee loans to groups of homeless persons organising schemes to occupy empty property"*.

It is probably the case that local authorities already have these powers under "general well-being" provisions of various Local Government Acts over the last few years. But questions about the legal status, probity and sustainability of bodies in receipt of public funds cannot be ducked and *"groups of homeless persons organising schemes"* does not give a very clear picture of the delivery vehicles being proposed. In day-to-day practical terms the question arises as to exactly how much added value such groups would bring to the process of bringing empty homes back into use: In most cases local authorities themselves are best positioned to take the lead.

The emphasis on empowerment of community groups -- in this case homeless persons -- is a consistent theme in the Green party policies.

It is one that most practitioners will instinctively feel sympathetic towards and there is no doubt that greater community involvement with the issue of empty homes would be a massive boost to the issue, assigning it much higher priority. This might be the main source of added value from community groups. Some of the changes needed to effect this are more social and cultural than legal. The Green Party policies might benefit from a sharpening of the distinction between these two parameters.

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#### About NAEPP

*NAEPP was formed in May 2001 with support from government, the Housing Corporation and the Empty Homes Agency. It adopted its Constitution at its first national conference in November 2002 and attained full independence from the Empty Homes Agency in 2003.*

*Its aim is to support all those people who work to bring empty property back into use for housing.*

*For further information or to join, visit our website at [www.naepp.org.uk](http://www.naepp.org.uk)*



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