

To:
Brandon Lewis, MP, Minister of State
Stephen Williams, MP, Parliamentary Under Secretary of
State
Communities and Local Government
Eland House
Bressenden Place
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From:
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By post and email

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Dear Mr. Lewis and Mr. Williams

Extension of deadline for Empty Homes Programme delivery to capitalise on the existing pipeline of projects

I am writing to you both on behalf of the Empty Homes Network to appeal to you to support delivery under the government's Empty Homes Programme¹ by extending the deadline for completions. **This requested extension would not incur additional capital spending.**

Currently, the number of units expected to be delivered under the Empty Homes Programme looks to be significantly less than the number for which allocations were originally announced. Round 1 delivery might even fall short of the very conservative 2010 target of 3,300 homes, whilst the outlook for Round 2 is almost certainly grimmer still.

There are a number of reasons for under-delivery to date², but the salient fact relevant to our appeal to you is that providers have built up the capacity to deliver and now—according to anecdotal evidence from many sources—**have a pipeline of deliverable schemes which they will not progress because they are required to complete them by end of March 2015.** Under current arrangements, providers cannot accommodate the potential for delay normally associated with refurbishment projects: they can only afford to proceed if they have absolute certainty of delivery by the deadline.

Current and future programmes

Relevant to our argument is the fact that allocations for the next Affordable Homes Programme have already been announced and providers within that programme are able to claim 75% Start-on-Site payments immediately. This means funding is available for schemes that are not due to start—never mind complete—before April 2015, whilst Empty Homes Programme schemes that could start now but belong to the current programme will be abandoned. Yet the funding criteria for both programmes are virtually identical eg the requirement for Affordable Rents. This contradiction is hard to comprehend in the context of a government commitment to deliver on Empty Homes and Affordable Housing. If it is driven by the Treasury rather than CLG then we would urge you to challenge the Treasury as their actions are demonstrably counter-productive in the context of the afore-mentioned programmes and will reduce delivery figures in the run-up to the election; we will be happy to make representations to George Osborne if appropriate.

Supporting Big Society

We would like to make particular plea on behalf of projects funded through the Community Grants Programme. If the government ever wanted to demonstrate what can be achieved through the Big Society then these Community-led Housing organisations provide abundant evidence. Those—including MPs and Ministers—who have visited projects funded under the EHCGP seem to be universally inspired and impressed by them. They have delivered not only affordable housing but also, in most cases, a wide range of additional social benefits such as training, employment and volunteering opportunities for disadvantaged people and vital housing units for those with support needs—and all within the same cost parameters that apply to straight affordable housing.

These organisations have taken up the challenge offered by the Community Grants Programme to deal with the complex issues presented by long-term empty properties; they have built up the capacity, skills, knowledge and organisational frameworks needed for delivery; they have forged the necessary links in their local communities and drawn in a wide range of players. Yet not only is there no funding forthcoming after March 2015 years to sustain their excellent work but face the withdrawal of funding even to finish the jobs they have started. And whereas Registered Providers at least have the option of continuing their work by bidding for fresh allocations under the Affordable Homes Programmes 2015-18, these community organisations have few if any alternative options available. Can we appeal to you to support these vibrant not-for-profit organisations and prevent this valuable social capital from being squandered?

In conclusion

Under-delivery on the Empty Homes Programme has the potential to cause reputational damage to all involved, including the government, and impair the otherwise excellent government record on the empty homes issue. . We have suggested in Annex A some of the possible options for extending the deadline for final completion We would be happy to meet to discuss the options. As we have demonstrated through our interventions to help unblock lender resistance to leasing schemes³, we will do anything reasonably within our power to help you with successful delivery.

We look forward to hearing your response.

Yours sincerely

Yours sincerely



David Gibbens
Empty Homes Network, Policy Lead

cc. (by email only)

Helen Williams, Chief Executive, Empty Homes Agency
Fiona MacGregor, Homes and Communities Agency
Sally Turner, Department of Communities and Local Government
Jon Fitzmaurice, Director, self-help-housing.org

Annex A Options for extending deadlines

The simple answer would seem to be for the government to announce that the deadline for claiming funding under the Empty Homes programme will be extended, say to the end of March 2016.

With the HCA and GLA programmes, another option would be to allow 100% start-on-site claims during 2014-15 with the flexibility for completions to fall into the following financial year. Another option would be to “passport” existing allocations through to the 2015-18 Affordable Homes Programme. By “passport” is meant a firm policy that any project funded within the Empty Homes Programme will automatically be approved under Continuous Market Engagement for the 2015-18 programme. This might need to be accompanied by a variation of existing contracts; or at worst the completion of new contracts that are derived from existing contracts and do not need to be renegotiated. **The main thing would be to give certainty to providers now so they can progress projects that are threatened by the March 2015 deadline.**

For the Tribal Programme an obvious option would seem to be to extend the Tribal contract to reflect an extended delivery timetable. But if this is not possible the administrative and audit requirements associated with managing the EHCGP programme cannot be very onerous and common sense dictates that this could easily be managed by temporary staff at CLG.

It would of course be essential (and entirely legitimate) that in all cases the funding continue to be branded as part of the Empty Homes Programme and delivery outcomes counted accordingly.

No doubt there will be technocratic or bureaucratic obstacles to some of the above proposals but that is where we turn to you as the elected government to intervene: we are confident that such obstacles can be overcome if the will is there. .

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END NOTES

¹ As you will know, there are two strands to the programme: one for Registered Providers and funded via the Homes and Communities Agency and the Greater London Assembly; and the other, for community housing organisations, that is managed by Tribal Group and funded directly by CLG. These are both part of the original £100million programme announced by the government in late 2010, to which further sums of money were subsequently added under Round 2.

² Problems have arisen from several directions, not least of which are factors outside of the control of funders and providers such as issues with mortgage lenders and rising house prices. But it is a matter of fact that the Empty Homes bidding round was delayed compared with the main Affordable Homes Programme and that appropriate contracts were slow to emerge, compressing the delivery timetable significantly and affording reasonable grounds for the Empty Homes Programme to be treated as a special case.

³ In the wake of numerous reports by providers about mortgage lenders refusing to give permission to borrowers to enter empty homes leasing schemes, the Empty Homes Network initiated meetings with the Council of Mortgage Lenders and borrowers and subsequently produced documents that have been published on the CML website to explain the benefits of the schemes. Our interventions have significantly reduced refusals by lenders. See our briefing guide at <http://www.ehnetwork.org.uk/library-item/private-sector-leasing-lender-briefing> which was cited in a Westminster Hall debate on the issue by Don Foster when he was Parliamentary Under Secretary.