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From:  
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07 July 2011  
By email only

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Dear Camilla

## Re Empty homes funding and localism

I am writing on behalf of the Empty Homes Network to contribute to DCLG's effort to produce a national empty homes strategy. The responses below take into account the outline which you circulated before the Round Table meeting on 28<sup>th</sup> June but we have not addressed all the points systematically. Instead we have focused on the higher level aims and objectives. We will write separately in more detail about our views on the £100million programme for empty homes.

### Strategic Aims\*

To ensure there is an appropriate package of measures which tackle the current problem of empty homes therefore reducing blight and increasing housing supply:

1. This is a good summary of what is needed and focuses on the most important two points, but might nevertheless be expanded as follows: "reducing blight, increasing housing supply and addressing environmental issues". The environmental issues go beyond "blight" as they include:
  - the impact on the environment of new house building, visual and otherwise, which would be reduced if more empty homes were brought back into use;
  - the carbon issues associated with new house-building versus enhancing existing buildings as described in *New Tricks with Old Bricks*.

To put the necessary levers and incentives in place so that, long term, when homes do become empty they are brought back into productive use quickly and at minimum cost to the public sector.

2. Agreed. The emphases on prevention and on value-for-money aspects are welcome.

To raise the profile the value of bringing empty home back into productive use as part of the Big Society agenda

3. We are supportive of the Big Society agenda and will be pleased if the strategy is able to identify how the Big Society can make a major contribution. But this is too limited as one of the three main aims. The first part of the aim should stand on its own and provide a clarion call to **all** agencies that can make a difference, whether individuals, local authorities, housing associations, community groups, government departments or whatever. This should be the first of the aims and will naturally support an opening section in the strategy on the importance of tackling empty homes.

4. Enhancing the Big Society could then be added as a fourth aim but expanded to include “localism”. The proposal would be as follows:
  - [Aim 1] To raise the profile of the value of bringing empty homes into productive use.
  - [Aim 4] To encourage the contribution that communities can make to dealing with empty homes as part of the Big Society and localism agenda.
5. (It is not clear in the original document how the following aims are interwoven with the preceding aims).

[We want to] ensure local authorities have the skills, knowledge, incentives and levers they need to work with property owners and local communities to bring empty homes back into use.

6. The Empty Homes Network strongly supports this aim. Whatever else is in place, there must be a central role for local authorities. We agree that “skills, knowledge, incentives and levers” describe key elements.
7. A targeted funding stream is another essential element if coherent and sustainable programmes are to be built.

[We want to] ensure other organisations, e.g. Registered Social Housing Providers, have appropriate support, if needed.

8. This is hard to disagree with but lacks specificity. Reference should be to Private Registered Providers of social housing (as most local authorities are also Registered Providers).

[We want to], if possible, enable smaller organisations and housing associations to trial new & innovative ways of tackling empty homes

9. Again it is hard to disagree with this. However we think this obscures two key points:
  - “New and innovative” ways of working have already been trialled: the urgent task is to evaluate them rigorously taking into account value-for-money, deliverability, wider social and economic benefits and so on.
  - It is even more important to review the “new and innovative” ways of working that have been developed by larger organisations whether local authorities, the private sector or large housing associations. These are likely to be more widely applicable and result in greater savings in public money if replicated.
10. To address these points the Strategy needs to give a clear commitment from government to evaluate schemes for bringing empty homes back into use.
11. In addition, what is lacking from the foregoing “want” list is adequate reference to the private sector. How can the efficiencies of the private sector be levered in? How can new partnerships between statutory and not-for-profit organisations and the private sector be encouraged or brokered?
12. In this case we have not drafted alternative wording as we think these aims need a more substantial review.

## Measures

### New Homes Bonus

13. The New Homes Bonus should be a significant incentive to empty homes work. It is not clear whether this is fully appreciated by all local authorities. And so far the messages coming from government about how the NHB might be used to support empty homes work have been meagre although we can see no justification for this aspect of the bonus unless it incentivises such activity.
14. The Strategy should spell out clearly that the empty homes element of the New Homes Bonus should be used to support systematic engagement by local authorities with the issue of empty homes.
15. We strongly recommend that the Strategy endorses the Empty Homes Network proposed minimum standards for local empty homes initiatives<sup>†</sup>. Local communities need to have some kind of guidance as to what they can reasonably expect their local authority to do. This does not conflict with localism but establishes an appropriate balance between legitimate expectations based on national policy whilst retaining the option for local authorities to do much more should they choose to.
16. It is also essential that the Strategy makes it clear that, despite appropriate and demonstrable efforts by local authorities, the number of empties in an area may increase because of housing market factors. So communities should expect local authorities to document and report on their empty homes activities independently of the overall numbers being reported through council tax returns. To facilitate this, the Strategy should
  - endorse the Empty Homes Network *Guidelines for Monitoring Empty Homes Interventions*<sup>‡</sup> as a means for ensuring transparency: they will allow effective benchmarking and comparisons between different authorities.
  - ensure that the figures are included in the annual HSSA returns
17. The danger if this is not done is that the New Homes Bonus, rather than encouraging action, might undermine it, if people see no connection between the incentive offered by NHB and the council tax figures for empty homes. With adequate reporting of local authority interventions it will be possible to say: “we regret the numbers going up but we have done the best job possible—and here is the evidence; had we not done this the figures would have been worse”. The “evidence” of course needs to be on a consistent basis across the country.

### Enabling Activities

18. The Strategy highlights the work of the HCA in developing its Empty Homes Toolkit but currently gives no corresponding attention to the Empty Homes Network. The Empty Homes Network was set up with government support<sup>§</sup> and deserves equal attention in respect of its value to practitioners. 400+ emails a day are sent to eligible practitioners covering a range of news, information and best practice. Our forums and Information Library are respected and valued by all who use them. Nevertheless our relatively low profile means that there continue to be practitioners who are not aware of what is available: the Strategy should spell it out. The option of providing material support to the Network might also be considered.
19. Additionally, mention should be made of the charity Empty Homes which also features valuable material on its website.

## Enforcement Levers

20. We understand the politics behind the proposals to alter the EDMO legislation. Our view on this has been expressed in our Consultation Response\*\* on the issue and we will not repeat the points here.
21. There are other aspects of enforcement that deserve to be addressed for example:
- The exemption from EDMO action offered to public sector bodies should be removed: it is wrong in practice, by preventing local authorities finding interim uses for health authority and other homes; and wrong in principle because it is inequitable to treat private and public sector owners differently.
  - The right to a 7.5% Basic Loss Adjustment should be removed when homes are compulsorily purchased under the Housing Act and where the property has been empty over a certain period of time or where enforcement notices have had to be served since it became empty (even if since complied with).

## £100 million

22. The Empty Homes Network welcomes the Government decision to allocate £100million to tackling empty homes. We will help in whatever way we can to make the programme as effective as possible.
23. However, if the £100million programme proceeds along the lines indicated at the Round Table meeting on the 28<sup>th</sup> June then we are likely to view it as a lost opportunity. Used judiciously and with priority given to enabling the re-occupation of as many empty homes as possible, £100million could have made a very significant contribution to developing sustainable empty homes initiatives across the country, building on the most successful models. As it is, it seems that we will have a minor off-shoot of the Affordable Homes Programme that will produce modest results in a scattering of locations where the most favourable conditions and most effective partnerships exist.
24. The £100million seems to have been thrown into the affordable housing budget at the last moment and everyone involved is having to live with the consequences. Even within those constraints, however, more creative use might have been made of the available flexibilities as highlighted in the Empty Homes Network analysis of HCA legal powers<sup>††</sup>. We appreciate that the HCA has to respond to other drivers, but we doubt that many people concerned about empty homes would have felt it necessary to insist on “Affordable Rent Tenancies” as an absolute prerequisite nor on delivery only through Registered Providers when the funding amounts to under 3% of the overall programme.
25. Of course we recognise there are other sources of funding that may (or may not) exist at local level - but the £100million is the only source that could be used to construct a coherent national programme (in England) and produce a robust, broad-based legacy.
26. The Network would welcome the distribution of some funding via CLG to community groups if this is to feature in the Strategy. The £100million could have been used to much greater effect if the entire amount had been allocated direct to CLG specifically for the purposes of tackling empty homes. This needs to inform future funding decisions.

## The Legacy

27. The best legacy would be the building of effective empty homes delivery partnerships at local level across the country. These should be led by local authorities in their strategic role but they should depend on the full range of partners—including the private and voluntary sectors—best able to deliver the three-fold element that characterise successful empty homes work:
- Engaging with owners
  - Refurbishing the property
  - Securing and maintaining re-occupation.
28. Creating the necessary partnerships may hinge on procurement processes and legal frameworks that have yet to be elaborated or, if they do exist, are not widely known and thus cannot easily be replicated.
29. Investment in capacity-building and replicable models is essential and ought legitimately to be geared towards a much wider range of partners (including small developers, private building surveyors, letting agents, small builders, private landlords) than currently seems to be envisaged in the £100million programme.
30. Similarly, regardless of what happens with the £100million, it is absolutely essential to evaluate the varied schemes that exist around the country to separate out those that have been well-thought through and offer good value for money and deliverability from the rest, and then to promote the best models.
31. The Strategy should spell out a work programme going forwards that includes this capacity building. In particular it should not be expected to emerge automatically from the HCA £100million programme and its enabling activities. The narrower the criteria attached to the £100million programme, the more circumscribed its legacy will be.

## Financial levers and incentives

32. There are several financial measures related to empty homes such as Flat Conversion Allowances, reduced VAT rates, Council Tax exemptions and variable Council Tax discount rates that ought to fall within the scope of the Strategy and deserve a review to establish whether they are justified in principle and whether they are having the desired impacts in practice.
33. Additional council tax collected through reductions in Council Tax discounts for long-term empties should be retained by local housing authorities rather than being returned to central government as at present: the income should preferably be ring-fenced for housing.

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We hope you will be able to give the foregoing your serious consideration.

Yours sincerely



David Gibbens  
Empty Homes Network, Policy Lead

cc. (by email only)

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\* We suggest that “aims” is a more appropriate word than objectives given the general nature of what is described.

† See Appendix B of our draft policy document for the latest version at

<http://www.ehnetwork.org.uk/library-item/empty-homes-national-commitment-local-action>

‡ see <http://www.ehnetwork.org.uk/library-item/guidelines-monitoring-empty-homes-interventions-a-standard-approach-local-authorities-e>

§ As the National Association of Empty Property Practitioners in 2001. See

<http://www.ehnetwork.org.uk/naepp-supported-government-minister>

\*\* See <http://www.ehnetwork.org.uk/library-item/ehn-response-proposals-amend-edmo-legislation>

†† <http://www.ehnetwork.org.uk/library-item/ehn-review-statutory-constraints-hca-powers-fund-empty-homes-work> [this is restricted to Full Members; copies can be made available on request].