How do we maximise the use of empty homes?

Summary report from the HCA's debate place discussion that ran from July 12 to August 31 2010

The Homes and Communities Agency
September 2010

Introduction

This is a summary report from the HCA's online debate place[1] discussion - '*How do we maximise the use of empty homes?*' that took place from 12 July to 31 August 2010. The debate forms part of the HCA's Empty Homes Capacity Building Programme set up following the allocation of £1m from Communities for Local Government (CLG) in February 2010.

The HCA provided material within debate place to stimulate discussion. Three short films featuring empty homes experts were produced and streamed online. The films explored three leading questions:

- *What challenges do empty homes present?*
- *What are the solutions?*
- *Why are empty homes so important?*

Half way through the debate the Housing Minister, the Rt. Hon Grant Shapps, offered his support and encouraged practitioners to add further comments and recommendations about tackling empty homes.

The debate was visited 7,221 times and 138 comments were posted. 5,372 were unique visitors to the site. The majority of participants were from the public sector, at 40%, 25% were from the civic sector, 21% from the private sector and 14% didn't state where they were from.

2. Key messages

Key messages included:

- A consensus that empty homes are a valuable resource that could be used to much greater effect as a means of providing affordable housing, tackling homelessness and preventing the blight of local areas
- Tackling empty homes should become a statutory responsibility
- Empty homes brought back into permanent use should be 'scored' as new units and allowed grant to be paid at an economic rate
- Skills, local knowledge and continuity of a core staff team is critical in delivering empty home outcomes and resources are needed to ensure it is possible for local authorities to achieve this
- Housing associations need to take on a more proactive role in bringing empty properties back into use
- There is a need to de-risk housing association involvement – upfront recyclable investment could reduce the risk to housing associations

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[1] The HCA debate place was set up to get practitioners from across the sector to share their views on key areas affecting on their work, such as the recession, climate change, community cohesion and empowerment. Outcomes from the debates offer useful insights to help inform policy and provide learning for a range of partners.

- There should be a New Homes Bonus (NHB) for every empty home brought back into use, along the lines of the local authority NHB
- Funding needs to be flexed to allow smaller community organisations to get financial support to bring empty homes back into use. There is a pool of distinct skills that community organisations can bring to the process and play an active role alongside the public and private sectors. This fits with the Government's Big Society agenda
- There is a need for tougher penalties on owners who leave properties empty for long periods of time. This could include further enforcement measures and a rise in council tax (CT) on empty properties
- Enforcement is a useful tool in persuading landlords to take action. On the whole, Empty Dwellings Management Orders (EDMOs) are effective mechanisms without local authorities having to implement them in full. But the value of EDMO's needs to be balanced with, or complemented by, a range of incentives for landlords
- There is a need for stronger partnership working between public, private and civic sectors to ensure a rounded and inclusive approach to tackling the issue of empty homes. Partnership working is seen as key to reducing the number of empty homes
- Partnerships between public and civic sectors bring in leverage to generate social and economic capital
- The Housing Benefit Reform poses a real threat to the empty homes agenda in view of proposed cuts to the Local Housing Allowance
- There is a vast amount of good practice taking place in the sector but more support is needed to promote the less traditional routes to maximising the use of empty homes.

3. Main debate themes

Main themes included funding, partnership working, enforcement, incentives, opportunities, challenges and innovation. A distinct proportion of contributions focused on recommendations to the HCA.

Funding

At 39%, comments related to funding scored highest of all messages posted for any of the categories. This may be an indication of the pressures organisations are under given the current economic climate. It also demonstrates the reliance that the sector has on funding to bring empty properties back into use.

Key points included:

- The pressure local authorities are under to do 'more with less' in the current economic climate is likely to have an impact on their priorities. There is a risk that empty homes will fall off the agenda thus precipitating or exacerbating urban decline at a time when housing demand is likely to increase
- The civic sector is feeling the impact of the recession acutely. There is a real risk to the future of the sector as funding is cut. This would undermine a lot of innovative work done by the sector
- The HCA should allow access to the Temporary Social Housing Grant (TSHG) to community organisations such as co-ops and self-help organisations. This would also fit with the Government's Big Society agenda
- The HCA should allow for greater flexibility in the use of the Recycled Capital Grand Funding and Disposable Proceeds Fund

- The HCA should provide upfront investment to reduce the risk to registered providers
- There is a great value in sustained direct contact with owners of empty properties
- While pressure on local authority budgets intensifies, statutory partners should continue to see co-operative and community-based organisations as a local solution to low cost housing needs. This should involve financial support (e.g. loans for renovation costs).

Partnership working

Just over 30% of all debate comments related to partnership working. The majority were in favour of partnership working.

Key points included:

- There is a strong need to bring public and private partners together to tackle empty homes
- There is a need to hold on to and develop skilled and dedicated staff resources, particularly at the front line where staff negotiate and build partnerships with property owners
- Bringing public, private and voluntary sectors together could help build 'social capital' as part of the process of bringing empty homes back into use. The Big Society agenda should be a vehicle to achieve this
- Housing associations should be more engaged in bringing empty homes back into use. There is a strong need for housing associations to establish closer links with the civic sector to help access funding. There are good examples of innovative partnership working but these are few and far between
- Partnerships should involve all key stakeholders, including planning officers, police, social services, environmental health officers, as well as housing departments and private and civic sectors.

Enforcement

There was a lot of interest and mixed feelings about enforcement. Some felt that enforcement, either through Compulsory Purchase Order (CPO) or EDMOs, was the only effective method of tackling empty homes, while others cited great success without ever using enforcement measures.

Key points included:

- Enforcement options should be retained as a route to getting difficult landlords on board
- Vigorous means of intervention for local authorities is often critical. However, this needs to be put in context of maximising interventions based on collaboration rather than enforcement
- It is important to recognise that the very threat of enforcement is often all that is needed to ensure landlords co-operation
- The enforcement route should be reviewed as it is lengthy and not well supported. There is potential for making the legislation more 'fit for purpose'
- EDMOs in particular are a cumbersome procedure and are not suitable for problematic / worst properties
- CPOs are better suited to worst cases, but there is a huge issue with availability of finance to fund CPOs (particularly start up expenditure to cover legal costs)

- There is mileage in addressing the relevance of the current council tax charges on empty homes.

Opportunities

The debate sparked a lively exchange that highlighted the barriers and challenges to tackling empty homes. Many contributors came up with suggestions for improvements:

Key points included:

- Empty homes work should be mainstreamed and made a statutory duty
- Empty homes brought back into use should attract the New Homes Bonus
- Empty homes brought back into use should count as new units
- Empty homes contribution to additional supply to meet housing needs should be reinforced
- Empty homes work should be used as a route towards building 'social capital' and should be seen as part of the Big Society agenda
- Local authorities and private and civic sectors should work across boundaries to share resources and best practice
- Owners should be discouraged from leaving homes empty through taxation. If homes are suitable for habitation, they should be subject to council tax
- There should be higher council tax levied on long term empty properties
- We need to consider the fact that for some landlords the council tax charge is a disincentive to report an empty home.

Challenges

The potential cuts in public spending and the announcement of the Housing Benefit Reform formed the key challenges to empty homes work:

- The current economic downturn and pressure on local authority budgets poses risk to the empty homes agenda
- Similar financial pressures on the civic sector threaten the viability of many highly skilled organisations and the overall capacity to contribute to the empty homes agenda
- The proposed changes to the Local Housing Allowance will have huge negative impact on empty property owners' engagement. There is already anecdotal evidence many would not consider bringing properties back into use with a view of letting them out. Those already signed up to letting schemes are likely to pull out.

Innovation

Key points included:

- Set up a landlord/renter match scheme supported by a loan facility and involve the future renter in refurbishment to build up equity
- Local authorities should feel encouraged to tackle long term empty redundant properties such as park lodges and vicarages

- Create a dedicated funding stream (possibly through Temporary Social Hosing Grant) as part of the Big Society Bank to enable local people to renovate (to rent or to purchase) empty properties.
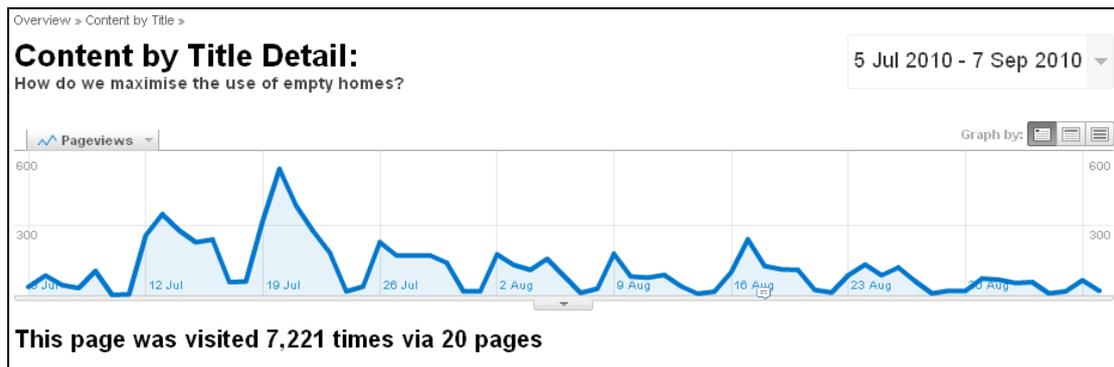
4. Recommendations to the HCA

Many people used the debate as an opportunity to provide messages to the HCA, primarily about funding.

Key points included:

- A bigger proportion of HCA funds should be set aside for the Temporary Social Housing Grant (TSHG)
- The HCA should concentrate on proposals that local authorities put forward that seek upfront investment and focus on the recycling of funding and the potential of full payback
- The HCA should consider introducing a third element to cover possible back end costs (in addition to existing works and acquisition costs).This could be paid, either on a "costs incurred" basis (with upper limits), or on a sliding scale based on unit size, lease length, etc. Any unused back end funding could either be diverted into new schemes, used on a pooled basis for other properties where there is a shortfall, or returned to the HCA
- The HCA should set up a fund to lend money to local authorities for Compulsory Purchase Order work. This fund should be recyclable and operate as a bond scheme
- The HCA should give housing associations more freedom to use the Recycled Capital Grant Fund and the Disposable Proceeds Grant Fund more flexibly
- The HCA needs to enable registered providers to take a more active role in bringing empty properties back into use
- The HCA should be an enabler to smaller community groups and make it easier for them to access TSHG funds
- The HCA needs to do more to encourage partnership working between registered providers who can bid for TSHG and smaller third-sector organisations who want to work on empty homes
- Empty homes should have a higher profile in the local investment planning process
- Rules on the number of empty homes brought back into use being count towards affordable housing completions should be reviewed
- The HCA needs to engage more strongly with local authorities and other registered and non registered providers to involve communities in bringing empty homes back into use
- The HCA should use TSHG to provide local solutions for homeless households by using funding to provide permanent family homes
- The HCA should promote further cross boundary working to maximise the potential return of empty homes to active use and to develop and share best practice.

5. Statistics from the debate

The debate was visited 7,221 times, 5,372 visitors were unique users to the site. The graph below highlights that the majority of the activity took place early on which is reflected in the number of comments received at the start of the debate.

Content by Title Detail:
How do we maximise the use of empty homes?

5 Jul 2010 - 7 Sep 2010

This page was visited 7,221 times via 20 pages

Content Performance

Pageviews	Unique Pageviews	Avg. Time on Page
7,221	5,372	00:03:52
% of Site Total: 29.02%	% of Site Total: 30.20%	Site Avg: 00:02:14 (73.35%)

If considering statistics alone, this debate has been the most popular of the HCA debates so far. For example, the *'What is the reality of low carbon communities?'* debate had 4530 page views and 2169 unique visits. That said, the empty homes debate ran for six weeks against an average of two for the other debates.

People spent on average 3:52 minutes on each page against a site average of 2:14 minutes so this is much higher than average for Showcase.

Breakdown of participants by sector

The majority of participants were from the public sector, at 40%. 25% were from the civic sector, 21% from the private sector and 14% didn't state where they were from.

For more information see **Appendix 1.**

6. Conclusion

Overall the debate has been hugely successful from the statistical point of view and the quality of contributions. It has provided an invaluable insight into the current challenges facing empty property practitioners around the country, from issues of funding and resources to partnership working and enforcement. It has also sparked creativity and innovation with many exciting proposals and recommendations being put forward to tackle empty homes.

One particular success was the endorsement of the debate by the Housing Minister, the Rt. Hon Grant Shapps MP. This emphasises the weight the Coalition Government gives to the empty homes agenda.

Many recommendations were also made to the HCA, and these will be considered in light of the HCA's new enabling role. We will discuss these recommendations internally and with

Communities for Local Government. We will consider what practical steps can be taken to support the empty homes agenda.

The HCA would like to thank those who have taken part in the debate for their time, energy and enthusiasm.

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Appendix 1

Breakdown of participants by sector

The chart below shows the breakdown of participants by sector. Overall there were 138 comments and of these, there were 108 unique visits. The majority of participants were from the public sector, at 40%, 25% were from the civic sector, 21% from the private sector and 14% didn't state where they were from.

Breakdown of debate participants by sector

14%   21%

25%

40%

☐ Private Sector
☐ Public Sector
☐ Civic Sector
☐ Miscellaneous
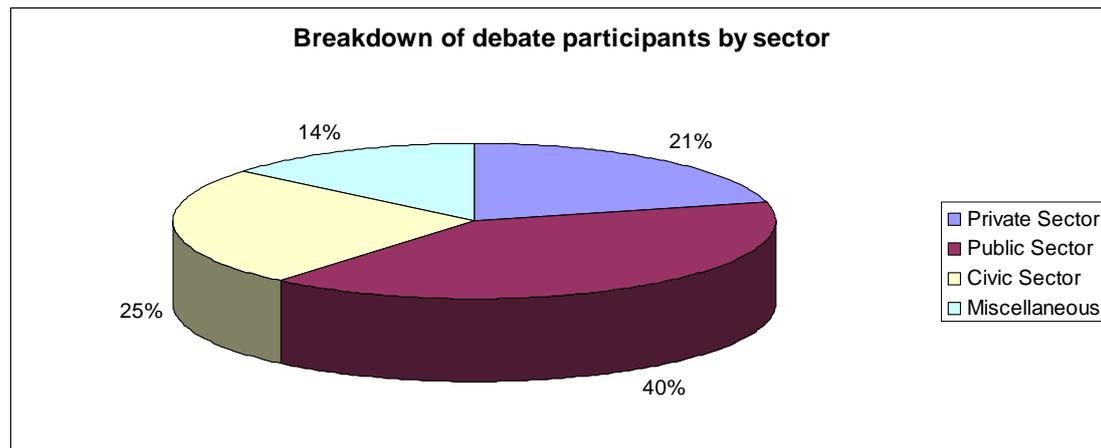
Participants from the private sector came primarily from estate agents or independent firms. Those from the civic sector came from many self-help organisations and local charities including homelessness and housing associations. As imagined, the majority of those from the public sector were representatives of local authorities. 35 local authorities took part in the debate, including:

1. Derby City Council
2. Amber Valley Borough Council
3. Watford Borough Council
4. Calderdale MBC
5. St. Edmundsbury BC
6. Reading Borough Council
7. Manchester City Council
8. Cheltenham Borough Council
9. Norwich City Council
10. Broadland District Council
11. South Norfolk District Council
12. Swindon BC
13. South Lakeland District Council
14. New Forest District Council
15. London Borough of Greenwich
16. Bolton Council
17. Stoke-on-Trent City Council
18. Oldham Council
19. Royal Borough of Kensington and Chelsea
20. Bristol City Council

21. Shropshire Council
22. Wolverhampton City Council
23. Northumberland County Council
24. Exeter City Council
25. Kent County Council
26. Brighton and Hove City Council
27. Tamworth Borough Council
28. Corby Borough Council
29. Bolton Council
30. Hyndburn Borough Council
31. Borough of Bromley Council
32. Forest of Dean District Council
33. Portsmouth City Council
34. Bradford Council
35. Charnwood Borough Council