

SUBMISSION TO APPG for Housing & Planning National Housing Taskforce
on: Areas with higher concentrations of empty homes

Thank you for the invitation to submit evidence to the Taskforce. This submission attempts to address some of the questions set out in your brief based on research completed between 2009 and 2015. This research concerns 'self-help housing' – community based organisations bringing empty homes into use and Empty Homes Community Grants Programme- EHCGP, a funding programme that existed between 2011 and 2015. We will be pleased to make available further evidence from current research on the legacy of that programme in due course.

What is the potential to meet housing needs from these properties?

EHCGP funding made available to community-based housing organisations enabled at least 1,325 empty properties to be brought into use to provide at least 3,134 bedrooms to meet housing needs¹.

There is evidence that this has created housing opportunities for groups who would have found it hard to access good quality private rented housing or social housing (including young people, ex-offenders, and people with mental health needs)². However, in areas of concentration of empty and poor quality private rentals care is required to avoid placing vulnerable people in housing situations that compound their wider needs. This has been addressed by acquisitions strategies such as 'taking the worst properties in good streets' and 'bringing clusters of empties into use at the same time' to turnaround neighbourhoods and sensitive allocations policies.

Evidence is available to show that socially responsible stewardship by community based organisations can provide good housing management in these areas to mitigate such risks. Indeed local community organisations like North Ormesby Big Local on Teesside would see such local

¹ EHCGP – Figures taken from Tribal End of Programme Assessment Report to DCLG up to 31/3/15 (but further completions occurred up to 30/6/15) – June 2015 (accessed through FOI request)

² Mullins D and Sacranie H (2015) Building a legacy. The Impact of EHCGP in NE and Yorkshire & Humberside

stewardship as the way to address problems arising from absentee landlordism by private property owners and social landlords.

How can Government (central/local/devolved) support and trigger initiatives that seek to ensure that more use is made of empty homes in areas with higher concentrations, and to stem the high turnover in some areas, alongside addressing other concerns about the quality of housing, the neighbourhood environment and life chances in these areas?

The DCLG's £50m EHCGP demonstrated the potential of local procurement of purchase & repair and lease & repair work to bring empties into use by covering the funding gap required to bring empty properties up to standard for occupation.

The purchase and repair option had the advantage of bringing long term sustainable socially responsible stewardship into play and allowed the leverage to enable the growth of this activity with lower levels of future subsidy.

The lease and repair option was less sustainable but still enabled the creation of a revolving repair fund where owners were expected to meet the costs over the period of the lease through reductions of their share of rental income.

Our discussions with social investors and charitable foundations³ have indicated that the sustainability of both models would be enhanced by a continued source of grant or subsidy to cover a proportion of acquisition and repair costs with the remainder coming from rental income stream, management fees and borrowing.

The EHCGP had a wide range of positive social impacts and achieved excellent value for money through leverage of over £26million of funding from other sources on the back of grant spend of nearly £50million with a higher level of take-up than in the HCA empty homes programme⁴.

In the absence of EHCGP since 2015 models for local authority support through asset transfers and local loan finance/revolving funds have been developing (as noted above). We believe that there is a potential value in building local pots of blended funding and expertise to support community based groups seeking to bring empty homes into use in their neighbourhoods.

³ Including a roundtable facilitated by Big Society Capital on December 1st 2015 and a Nationwide Foundation funded workshop with local projects, social investors and foundations held in Middlesbrough on June 9th 2016.

⁴ Exceeding allocation targets in five regions and within 5% of targets in all regions except London and South East EHCGP - Tribal End of Programme Assessment Report to DCLG – June 2015 p.30

What organisations are best placed to address empty properties and what are the current barriers and opportunities for them to do so at scale?

Community Based Housing Organisations. There are over 100 community based organisations with a track record of empty homes refurbishment and letting operating in all regions of the country but concentrated in areas where empty homes are concentrated such as the North East and Yorkshire, North West and Midlands.

A partnership approach is essential involving these grass roots community based organisations working with local authorities, social investors and charitable foundations to provide blended finance, capacity building and support to bring empties into use and socially responsible management. There have been some excellent examples of support from local authorities such as Hull City Council who took a strategic approach to partnering with community based groups during and after EHCGP to produce real local impacts on neighbourhoods with clusters of empty properties. Hull's approach recognises that 'partnerships are crucial, especially with community organisations who know and understand their local areas'⁵. Other authorities such as Leeds have developed comprehensive funding and support initiatives including use of new homes bonus and right to buy receipts and the extension of leases on peppercorn rents. Some authorities such as Liverpool City Council and Middlesbrough Council have supported community based groups through asset transfers.

Social Lettings Agencies (SLAs) are being set up in many areas to procure decent properties for low income households, often referred by local authorities, sometimes by community based organisations also involved in empty homes work such as Methodist Action in Preston. These can provide a further partner to make best use of the properties when they are brought back and provide responsible management.

Housing Associations could play a bigger role, for example by providing technical support, offering access to empty stock within their own management and considering socially responsible options as the first stage in their asset disposal strategies. This would require a collaborative approach seeking to impact on neighbourhood sustainability in partnership with local communities rather than a more insular approach focusing on the association's corporate assets and interests.

⁵ Hull City Council Evidence to APPG July 2016, p.1.

The move by housing associations to **dispose of street properties** is worth of wider attention here as it is adding to existing concentrations of poorly managed street properties in neighbourhoods with clusters of empties. This is being exacerbated by auction sales of HA stock to opportunist and often absentee landlords who are acquiring in such area.

The Housing and Planning Act has amended the disposal consents process to allow disposals 'subject to a general context of the Regulator'; and this was designed to ease the 'smooth delivery of the voluntary right to buy' and housing association asset management ⁶. We propose that this should also require the regulator to consider future social stewardship of assets as an important consideration alongside protection of historic public subsidy. Furthermore the HCA should enable and encourage below market price disposals to socially responsible bodies where they are able to demonstrate more effective local management than other actors. Such an approach is consistent with Charity Commission Guidance⁷ on disposal of assets to other charities with similar objects and local authority guidance on circumstances in which disposals below 'best consideration' are permissible⁸. We believe that social stewardship of fragile neighbourhoods by community based organisations meets all existing tests for below market price disposals.

Access to research evidence:

Research to Date: A summary of our research in the North East and Yorkshire and Humberside is attached and full reports of that research (2014-15) and a similar study in the West Midlands (2013/14) are available at: <http://www.birmingham.ac.uk/research/activity/social-policy/housing-communities/publications/working-paper-series.aspx>

Earlier case study work going back to 2009 helped to demonstrate the potential and delivery of community-led approaches to empty homes in advance of the DCLG funding programme is available at: <http://www.birmingham.ac.uk/generic/tsrc/documents/tsrc/reports/Self-help-housing-Case-study-report-54.pdf>

Current Research: We are currently undertaking further work on the legacy of Empty Homes Community Grants Programme which will be generating briefings on asset based development and local authority support backed up by survey data, case studies and freedom of information

⁶ NHF Member Briefing On Housing and Planning Bill, October 2015 p.4

⁷ Charity Commission (2013) Selling or Leasing Charity Land for less than best price

⁸ Circular 06/03: Local Government Act 1972 general disposal consent (England) 2003 disposal of land for less than the best consideration that can reasonably be obtained; RICS (2011) Local Authority Asset Management Best Practice. 07 Disposal of Land and Less than Best Consideration.

requests. Depending on the timescale of the Taskforce enquiry it should be possible to meet and provide access to some of this material by early September.

Professor David Mullins
July 12th 2016

About Housing and Communities Research Group



Led by Professor David Mullins, the Housing and Communities Research Group undertakes leading edge research and teaching as part of the School of Social Policy at the University of Birmingham. Housing and Communities has long been a key area of interest of research and teaching at the University of Birmingham, both in the School of Social Policy, and building on the 40-year tradition of housing research in the Centre for Urban and Regional Studies.

Housing and Communities is an important arena for current policy and practice challenges in relation to housing policy, welfare reform, public expenditure reductions, homelessness, housing supply shortages, financial inclusion, Localism, and the role of third sector in service delivery. Research and knowledge transfer on these topics plays a key role in the University's civic engagement agenda.

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