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HPDG SPECIAL EDITION CLG LOSES THE PLOT

Government backs down on empty homes work (Editorial)

As most NAEPP members will by now know, the CLG has dropped its proposal to make empty homes work a criterion for receiving Housing Delivery Grant.

This was announced last week when CLG published its response to the consultation exercise on Housing and Planning Delivery Grant, along with the grant allocations for 2008-09. (See

Consultation, and how to ignore it

The report on the results of the consultation exercise revealed that 57% of respondents agreed that Housing Delivery Grant should be tied to a criterion around empty homes work against a mere 17% who disagreed. That was the second highest positive response in the survey (after incentivising better quality design).

Considering that such a criterion could undoubtedly act as a potential barrier to local authorities receiving grant, that is an exceptionally positive response and shows how seriously many local authorities take empty homes work.

Not so the government, it seems...

A new CLG policy driver on empty homes work?

More alarming than the decision itself were some of the reasons given for it.

The Government response to the consultation exercise singled out one issue for special mention:

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(Government backs down on empty homes work - continued)

“In particular, we recognise the view expressed by a number of local authorities that their allocations should not be dependent on them taking action on empty homes if it is not a priority in their area.”

This invites the question: what one earth would your housing position be like if you needed to increase your housing stock by 0.75% per annum [the criterion for getting any grant at all] but didn't need to take coherent action to bring empty properties back into use?

Based on this response, we can now paraphrase latest government policy on local authority empty homes work as follows:

“Our over-riding consideration will be to make sure you don't have to have an empty homes initiative if you don't want one”.

As a background to this, the summary of the consultation responses reports that *“A number of authorities felt it was inappropriate to have an eligibility criterion on empty homes because this would effectively compel them to invest more resource in tacking empty homes or face losing grant....”* and it appears that this feeble response has won out.

No doubt practitioners all over the country will be taking out their handkerchieves in sympathy with the poor ickle babies who might actually be compelled to put resources into empty homes work. But surely it is not unreasonable to expect that LA's benefiting from Housing Delivery grant should reinvest some of it in their in empty homes work? -----<continued overlead>----->

Calling a spade a spade

Alongside this sorry tale, the Government response reproduces some predictable waffle about how empty homes should be part of local authorities' housing strategies and how important it all is. But then producing Local Development Frameworks and ensuring sufficient housing for the community should be mainstream activities too, so in what way are they different from empty homes work? It would be more logical to incentivise the things that authorities might not otherwise do than the things they are supposed to do anyway.

It would have been more honest for CLG simply to admit that in their view producing local development frameworks and building new housing are important enough to deserve incentivising but making best use of existing housing stock by bringing empty homes back into use is not.

The cost of an Empty Homes Initiative

And how much does an effective empty property initiative cost, anyway? The key is to have a dedicated officer and in many authorities this can be a part-time job. Authorities like Kennet and St. Edmundsbury (and doubtless many others) have proved you don't have to be a big authority to mount a successful initiative that is appropriate to your area.

The entry-level revenue cost is maybe £25,000 - hardly likely to break the bank if you are going to be rewarded with HPDG as a result.

Losing the Pot

In fact, NAEPP'S consultation response included the proposal that the HPDG pot could be **top-sliced to provide match-funding to local authorities to support officers dedicated to empty homes work**. Thus the £25k entry cost could be even less.

We wonder what the government is going to do towards the end of the 3-year funding period when the current slow-down in housing supply slashes performance in most areas. Based on the original allocation formula it is likely that the small (possibly very small) number of authorities still able to exceed the 0.75% target would each get huge amounts of money whilst most others would get nothing. Our verdict: not sensible.

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Investing in Capacity and Innovation

In fact the government is explicit that the £500M+ pot is **not** for capacity-building and we think this is a mistake. The recent down-turn in the market highlights the fact that most authorities have only limited control over the amount of housing development in their areas. Some areas, eg London boroughs, will find it hard to qualify for HDG because they are already densely built-up and will have limited potential to expand the housing stock even in a buoyant housing market.

Some of the huge amount of money in the HPDG pot could have been used to support those initiatives - such as empty homes and downsizing - that would be beneficial in any authority and deliverable in any economic climate.

Consultation and how to avoid it

There seems little doubt that there was genuine uncertainty at CLG over how to implement the empty homes criterion. For example NAEPP was keen for it to be as flexible as possible and take account of a local strategy rather than focusing on nationally-set targets; some respondents seemed to want national targets.

This would have been a perfect opportunity to engage with agencies with the relevant experience, such as NAEPP and the Empty Homes Agency, to discuss in detail how a suitable reward mechanism might work before making any decision to discard it. But no attempts were made to open a dialogue.

Balance and how to achieve it

The bottom line is that everyone can see a connection between empty homes and the need for new housing. Empty homes remain a serious concern for a wide range of people - including those of us who are also dedicated to increasing new housing supply.

By choosing to address only one side of the equation in the HPDG reward programme, CLG has given ammunition to those who will resist much-needed new housing development whilst giving nothing to local authorities exploring the full range of options to meet housing need - most particularly the need of those struggling in the open market.

The alternative was a nationwide network of CLG-branded empty homes initiatives. **Politically and practically, it's a lost opportunity.**

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