



The National Association of Empty Property Practitioners

POLITICAL PARTY POSITIONS ON EMPTY HOMES

A briefing paper for the 2010 general election

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For NAEPP’s proposals for a National Empty Homes Initiative:

Our latest (October 2009) draft of *From empty promise to national action plan: Creating a national empty homes initiative* is available at:

<http://www.naepp.org.uk/NationalActionPlanFinal>

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1 INTRODUCTION

SCOPE

In this briefing paper, we take a quick look at the policies of the “big three” political parties regarding empty homes.

We have also included the Green Party policies as we think these are more likely to influence the main-stream than other minority/fringe parties and they contain significant policies on empty homes.

FUTURE UPDATES

The paper will be updated as necessary to reflect changes or amplification of policies as we become aware of them. It is important to be aware of the date on the document. Previous versions are available to subscribers and full members on our web-site.

BACKGROUND

The review was conducted

- to provide a reality check to policy-makers in the political parties
- to help empty homes practitioners see what might be coming after the next election
- to situate NAEPP’s own thinking about empty homes in the context of the policies of the major parties.

NAEPP’s proposals for a national empty homes initiative can be found at [http://www.naepp.org.uk/NationalActionPlan Final](http://www.naepp.org.uk/NationalActionPlanFinal)

METHOD

The review was conducted by visiting the websites of the parties concerned and seeking out the housing policies (which proved not be quite as instant as you might hope). Where there was a named policy document we then googled for that to see if there had been any

formal response to it. This proved to be the case only for the Conservative party’s offering.

AVAILABILITY

This paper is available to anyone. Links to the various documents and web-pages mentioned are in our Information Library but only available to Full Members.

NAEPP’S VIEW OF PARTY POLITICS

We think empty homes and wasted commercial space are issues that are substantially outside party politics. Just about everyone would like to see something done about them for a variety of reasons. One illustration of this is that there is no obvious correlation between the political complexion of local authorities and their commitment to tackling empty homes. Most Empty Dwelling Management Orders, decried by the more Conservative-leaning sections of the national press, have been implemented by Conservative-controlled authorities.

Thus, NAEPP’s proposal for a National Empty Homes Initiative is modelled in part on the Rough Sleeper’s Initiative. Whilst Labour claimed the “success” of reducing rough sleeping by two thirds, the initiative began under a Conservative government.

Leaving party politics aside, it is slightly disturbing to find, amongst those who aspire to run the country, a lack of close understanding of the terrain. We would not want to preach “practitioner power” but certainly “practitioner influence” is, we think, much needed—and not just in the field of empty homes. Somehow, the knowledge and—more importantly—wisdom that accumulates through practice needs to find a more direct route to influence policy. In an era when public spending is going to be reduced, that input is needed more than ever.

CHANGES BETWEEN DIFFERENT EDITIONS

The General Election has naturally focused minds and the positions of the parties seem to have changed considerably since the first edition of this paper last October.

2 THE LABOUR PARTY

HOUSING GENERALLY

After our 1st Edition of this Briefing –perhaps they read it!–Labour added *Housing* as a policy link at the bottom of each web-page , where previously we had identified it as one of 3 policies missing from the 21 listed on the *Policy* page.

But at some point since the end of January the website received a major revamp. It certainly looks fresher. But in the process the number of policy areas at the bottom of the web-page has been reduced to 11. Housing, all too predictably, has vanished.

Fortunately, since our last edition, a *Search* feature–previously lacking–has been added. Searching for “Housing” brings up a number of references to policy areas - including a section with actual title of “Housing”. A glance at the breadcrumbs shows that this belongs under *families and pensioners*. This features funding of affordable housing, the council house-building programme, the Stamp Duty changes, the efforts to prevent repossessions, efforts to secure increases in mortgage funding through agreements with the publicly-owned banks, better protection for tenants (private and social), investment to achieve the Decent Homes standard, eco-towns and the zero-carbon commitment on new-build.

As with the other parties, the text on the website and that in the *Manifesto* are substantially different in expression, though the substance of the main points is the same. The *Manifesto* appears to contain more specific housing policies than the website, for example on housing for members of the armed forces housing.

In the *Manifesto*, the main discussions on housing are under *Living Standards*, with sections on improved insulation standards for homes under *Green Recovery*, on council-house building under *Democratic Reform* and

on access to housing for armed forces under *A Global Future*.

EMPTY HOMES

There is nothing at all in the Labour Manifesto or on the website about empty homes. It is simply a non-issue for Labour. A website search throws up just one instance of the word “empty”–but in a reference to “empty promises”.

This lack of ideas is disappointing for an issue that so often commands public attention, and is certainly less excusable now that the NAEPP proposals for a national Empty Homes Initiative have been in the public domain for the best part of a year. On this evidence, no one for whom empty homes is a critical issue is going to be voting Labour.

3 THE CONSERVATIVE PARTY

HOUSING GENERALLY

It is difficult to know how to deal with the Conservative offering. For the first two editions of this *Briefing*, the key document appeared to be *Strong Foundations*. This was a major statement on housing from Grant Shapps, the Shadow Housing Minister. This document has now all but disappeared from the website. It no longer appears as a current policy document. On Grant Shapps' own page on the site there is a list of over 20 downloadable documents, but this does not include *Strong Foundations*. It is still possible to find the document by searching for it by title, whereupon the PDF file comes up top of the list and can be downloaded. But it is not integrated into the policy framework of the Manifesto or the website.

So where exactly does that leave current Conservative housing policy? Housing policy is pleasingly easy to find on the website: the *Policy* page lists 28 policies under *Where We Stand*, one of which is *Housing*. The *Housing* policy page focuses heavily on home ownership. Key policies relate to stamp duty for first-time buyers, expanding shared ownership, giving social tenants an equity stake in their homes and HIPs. There are vaguely-worded assurances towards social tenants. Proposed changes in the planning system involve abolition of regional planning policy and making planning more responsive and flexible locally. "Backland" development would be easier to block.

Of potential relevance to empty homes policy is the Conservative proposal to "*Reward councils for building more homes and promoting local economic growth, by allowing them to keep more of the proceeds from council tax and business rates from new development. An extra incentive will be given to encourage the building of affordable housing*".

NAEPP's own proposals in *Creating a national empty homes initiative* suggest that a similar "council-tax" reward would be appropriate for local authority's successes in tackling empty homes.

It is not clear from the document who would benefit from this reward in two-tier areas where the planning authority typically only gets around 15% of council tax (the rest going to the county).

Another policy of potential relevance is that "*to include homelessness as a Ministerial responsibility across a series of government departments*." This is reminiscent of the days of the Social Exclusion Unit, which also achieved impressive results by working across departmental boundaries in the early and more vigorous days of the Labour government. NAEPP has been actively promoting the Rough Sleepers Initiative as a template for a national empty homes initiative: this provides an element of encouragement that there is fertile soil for such a proposal.

EMPTY HOMES

However, the practical proposals around empty homes—such as grant schemes—that featured in *Stronger Foundations* (discussed below) no longer appear on the website or in the *Manifesto* - nor is there any direct mention of the empty homes issue. This is most disappointing.

EDMOs

Even more disappointing is the proposal to abolish EDMOS. However this only appears on the Conservative website and not in the *Manifesto*, suggesting there is still uncertainty within the Conservative Party on this issue. (The website text is: "*Abolish state powers, introduced by John Prescott, to seize private homes such as those of the recently deceased*". Apart from anything else, this ignores the fact that homes of the "recently deceased" are actually exempt from EDMO action for 6 months after grant of representation).

Powers of Entry

The companion proposal on the website (“*Rein back in state powers of entry - including abolishing council tax inspectors’ right to enter your home*”) may also have an adverse impact on empty homes work. In this case the policy is also represented in the *Manifesto*. However, on a more positive note, there is a link from the *Housing* page to a statement by Caroline Spelman on this issue. The proposal is that a magistrates order would be required in every case where powers of entry were sought and very tough criteria around the possibility of serious crime or threats to public safety would be required—but with the rider that “*the provisions would not apply to illegally occupied sites (e.g. squatters, travellers) or to long-term vacant property (e.g. rundown, boarded up properties)*”. The extent to which empty homes work would be hindered might depend on how demanding the exception criteria were.

The Website

A search of the web-site for “empty homes” brings up 30 entries. Many of these refer to *Strong Foundations*. Some refer to Boris Johnson’s drive to tackle empty homes in London or Carol Spelman’s opposition to state powers in relation to empty homes. All in all, this certainly gives the impression that empty homes is a live issue for the Conservatives.

STRONG FOUNDATIONS

Although the status of *Strong Foundations* must now be in doubt, it is also possible that the empty homes policies have been put on the back burner rather than being dropped. It therefore deserves some attention.

Empty homes features in the *Executive Summary to Strong Foundations* under the sub-heading *Community-led Housing* where one of the bullet points is “*Relax the rules that prevent thousands of habitable empty properties being used to house those on local waiting lists*”.

Regardless of the merits of the proposal (which is discussed further below), this gives a welcome degree of prominence to the issue.

In the main analysis of the housing situation in section 2, much is made of Labour policies that have led to the growth in the number of flats and reduction in the number of family-sized houses being built, connecting this with empty homes: “*The over-supply of flats and small homes has helped fuel a remorseless rise in the number of vacant properties*” - which they quote as rising from 723,000 in 2005 to 763,000 in 2007. (These figures are reported to come from Hansard.)

They state that “*official statistics lag well behind the situation on the ground and it is widely predicted that the total will top 800,000 by the end of the year*”. (This figure is reported to come from the Empty Homes Agency).

NAEPP’s recent analysis of the Council Tax Base figures¹ produced slightly different figures, but showed the same trend and scale of increase. But there are many ways of aggregating figures to arrive at the “total” of empty homes. In our analysis of the figures from 2004 to 2008 inclusive, long-term empty homes had increased the least of the various categories - by only 3.1 % since 2004 - and had actually **decreased** as a percentage of all dwellings, from 1.46% to 1.45%. Over the longer term (which is harder to assess because there is less consistency in the statistics) numbers of vacant homes seem to have reduced since 1997. So the claim of a “*remorseless rise*” isn’t entirely convincing.

Nevertheless, NAEPP’s figures do show a definite jump recently, and no doubt newly-built flats standing empty as the housing market bubble has deflated make a contribution, as the document suggests. In fact, many of these flats are not registered for council tax: developers understandably leave them in a slightly uncompleted state to avoid registration if they think they will have problems selling them. So the true number of empty homes would be higher still.

Stronger Foundations goes on to paint a mainstream but nevertheless welcome view of

¹ see <http://www.naep.org.uk/CTBDataAnalysis> ; available to paying members and Subscribers.

what empty homes are all about: *“Unoccupied properties are not just a waste of a scarce resource; they often act as a magnet for crime and anti-social behaviour and so can have a negative impact on local neighbourhoods and undermine community spirit”*.

Perhaps the only surprise is that the impact on property values has not been mentioned.

Wasted publicly-owned assets

There is a strong commitment to release surplus public sector land and buildings. The Conservatives want to facilitate this by extending the government’s electronic property database to include all centrally funded executive agencies such as quangos, NHS trusts and so on. The data would be published online making people aware of the opportunities.

This could be expected to address NAEPP’s proposal that central government should collect its own statistics on empty homes rather than the current time consuming and inadequate process of relying on local authorities to collect it as part of the HSSA process.

The Conservative suggestion is supported by the proposal to extend the use of "public requests to order disposal" (PRODs) to all *"empty or unused public sector brownfield land"* again including the assets of quangos and the like.

This is a useful suggestion, sitting well alongside NAEPP’s current proposal that public sector properties should not be exempt from EDMO powers. The two approaches can complement one another as there will be occasions where assets should legitimately be retained in the longer term - so that a PROD would not be appropriate - but an EDMO would be appropriate in the short to medium term. Our concern is that the Conservatives will not be prepared to refine the EDMO approach because it is a Labour measure that is applied to private sector homes.

NAEPP also believe that local authorities - as democratic representatives of their local communities - should have the right to initiate a PROD.

Empty Property Rescue Scheme

Outline

The proposal, which is caveated with the description of *“special temporary arrangements”*, is to make it easier for housing associations to buy empty properties by relaxing some of the regulatory framework applicable to such purchases. Physical standards could be lower, tenancies could be assured shortholds and properties could be bought on the basis of being able to dispose of them relatively easily at a later date.

Letting Arrangements

Associations could let the homes outside of normal letting criteria by being *“allowed to exercise their own nomination rights”* although they will *“manage these properties and set rents as usual”*. The policy states that the scheme is *“likely to provide a way of helping those who might not otherwise benefit from affordable housing”*.

This must be a concern insofar as a significant proportion of any investment in affordable housing is purely to subsidise the rent. It is difficult to see why people should benefit from this subsidy if they would not normally be eligible for it. It would be a bit like giving child benefit to people without children.

This proposal would actually be easier to promote and defend if it continued to rely on choice-based letting procedures and allowed intermediate rents to be charged. Under-choice-based lettings households bid for and are allocated homes in process which involves both their priority for housing and their aspirations and willingness to accept different rent levels, property standards etc. This would seem to create the best balance between different policy strands. Allowing intermediate rents to be set would of course also make the money go further.

It is difficult to resist the thought that, as far as the letting arrangements go, the proposal is framed with an eye to making sure that those living next door to an empty homes bought under the scheme do not end up with the *“wrong sort of people”* as neighbours, an

outcome which might generate bad publicity for its architects.

Leasing

Other strands to the Empty Property Rescue Package include the possibility that "*housing associations might opt to leave the properties in the hands of a developer for newbuild or the current owner for existing empty properties and simply rent the house*". Presumably this is a leasing arrangement.

It is not clear how this differs from the existing Temporary Social Housing Grant regime, which among other things already gives housing associations more flexibility in respect of rents and physical standards. Many local authority practitioners would certainly welcome the involvement of more housing associations in leasing schemes: many struggle to find suitable partners in their areas. But housing associations' reluctance to become involved should be treated with respect, reflecting their business plans and legitimate priorities. It is time to rethink delivery partners for empty homes.

Incentives to local authorities

To encourage local authorities to work with housing associations it is proposed that "*empty existing homes brought back into use will count towards new supply and performance indicators*". If this is taken to mean that the properties would count towards the arrangement whereby the local authority would get a reward equivalent to six years or more of council tax then this would be a very significant incentive.

The problem with this, as an incentive, is that it would bear little relationship, if any, to the work undertaken by the local authority in tackling empty homes: it would create a free for all to grab as much grant is possible in order to acquire as many homes as possible without reference to the extent to which those properties were problematic. The "temporary" nature of the proposed arrangements and the limited amount of capital likely to be engaged means that the incentive would not help create a sound basis for ongoing empty homes work

We think NAEPP's proposal to calculate any reward on the basis of how long a property was empty would be a more effective incentive.

Self-build / short-life?

The document also trails the possibility that homes could be taken on by those who might "*complete renovations on empty homes themselves*". It is not clear exactly what is being proposed here but it certainly sounds worthy of further exploration. NAEPP's draft National Empty Homes Action Plan includes the suggestion of greater support for short-life housing schemes.

Funding

The document indicates that no additional funding would be required for this scheme as it would be drawn from the Homes and Communities Agency's existing National Affordable Housing Programme.

NAEPP's evaluation

There are many positive features in this proposal. Certainly no one is likely to oppose the creation of more affordable housing. But as an approach to tackling longer term empty properties it is over-sold. Most commentators feel that the current market is being propped up by an under-supply of homes. In practice, a temporary Empty Property Rescue Scheme would be likely to mean housing associations simply competing for homes already up for sale and with every likelihood of being brought back into use anyway. (Though with a double-dip recession this could easily change) . .

Moreover, so long as money is poured into schemes involving acquisition rather than grants and loan the volume of homes benefitting must always be relatively low.

NAEPP's main concern, then, is not with the *Rescue Scheme* proposals themselves (although we think they would benefit from refinement) but rather with the fact that by taking centre ground they obscure the potential for other effective and probably more productive approaches. In particular we are promoting the role of local authorities, working closely with the private sector, offering assistance via loans / grants direct to private owners

supported by leasing or management arrangements or garnering nomination rights. This aligns with the Conservative commitment to localism - but it is localism with legs and teeth.

The housing market

Finally, *Stronger Foundations* states that this proposal is in part driven by the desire to "prevent over-correction in house prices by putting a floor under the housing market". Arguably, a somewhat different stance is adopted where the Local Space partnership with London Borough of Newham is referred to as an example of how a housing association "can procure a considerable number of properties at a social rent without distorting the local housing market".

Many commentators think we have so far had an under-correction of house prices, with affordability remaining a huge issue. So it is debatable whether the foregoing aligns with the comment later in the document that "home ownership is the ultimate goal for many families and individuals. It is the duty of government to help make this goal a reality."

Other References to Empty Homes

Under the heading *Review of waiting list management* the document notes an under-supply of larger homes. It comments that "in the short term, we will expect local authorities to maximise their efforts to bring empty homes back into use, and to tackle under-occupation of larger properties."

On the other hand, there is no mention of empty homes work under the subsection entitled *Tackling homelessness*.

Section 6 on the private rented sector correctly notes the important role of the private sector in tackling empty homes: "Private landlords could play an important role in bringing under-utilised or empty homes back into the patient stop individual landlords are also capable of delivering small developments and conversions on sites to marginal or too difficult for larger businesses to undertake. Single operators can quickly

and effectively operate at low margins on brown field sites".

As we have noted earlier, what is not sufficiently recognised is the ability of local authorities to support these endeavours through grants and loans schemes and through the encouragement and enabling role of empty homes practitioners.

CONCLUSION

In our previous edition we commented

"It is to the credit of the Conservative Party that a commentary on their empty homes policies requires so much space. So long as they are making such an issue of empty homes, they are generating expectations that they will do something meaningful about them given the chance. Should they form the next government, there seems to be a real possibility of a constructive dialogue that could move the work forwards."

Unfortunately, none of this has made its way into the *Manifesto* and what is on the website is the least desirable aspect of Conservative policy i.e. the proposal to abolish EDMOs. What a shame. We can only hope that the ideas in *Strong Foundations* will be resurrected if the Conservatives do form the next administration.

But in the meantime, based on the *Manifesto* and the website alone, the conclusion must be the same as for Labour: no one for whom empty homes is a key issue would be looking to vote Conservative.

4. THE LIBERAL DEMOCRATS

HOUSING GENERALLY

Since the 2nd edition of the this *Briefing* the Liberal Democrat web-pages have been updated yet again. Housing policy is still hard to locate - even more so than on the Labour website. The front page of the site only features 6 main policy areas none of which is housing. The *Housing* page can be found by selecting the *What we stand for* tab. But the link to it only appears after first selecting the *Community* link. (*Community* is not, incidentally, one of the 6 main policy areas on the front page of the website). Searching for "housing" brings up over 1,800 results - the second of which is a link to the *Housing* page.

The afore-mentioned *Housing* page on the website is relatively brief and conversational in style, decrying high house prices and promoting proposals for more affordable housing, affordable warmth, abolition of regional housing targets and greater local control over planning. There is no mention of the empty homes proposals that are being promoted quite strongly as Liberal Democrat policy via other channels. However, this page also features a prominent link inviting the user to *download our full policy briefing*. Rather surprisingly, this so-called "full policy briefing" is only a single side long. There are scarcely any more words here than can be found on the website, whilst the policies do not match those on the website. But they do feature empty homes in two out of the four key policies listed (see below for further details).

Elsewhere (under *Local Government*), there are proposals to abolish council tax and replace it with a local income tax. Obviously any of NAEPP's own proposals that rely on hypothecation of council tax would be impossible to implement in such circumstances. This does not mean NAEPP would oppose these Lib-Dem proposals: it

would just imply that funding would have to come from another source.

EMPTY HOMES

Empty Homes in the Manifesto

The key manifesto pledge on empty homes is "*Bringing 250,000 empty homes back into use. People who own these homes will get a grant or a cheap loan to renovate them so that they can be used: grants if the home is for social housing, loans for private use.*" This pledge is actually under *Your Job* which covers the economy generally and is part of a "*green economic stimulus package*" although it is repeated in the *Your Community* section.

It is important to note that this stimulus package is short term. The *Manifesto* says: "*Liberal Democrats will begin our term in office with a one-year job creation and green economic stimulus package. We have identified £3.1 billion of public spending that can be used to create 100,000 jobs.*"

Second Homes

Less widely publicised are the proposals on second homes contained in *Your Community*, (where the main housing policies in the *Manifesto* can be found). These include: "*Give local authorities the power to set higher Council Tax rates for second homes and the option to require specific planning permission for new second homes, in areas where the number of such homes is threatening the viability of a community*".

Any such move would presumably be a short-term measure given the commitment elsewhere to abolish Council Tax over the longer term.

In addition It is proposed to tax any capital gains on sales of second homes as income tax (thus at the marginal tax rate) rather than at the flat 18% capital gains rate as at present.

The Empty Homes Grant/Loan Proposals

Returning to the headline pledge to bring 250,000 empty homes back into use, details were announced on January 14th 2010. The two key proposals are a **£1billion fund of grants** for social housing and a **£400million fund for loans** for private sector owners, not tied to social housing.

In either case, the money is bid for by RSLs and local authorities - it is not allocated via formula and it is not distributed direct to owners from central government.

It is clearly implied that all this funding is for empty homes. But it is not clear what the qualifying criteria are: how long would a home need to be empty before it would qualify? How would one avoid giving a perverse incentive to keep a property empty (or worse, empty it out) to qualify for one of these schemes?

With both grants and loans, a ceiling £10,000 per home is proposed (though local authorities or RSLs could contribute more from their own resources).

The grant scheme is expected to produce 100,000 extra homes; the loan scheme 150,000 extra homes.

Grants for existing social housing

The **grant** scheme is apparently aimed not just at private sector housing but also at existing social housing. Where spent on social housing it is difficult to see how this is any different from being an addition to (or replacement for?) Decent Homes funding. It is not at all clear how it fits in with existing funding streams for refurbishing social housing (or purchase and repair, if that is being envisaged). Again, issues of perverse incentive might arise, if a local authority or RSL could access the £10,000 only after a property had been empty for a certain time. We would be keen to know, too, whether the grant was to be distributed through the existing bureaucratic machinery or via some other route—or whether the route might be different for the two types of organisation.

This proposal does gel with the NAEPP proposal that top priority should be given to existing social housing that is standing empty because of a lack of funding. We suspect, however, that any initiative to tackle empty social housing would best be approached as a separate initiative rather than via this one-size-fits-all approach. The conclusion is that considerably more detail is required to understand exactly what is being proposed here in respect of social housing providers' "own homes".

Grants for private sector housing

Where used on **private sector housing**, however, the proposal is to be welcomed in principle as implementing key elements in NAEPP's *Creating a National Empty Homes Initiative*. We want to see flexible funding for empty homes geared towards the private sector, and outside of mainstream social housing grant. The proposed grant has two important conditions attached:

- the housing must be let at "local reference rent" (presumably this mean at local housing allowance rates)
- it must be let for 10 years as "social housing" (although owners can withdraw on repayment of grant with interest).

Accepting that this is a good idea in principle there are a number of practical issues that we think need addressing:

- the 10-year commitment by owners strikes us as a major disincentive; it is just too long for a large number of owners to contemplate, even with a get-out clause;
- how would tenants be allocated to the schemes?
- does the owner need to do £10,000 of work to qualify for the grant? what if the property only needs £3,000 of work - does the owner still have to commit to providing social housing for 10 years?
- the 100,000 target strikes us as over-optimistic, however worthy the intention behind it; the bureaucracy to distribute grant to that number of people over the

short (two-year) duration of the scheme would be significant; there is no comparison with car or boiler scrappage schemes when it comes to tying people into 10-year agreements;

- the two-year programme is too short;
- there is a potential issue with perverse incentives - for example people already letting to families in receipt of local housing allowance rates could, through some manipulation of their circumstances, qualify for £10,000 to do what they were already doing;
- the £10,000 limit will not go very far in helping bring more dilapidated empty homes back into use (why not set an average of £10,000 instead and let local authorities decide how to allocate it?).

Loans for private sector housing

The loan proposal features an interest rate set at the rate of inflation with a presumption in favour of repayment of the loan over 10 years. There would be no controls on lettings or rent. This proposal is expected to produce “150,000 more private homes” out of a £400M Private Housing Fund. Issues to be considered here are as follows:

- 150,000 into £400million is only around £2,5000 per home not the £10,000 quoted as the maximum;
- would there be any requirement to spend money on particular aspects such as greening the home?
- what would be the criteria to qualify and how would this avoid perverse incentives?
- why pass the money through local authorities when there appears to be little practical involvement by the local authority in the outcome; or looking at this from another angle, why create a postcode lottery based on the ability, interest etc of the local authority in the scheme, whilst replicating the bureaucracy involved over hundreds of different organisations? why not just try and implement a national scheme via

banks, with local authority input restricted to verification of key details

It is difficult to see how the loan scheme, as described, would have very much impact on empty homes. There is a danger, with these short-term measures that involve significant amounts of public money, that when the dust settles after two years the number of empty homes—and particularly those deserving most attention—will be found to be approximately the same as before.

Developing the Options

An option implemented successfully in some local authorities is where grant is given, the property is let as social housing, and most but not all of the grant is clawed back from the rental stream by the manager of the housing (ie it is not clawed back from the owner in the form of separate loan repayments). This is half-way between a grant and a loan and provides flexibility about the rate of claw-back - whilst replenishing the supply of capital in a way the 10-year grant does not. Ideally such schemes offer owners of empty homes a wrap-around service that takes care of the refurbishment once the owner has signed on the dotted line of the managing agent or lease agreement. This has huge advantages when dealing with more problematic empties. The package of services needed—to specify building works, carry them out, manage the home at the end—is all too often lacking. We need to see the political parties recognising the importance of delivery vehicles and supporting their development.

Conclusions regarding Grant/Loan proposals

These proposals move a long way in the right direction. We don't honestly think the numbers are remotely realistic, whether the programme is over one year as suggested by the manifesto or two years as indicated in the original detailed proposals.

250,000 homes equates to 1,000 per working day for a year—say 3 per housing authority a day. That's 3 homes to inspect, to specify works on, to negotiate with owners, to check ownership details, to draw up appropriate legally-binding documentation—every single day.

That would be far beyond the capacity of local authorities (though outsourcing to building surveyors might make the option more realistic).

But empty homes practitioners will know that even if this logistical obstacle could be overcome, it is not realistic to expect 250,000 homes to be brought forward by owners—unless the criteria were so weak and the controls so feeble that public money would not be properly protected. In such a scenario, the impact on the underlying issue of empty homes would be frankly minimal because the vast majority would be homes with on-the-ball owners that would already be coming back into use.

However, it is fair to say that the broad outline of the proposals is a positive one. **With suitable refinement, with a longer-term vision, with an injection of realism about numbers and outcomes, and particularly with sufficient attention to building the necessary delivery vehicles, the proposals could make a real difference.** We welcome them.

VAT

Another key measure (which may, perhaps, explode in the Lib-Dems' faces as the election campaign progresses and the media spot it) is the proposed cut in VAT on repairs. This is expressed as follows: *“Protect greenfield land and our built heritage by reducing the cost of repairs. We will equalise VAT on new build and repair on an overall revenue-neutral basis. This will also help to reduce the costs of repairs to historic buildings.”* This could only be implemented by imposing VAT on new homes (and other buildings) whilst reducing that on repairs.

A search of the website found this proposal in Policy Paper no 93 *Our Natural Heritage*, which seems to have been presented to the Autumn 2009 Annual Conference; and it also features in speeches by Sarah Teather. But it doesn't seem to appear in any of the policy areas on the website or anywhere else in the Manifesto.

The proposal to alter the VAT in respect of repair and renovation is welcome and supported in our proposals for a national action plan on empty homes. However, it is certainly not the panacea for long-term empty properties that is sometimes suggested. It would not provide any additional levers to local authorities to intervene more effectively. As a measure to deal with empty homes it has been over-sold.

“Home on the Farm”

A minor policy in *Your Community* mentions redundant agricultural buildings: *“Promote schemes for affordable homes like equity mortgages and ‘Home on the Farm’ which encourage farmers to convert existing buildings into affordable housing”*.

Many local authorities have looked at redundant rural buildings and concluded that they were not well-situated to be of much use as affordable housing. But if the fundamental planning objection to further homes in the “open country” is not an obstacle to affordable housing then it would seem reasonable to open up the potential for any form of housing i.e. market housing, too. It is possible that such projects would in fact only be viable (or sufficiently free of risk) if they were able to produce market housing.

This is a measure that NAEPP would support but which would have a negligible impact on the overall issue of empty homes.

(The documents imply that there is a worked-up and published Lib-Dem policy called “Home on the Farm” but this does not appear to the case. However, a Google search brought up a scheme of this name proposed by Tim Farron, Liberal Democrat M.P. for Westmorland and Lonsdale and taken up by South Lakeland District Council in the form of increased funding from their “second homes” funding pot accompanied by changes in planning policy to allow such conversions to take place. This can be assumed to be the template for such a measure).

CONCLUSION

The Liberal Democrats proposals on empty homes are flawed but they have taken the issues seriously and their proposals do encapsulate key measures that would sustain a proper long-term national empty homes initiative. The key is to reformulate them with this long-term vision in mind rather than the short-term stimulus as currently presented.

They are the only one of the “big three” parties to have provided a serious response to the empty homes issue.

5. THE GREEN PARTY

HOUSING GENERALLY

As with the other parties, the website has been revamped for the General Election.

Housing is given relative prominence, featuring as one of the 7 main policy headings on main *Policy* page of the site. The key proposals, verbatim, are:

- *Building a new generation of quality council homes*
- *Supporting the development of housing co-ops*
- *Bringing back into use Britain's 300,000 long-term empty private sector homes*
- *Renovating Britain's 37,000 empty council homes to help cut waiting lists*
- *Giving social housing tenants greater control over the management of their homes and neighbourhoods*
- *Improving the quality of housing stock to help reduce household bills*
- *Helping people at risk of repossession keep their homes via a Right to Rent scheme.*

The website also links to a separate “policy” website that includes both detailed policies and single-page “policy pointers”. (As with the other parties, this plethora of policy statements can make it hard to establish exactly what current policies are). The “policy pointers” for housing are more conversational in style, including questions and answers and laying out broad principles. Surprisingly, given the prominence assigned to the issue in the *Manifesto* and the main website, the “policy pointers” make no mention of empty homes.

EMPTY HOMES

The *Manifesto* goes further on empty homes, with its pledge: “*There are about one million empty homes. Halve this number through empty property use orders*”.

This figure of 500,000 empty homes brought back into use is neither realistic nor would it under any reasonable scenario be politically acceptable. The total of so-called long-term empty homes is probably around 450,000 including homes that are exempt from council tax (eg those undergoing probate, in the process of being renovated, belonging to people in care etc). A large proportion of these so-called long-term empties are in fact being brought back into use by their owners, only perhaps more slowly than we would ideally like. They are not simply sitting there—a point that is overlooked in most discussions of the empty homes issue because of what people read into the phrase “long-term empty”. To tackle 500,000 homes via “empty homes use orders” would mean riding rough-shod over owners already engaged in bringing their properties back into use and would, moreover, have to extend to short-term empty properties too, in order to achieve the projected numbers. This is simply not going to happen in a “property-owning democracy”. It is not a credible policy, however appropriate it might be on a much smaller scale.

Leaving the politics aside, in any reasonable scenario “empty property use orders” would need to go through a quasi-judicial process similar to the current Empty Dwelling Management Orders. That system generates a very significant amount of work for all involved - local authorities, Residential Property Tribunals, owners and other interested parties. Again, it is simply not credible that the system could cope with volumes anything remotely close to those proposed.

The *Manifesto* also implies a significant programme of publicly-funded empty homes work - though it is not explicitly described as such: “*in particular, while the building trade remains depressed because of the recession we would provide £2bn in 2010 rising to £4bn*

in 2011 to local authorities to expand social housing, mainly through conversion and renovation, and create 80,000 jobs”.

This has to be a welcome measure though we consider the time-scale is too short to ramp up investment on such a scale.

VAT

The *Manifesto* also pledges to “*End the zero-rating of VAT on new dwellings, putting them on a level with conversions and renovations of existing dwellings, raising £5bn in 2010 and £7.5bn by 2013.*” Taken at face value and also looking at the tax-take, this would seem to imply imposing 17.5% VAT on new homes.

(Working backwards from the tax-take, the figures seem to suggest building 250,000-300,000 homes a year by 2013. It is debatable whether this policy could be implemented without scrapping all Section 106 contributions. That is a possible scenario but would require some transitional protection for sites that already have planning permission).

DETAILED POLICIES

We review here the more detailed policies that can be found on a separate Green Party “policy” site. Housing policies can be viewed there or downloaded as a 6-page PDF file. These can be assumed to form the basis for many of the policies that have found their way into the *Manifesto* though it must be noted that not all have done so, leaving their status unclear. They date from Autumn 2008 and one assumes they are agreed via internal democratic processes that mean they are not susceptible to immediate change by the party leadership.

The *Background* section offers a commitment to introduce “*disincentives to the speculative ownership of housing*” - including “*higher rates of Council Tax for unoccupied properties and second homes*”. The homelessness part of the *Background* notes the need for policies to “*maximise the use of empty homes*”.

The Green Party comments that “*many of the policies required are more suited to*

implementation locally, enabled and assisted by national government". This is very much in line with the position taken in NAEPP's proposed National Empty Homes Action Plan.

Empty homes

Under *Resources for Housing* the policy notes that "the existence of land monopoly and speculation leads to empty properties, inflated prices for land and the problem that any financial assistance encourages higher prices".

It is unlikely that many practitioners would attribute a significant proportion of empty homes to the effects of speculation, although that is certainly something that the recent housing bubble produced in some areas (as well as significant reductions in long-term empties in areas of low demand).

The section entitled *Use of existing housing* expresses a strategic commitment to making best use of existing stock. Policy H0416 states that *Better use will be made of existing housing. This will include action on both publicly- and privately-owned empty properties*". Policy H0418 states that "Flats over shops and similar properties will be brought into use. Other commercial property may be suitable for housing use."

Under *Personal Finance*, there is a commitment to end any discount or exemption on empty or second homes. This would mean an end to exemption "C" (short-term unfurnished empty properties). If this is intended to apply to other exemption classes such as those for properties subject to Probate or where owners have gone into care then a serious backlash could be expected. NAEPP would be unlikely to support the removal of exemptions in these cases.

NAEPP's own proposals are to allow more local discretion on some council tax exemptions, such as "C", possibly replacing it with a 50% discount.

The other key empty homes policies come under the section on *Homelessness*. Policy H903 states that "Better use of publicly owned property will be achieved by requiring public bodies either to use all such property, or to

permit its use by housing associations, properly organised groups of homeless people or similar groups". Policy H904 states that "Better use will be achieved by empowering local authorities to use empty property use orders, in appropriate cases and with proper safeguards and rights of appeal, to enable the local authority either to use such property itself or to secure its use in co-operation with those groups listed in HO903".

It is not clear how, if at all, Empty Property Use Orders differ from Empty Dwelling Management Orders. It is difficult to assign a precise meaning to "secure its use in co-operation with..." If this is intended to mean transferring the powers accruing under an EDMO from a local authority to a third party, then this looks—at first glance—like a legal minefield and the value of doing so is questionable.

Policy HO905 requires local authorities to draw up registers of empty property and strategies for its use.

NAEPP has pulled back from proposing that it should be a statutory requirement for local authorities to have an empty homes strategy. Strategy documents are no substitute for action and we think that results are best achieved by central-local partnerships buttressed by independent reviews by auditors, as proposed by *Creating a National Empty Homes Initiative*, rather than edicts form on high

Local authorities will "advise and assist groups of homeless persons to make proposals about the use of empty property, and put those proposals into effect". Policy HO906 goes on to state that "local authorities will be empowered to make or guarantee loans to groups of homeless persons organising schemes to occupy empty property".

The spirit behind these proposals is admirable and would be supported by NAEPP. It is probably the case that local authorities already have the necessary powers under "general well-being" provisions of the Local Government Acts over the last few years. But questions about the legal status, probity and sustainability of bodies in receipt of public

funds cannot be ducked and “groups of homeless persons organising schemes” does not give a very clear picture of the delivery vehicles being proposed. In day-to-day practical terms the question arises as to exactly how much added value such groups would bring to a systematic approach to tackling empties. The point is that, whilst we would very strongly support short-life housing and community -based approaches to empty homes, we would not regard them as alternatives to local-authority-led, area-wide empty homes initiatives.

The emphasis on empowerment of community groups—in this case homeless persons—is a consistent theme in the Green party policies. It is one that most practitioners will instinctively feel sympathetic towards and there is no doubt that greater community involvement with the issue of empty homes would be a massive boost to the issue, assuring it much higher priority. This might be the main source of added value from community groups. Some of the changes needed to effect this are more social and cultural than legal. The Green Party policies might benefit from a sharpening of the distinction between these two parameters.

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6. HOW THEY MEASURE UP

We show below where the parties stand in relation to s key proposals put forward in our document *Creating a National Empty Homes Initiative*. As this includes over 40 proposals, we have selected the ones we think are most likely to feature in party political manifestos or policy documents.

As a general point, it is frustrating to see some parties proposing significant injections of funding over the short-term without making any provision for a sustained long-term drive to minimise the number of empty homes. This no doubt reflects political realities - the need to talk up numbers, provide sound-bites that will attract headlines etc.

Yet our own proposals give a clear-sighted political party the option of an equally powerful headline—but one that offers much better value-for-money with long-term benefits: this is our proposal **to establish a national Empty Homes Initiative (or Service)**.

Lets see a local empty homes co-ordinator in every area, travelling from project to project in their (electric) car, branded with the logo of the national campaign. Net cost of 300 leased vehicles? - say £600,000 p.a.: both getting something done and telling the public that something is being done. Lets see grant/loan schemes—for which proven models already exist—that claw back money for re-investment. Lets see a serious attempt to build the efficient delivery vehicles—possibly in the private sector—that are currently lacking in many parts of the country. The public, we are sure, don’t expect miracles - they want to see a concerted long-term effort by government at local and national level to do the best job reasonably possible, drawing on the strengths of private and public sector, to facilitate the re-use of empty homes.

In short: **lets see vision—inspired by common sense.**

NAEPP Proposal	Lab. ²	Cons.	LibDem.	Green
Government to establish and lead a national Empty Homes Initiative, setting itself a target to tackle long-term empties				
Central government to collect statistics on publicly-owned empties rather than relying on local authorities		✓		
Adequate human resources with the skills to progress empty homes initiatives day-to-day in each community				
More funding for a private-sector-oriented approach to empty homes	x ³		✓	✓
Integrated private sector renewal homelessness initiatives		?	✓	✓
Financial rewards to local authorities for bringing empty homes back into use		?		
Reinvigorated national Living-over-the-Shop initiative				✓
Prioritise funding to deal with publicly-owned empties		?	?	✓
Extend Public Request to Order Disposal (PROD) procedure to empties owned by any public agency		✓		
Give PROD powers to local authorities				
Improvements to EDMO process and better balance between interests of owners and tax-payers				
Stop loopholes that allow tax avoidance on empty homes by removal from valuation lists				
Council-tax exemptions for unfurnished empties to be replaced by discounts with greater local discretion.			n/a	✓
Support for short-life housing co-ops				✓



The National Association of Empty Property Practitioners

² We are measuring forward-looking policies not achievements to date.

³ We understand that the government has recently switched more money away from private sector renewal in favour of affordable housing.