

EP 24

Ymchwiliad i eiddo gwag

Inquiry into empty properties

Ymateb gan: No Use Empty: Kent Empty Property Initiative

Response from: No Use Empty: Kent Empty Property Initiative

Overview

Kent County Council (KCC) launched its 'No Use Empty' campaign in 2005 as part of its Public Sector Service Agreement (PSA2) targets, to examine better ways of delivering services, and particularly at working more effectively with district councils. The primary aim of the Initiative is to improve the physical urban environment in Kent by bringing empty properties back into use as quality housing accommodation.

The initiative was originally focused on the towns of the four districts of Thanet, Dover, Shepway and Swale, as research has found that the majority of empty properties (over 3,000) are located within these four districts. Additionally, 19 of the 20 most deprived wards are also located within these same areas.

In January 2008, due to the success of the scheme Kent County Council expanded the initiative to include all 12 district councils in the county.

Objectives

Overall the aim of the initiative has been to substantially increase the number of long-term empty homes returned to use as good quality housing accommodation. A specific numerical target to return 372 empty properties to use over three years was set, which represented a doubling of previous targets. This was to be achieved through the development of new and innovative practice and improved partnership working. The total of 487 properties was achieved in the three-year period, which was a 262% increase on previous performance prior to the Initiative commencing.

Setting up the Scheme

Prior to the launch of the Initiative a large amount of research was undertaken to:

- Identify the location of the empty properties through an empty property condition survey in the four districts to establish their condition and likely costs for refurbishment;
- Business and local resident's perceptions survey
- Appointment of PR and media company to raise and promote the profile of the initiative
- Development of No Use Empty Campaign and associated website
- Appointment through competitive tendering, a specialist private sector housing company to work with the Districts
- Research and develop the full range of options available (in conjunction with the Empty Homes Agency) to help bring these properties back into use; and
- To establish what help and assistance would encourage owners to return their properties back into use.

Using this research, the Initiative developed a project plan that focussed on the following to achieve the aim and objectives of the project:

- An awareness campaign to highlight the issue of empty homes to be targeted at owners and the wider community;
- The development of an information resource for owners, residents, and anyone else with an interest in empty properties. This led to the creation of the No Use Empty web site www.no-use-empty.org and the production of regular newsletters. The website offers the ability to report empty properties Kent wide and there is a dedicated “Hotline”
- Financial support to encourage owners to refurbish and bring their properties back into use;
- Training for empty property officers and other local authority personnel involved in this work e.g. solicitors, planners, environmental health officers, building control on the enforcement options; and
- Practical one-to-one on the ground guidance for empty property officers / local authority staff provided by the project consultant. Enabling them to utilise the full range of legislative options and wider mechanisms / methods to bring empty homes back into use.

Additionally, a residents' and business survey was undertaken to gauge the impact of empty properties on residents' and business confidence in their locality. A follow-up survey was undertaken in Summer 2008, which demonstrated a clear increase in business and resident confidence. The Initiative undertook a series of events where empty property owners were invited, to launch the Initiative and outline the assistance available.

Regular empty property surgeries are undertaken to encourage owners of empty properties to bring their properties back into use. A broad range of advice and guidance is available including guidance on reduced vat schemes and tax strategies, reduced auctioneer fees and advice on securing builders. In addition, guidance on securing planning permission included permitted development rights is provided, where appropriate.

The Initiative initially developed three strands of financial assistance to use its capital funding (£6 million) to encourage the re-use of empty properties. These are as follows:

Interest Free Loan Scheme – loans are available to help owners / developers to refurbish or convert empty homes or redundant commercial buildings to provide good quality residential accommodation. On completion properties must be made available for sale or rent. The loan fund is operated as a revolving fund, so that as loans are repaid, the money is then re-lent to support new schemes. Max £25K per unit, max £175K per applicant, secured as 1st or 2nd charge based on a maximum 80% LTV (loan to value) on the property offered as security.

Partnership Fund – funding available to help the Districts undertake enforcement where deemed necessary e.g. Compulsory Purchase Orders (CPO), Empty Dwelling Management Orders (EDMO), works in default or direct purchase. District Councils have extensive powers to deal with run down empty properties but often lack both financial resources and personnel or knowledge to effectively utilise these powers.

Direct Purchase Scheme – involving the acquisition of empty properties by KCC for redevelopment into good quality housing accommodation.

Other Financial Products

Since inception of the scheme, a range of other financial products have been developed to encourage regeneration and to maximise all opportunities to attract additional funding.

Top up Loans - A number of local authorities (Tunbridge Wells Borough Council, Dover District Council and Folkestone-Hythe District Council) have provided top up funding to support the existing scheme. This enables applicants to apply for loans up to £40K per unit, towards the cost of larger or more complex schemes. The funding is provided to and administered by Kent County Council (charge in KCC name), with a partnership agreement between KCC and the individual local authorities. This ensures that the applicant only has to deal with a single point of contact and simplifies the legal process.

Interest Bearing Loans - Where an applicant has previously benefited from interest free loans and wish to receive further support from the scheme. Then they are moved to an interest-bearing loan on a commercial basis (4-6%). The maximum loan amount and level of interest charged is dependent on the individual circumstances of the project and level of risk. This approach may also be used in relation to key schemes, where a combination of interest free and interest-bearing loans is provided.

Commercial Properties - Interest free loans are also available to help deal with long term empty shops / commercial properties or mixed developments. Where a whole property approach is taken rather than just concentrating on the potential residential element. This is to encourage wider regeneration particularly targeted at local high streets. This funding is part funded by the South East Local Enterprise Partnership (SELEP) with match funding from KCC, this is in the form of a loan which must be repaid to SELEP in the next few years.

Affordable Housing Product - In 2012, KCC launched an Affordable Housing loan scheme which had a Capital fund of £2 million. The scheme was jointly funded by KCC and the Homes & Community Agency. KCC worked in partnership with Amicus Horizon, who manage the refurbished properties on behalf of the owners for a 5-year period, providing a guaranteed monthly rental income (affordable rent – 80% market rent). It returned 42 affordable units by March 2015 and continues to be recycled to provide additional affordable homes. NUC are continuing to support Affordable Homes projects without HCA funding.

Thanet District Council (Owner Occupier Loans) - Thanet District Council in partnership with KCC (KCC administer the scheme on their behalf) can provide interest free loans up to 20K, repayable over a maximum period of 10 years. It is only available to owner occupiers buying long term empty homes, where there are renovation works required. The product is only available in the central wards and is to encourage more owner occupation into an area with a high concentration of rented accommodation. The loan requires the applicant to live in the property as their principal home for a minimum of 5 years. This scheme complements other regeneration initiatives.

Resources

The Initiative is delivered by the Empty Property team - this is made up of the KCC programme manager, KCC project officer, private sector consultant and the district empty property officers (predominantly part time Officers). This team operates as a "virtual team" as they are not employed by one body and work from different locations. Additional resources are provided by KCC's legal services dept. and its property group as and when required. Support is also provided to the team for its communication

strategy by the PR firm engaged specifically for the Initiative. This element of the works has now been taken in house.

The main funding for the Initiative, both revenue and capital has been provided by KCC. The scheme had a capital funding of £5million (Capital & Prudential Borrowing). This has further been supported by the reward grant through the PSA agreement, funding from Homes and Community Agency and South East Local Enterprise Partnership (loan), where KCC has provided match funding.

The districts have provided "in-kind" support through the involvement by their empty property officers and other staff.

Evaluation

The success of the project has been measured by the tangible results achieved through the number of empty homes brought back into use, which amounted to 487 properties in the first three-year period. In total, since its inception the scheme has brought back into use over 6,000 empty properties (up to June 2019).

The scheme has approved over £29.8 million of loans, which equates to 1,010 units of accommodation. This has leveraged in excess of £30 million of private sector funding (owner's contribution), giving a total investment through the loan scheme of £59.8 million (up to June 2019).

- The average cost to renovate a unit = £55.9k (often very worst properties)
- KCC average investment per unit £26k (excludes Affordable Homes Project)
- Actual cost to KCC = £2,866 per unit (loss of interest and management costs)
- Repayment of loans to date £19.5 million
- Loan scheme has created over 983 jobs & homes for approximately 2,221 people
- For each £1 spent on interest and administration, this translates to £20.63 being spent in local economy (labour & materials)
- Attracted over £10.5 million in New Homes Bonus across Kent
- Created 725 new residential units and increased Council Tax receipts by an additional £730K per annum.

It is estimated that the initiative in returning 6,000 empty homes back into use through the broad range of interventions, has resulted in an overall investment of £80 million in Kent. In addition, it has helped to recover in excess of £500,000 in stagnant debts or debts created by works being done in default.

The completed business and resident survey demonstrated an increase in confidence in localities as a result of bringing empty properties back into use. *No Use Empty* is widely regarded as one of the most effective initiatives to deal with empty properties in the UK. The scheme and their partners have won multiple awards from Regeneration & Renewal for their partnership working 2011, shortlisted for an award by the Chartered Institute of Housing in 2012 and won Regeneration and Renewal Awards in 2014 (Partnership Working). Highly commended twice in 2015 LGC Awards for partnership working and best housing initiative. Winners of the 'outstanding approach to regeneration' in UK Housing Awards 2018.

In partnership with Bristol City Council, the No Use Empty Initiative brand was rolled out to the West of England Local Authorities and the NUE Scheme provides support to other local authorities.

The Audit Commission cited the scheme as good practice to other Local Authorities and has been recognised by a number of Government's and the Empty Homes Charity as a beacon of good practice.

The Empty Property Initiative has been incorporated into KCC's Housing Strategy as a target to support its joint wider regeneration projects within the partner districts and increase housing provision and quality. Specifically, the Initiative has linked with these regeneration projects to identify key properties to target for action. All districts had an empty property strategy in place prior to the commencement of the project. The Initiative has contributed to the aims and objectives of these strategies and increased the numbers of empty properties that have been brought back into use and regeneration of the areas.

Lessons Learnt

The main lessons learnt from establishing the project were firstly, an awareness of the time taken to develop this type of Initiative. Although not overly complex bringing together the resources, information and personnel required took much longer than originally anticipated and there was a time lag between the launch and the availability of the main financial funding. Good customer care was essential to keep clients informed of progress (or lack at times) to keep them on board.

The lack of resources at District level to undertake empty property work – both in terms of personnel and financial was a limiting factor. The provision of the capital funding by KCC has in the main overcome the issue of financial resources, but manpower remains an issue. Only two of the districts have dedicated empty property officers (and to some extent the numbers returned to use by the individual districts reflect this situation). For the other districts empty property work is just one of a number of tasks undertaken by person allocated with this role.

Initially, there was a lack of a corporate approach to the problem of empty properties, which resulted in Councils dealing with the issue in a piecemeal fashion. There was also a lack of understanding of the overall picture and the methods available to deal with empty properties. Creating a change in culture has facilitated a more positive approach to the problem.

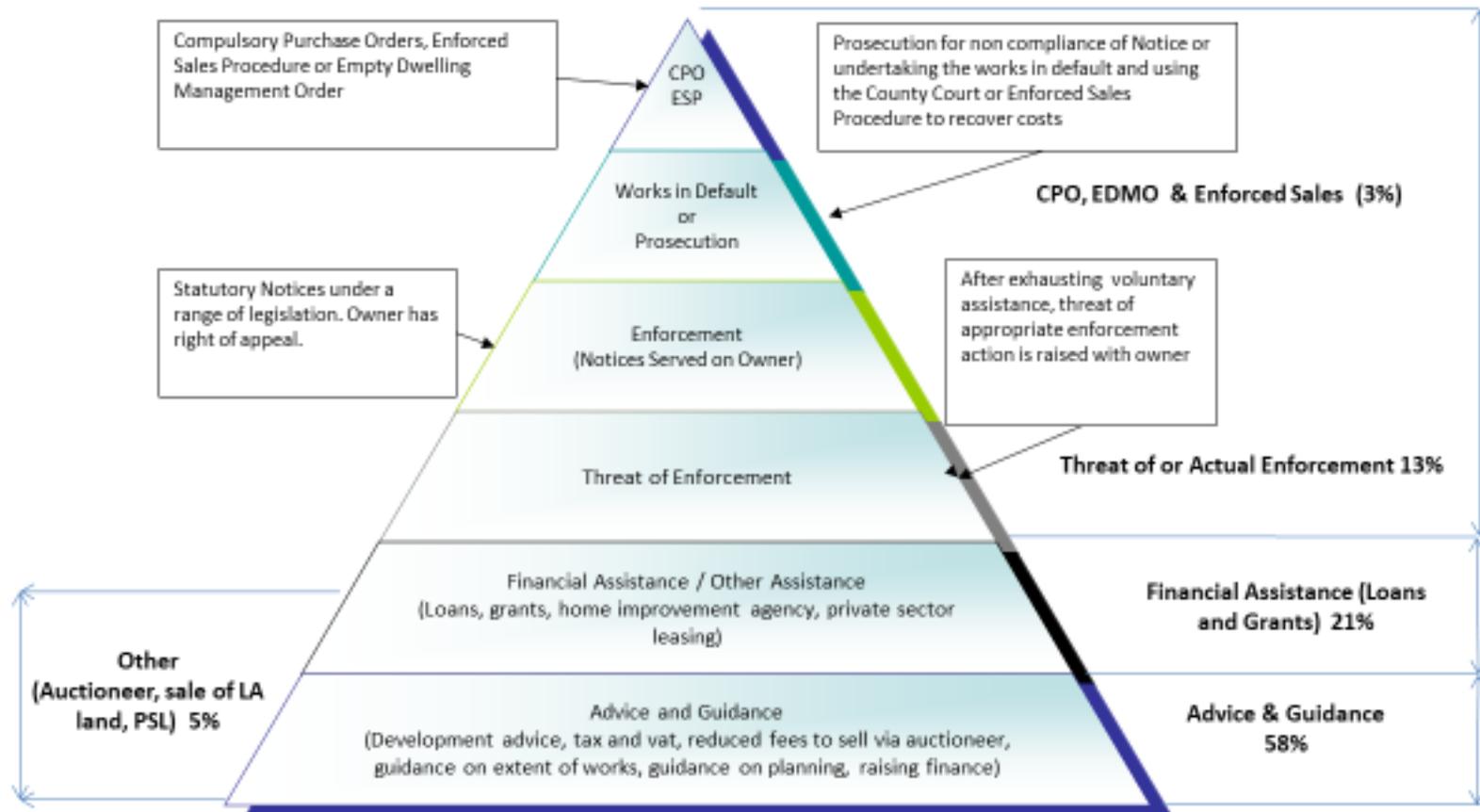
The importance of training both for personnel directly involved in empty property work and for departments that can contribute to this area of work e.g. legal, building control, environmental health and planning cannot be understated. For departments that contribute a "supporting" role an increased awareness and knowledge has brought about an increased level of support for empty property work, which is helping to tackle particularly difficult cases.

Shared learning has brought about an increasingly improved level of skills and knowledge, which are being effectively utilised in empty property work. Low cost or free training has been provided to over 1,300 officers through the initiative, on a wide range of issues. One aspect that has proved invaluable has been the services of the project consultant, who has provided ground support and practical training and implementation on the use of the wide-ranging legislation. This resource has enabled the very worst properties to be prioritised and effectively dealt with.

P.R. and communications, throughout the project we have achieved wide coverage both nationally and locally, including television, radio, national and local press. This has not only achieved a strong brand name in the partner districts, but has also created a ripple effect within the County and beyond through

publishing our successes. This has resulted in owners becoming more open to constructive dialogue with the Councils, knowing that they are prepared to follow through with enforcement.

No Use Empty Initiative: Achievements by Approach



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