

BSHF Evidence to the Communities and Local Government Consultation on New Homes Bonus

Executive summary

- The Building and Social Housing Foundation (BSHF) is an independent housing research charity which is committed to ensuring access to decent and affordable housing for all.
- BSHF has responded to the thirteen questions in the consultation below.
- The experience and expertise of the organisation means that our responses focus on two areas in particular: accommodation for Gypsies and Travellers and empty homes.
 - BSHF strongly agrees with the proposal to include Gypsy and Traveller pitches within the New Homes Bonus. This is for two reasons: there is a chronic undersupply of accommodation for Gypsies and Travellers and this shortage has a social and economic cost.
 - BSHF supports the proposal to reward local authorities for bringing empty properties back into use. Empty properties are an important asset that could be used more effectively for the benefit of people in housing need, landlords and local communities. Working with self-help housing organisations offers a particular opportunity for local authorities to tackle empty properties and create multiple economic and social benefits for communities.

The Building and Social Housing Foundation (BSHF) is an independent housing research charity that is committed to ensuring access to decent and affordable housing for all. BSHF holds Special Consultative Status with the United Nations Economic and Social Council. BSHF has organised a series of Consultations at St George's House, Windsor Castle that are relevant to this submission. These brought together practitioners and academics from a wide range of housing-related backgrounds to examine accommodation for Gypsies and Travellers¹, empty homes² and self-help housing³. This submission is based on the findings of these Consultations and subsequent research conducted by BSHF. More detailed information can be found on the BSHF website (www.bshf.org) or on request from the organisation.

1. Do you agree with our proposal to link the level of grant for each additional dwelling to the national average of the council tax band?

1.1. Whilst BSHF does not have any particular data related to this point, we would note that the proposed mechanism will not always be well aligned with local need and demand for housing. The proposal will naturally create a larger incentive to add properties in higher Council Tax bands than those in lower bands, which may not correspond with the property types most needed in the area.

1.2. The simplest alternative solution would be a flat-rate grant (subject to the enhancements discussed elsewhere in this response), which would empower local communities to deliver the housing that they feel meets their need and demand.

1.3. A more sophisticated solution might be to start from a flat-rate grant but to create an enhancement where the additional dwellings clearly match local need (as demonstrated through a robust assessment), in terms of size, location and affordability. Government would need to carefully consider the feasibility of such a scheme, and whether the benefits associated with a system more targeted at meeting actual needs would merit the additional complexity.

2. The Government proposes an affordable homes enhancement of £350 for each of the six years - what do you think the enhancement should be?

2.1. BSHF does not have a particular suggestion to make regarding the level of the enhancement, but welcomes the general idea of employing an enhancement for affordable homes, to create a particular incentive to deliver this type of housing.

¹ Diacon, D. et al (2007) Out in the Open: Providing Accommodation, Promoting Understanding and Recognising Rights of Gypsies and Travellers, <http://www.bshf.org/scripting/getpublication.cfm?thePubID=7F5ABA7E-15C5-F4C0-99552E2A83761C98>

² Diacon, D. and Guimarães, S. (2004) Recycling the City: Unlocking the potential of empty properties, <http://www.bshf.org/scripting/getpublication.cfm?thePubID=104>

³ This Consultation was held in December 2010. The findings will be published shortly but are available on request.

3. Do you agree with the proposal to use PPS3 and also include pitches on Gypsy and Traveller sites owned and managed by local authorities or registered social landlords to define affordable homes?

3.1. BSHF strongly agrees with this proposal for two reasons: there is a chronic undersupply of accommodation for Gypsies and Travellers and this shortage has a social and economic cost.

3.2. This chronic shortage of accommodation is clearly demonstrated by the results of Gypsies and Traveller Accommodation Needs Assessments (GTAA) undertaken by every local authority in England in recent years. A review of GTAAs suggests that at least 556 additional pitches are required in the East Midlands alone to meet current needs.⁴ Almost every local authority in the region needs more accommodation for Gypsies and Travellers. This is a widespread and long standing problem. Many local authorities consider the GTAAs to be a robust measure of local need and are committed to the provision of additional sites and pitches.⁵

3.3. This shortage of accommodation for Gypsies and Travellers has a significant social and economic cost. The social costs are well documented. These include:

- Problems with health and education within Gypsies and Traveller communities
- The impact of unauthorised encampments on land owners, Gypsies and Travellers and the wider community

3.4. The economic costs of under-provision are also important. BSHF research suggests that local authorities in Leicestershire are spending a significant amount of money dealing with unauthorised encampments and developments.⁶ It was estimated that these authorities are spending at least £200,000 per annum dealing with this issue. This is a relatively conservative estimate that is in line with other estimates on costs from other research. In contrast, Gypsy and Traveller sites run by local authorities should be cost neutral.

3.5. The social and economic costs of the current shortage of accommodation for Gypsies and Travellers mean that there is a strong case for using the New Homes Bonus to incentivise the provision of new pitches.

3.6. Racism against Gypsies and Travellers is still widespread, and proposals to create more authorised pitches for caravans routinely face campaigns from members of the settled community living near the proposed site. All other things being equal, many local councillors take the position that it is politically expedient to prevent authorised Gypsy and Traveller developments in their area; an additional incentive is therefore necessary to help sway those making decisions to allow suitable developments.

⁴ Moore, T., Pattison, B. and Vine, J. (2008) Review of Gypsy and Traveller Accommodation Assessments in the East Midlands, <http://www.bshf.org/scripting/getpublication.cfm?thePubID=AA769D78-15C5-F4C0-9992E8BE3AE849FE>

⁵ Burton, D. et al (2010) Abolition of Regional Spatial Strategies: Rapid Impact Assessment for the Midlands and North of England, <http://www.bshf.org/scripting/getpublication.cfm?thePubID=87703D2F-15C5-F4C0-99D05637440173BC>

⁶ Vine, J. and Pattison, B. (2008) Providing Accommodation for Gypsies and Travellers in Leicestershire: A financial analysis, http://www.bshf.org/published-information/publication_detail_request.cfm?lang=00&thePubID=E84E09F7-15C5-F4C0-99D6F89557BC0263

3.7. The levels of homelessness amongst Gypsies and Travellers are disproportionately high, while the amount of additional provision that would be required to solve this problem is disproportionately small. It could be argued that a 'disproportionate' response might be appropriate; given the numbers of additional pitches required for Gypsies and Travellers compared to affordable housing need, Gypsy and Traveller pitch provision would represent a vanishingly small part of the grant which local authorities and communities may be happy to sacrifice. Consequently, consideration should be given to creating an even larger incentive for Gypsy and Traveller pitches than for other affordable housing.

4. Do you agree with the proposal to reward local authorities for bringing empty properties back into use through the New Homes Bonus? Are there any practical constraints?

4.1. BSHF supports the proposal to reward local authorities for bringing empty properties back into use. When a property that has been empty for a long time is brought back into use it increases the stock of available housing just as effectively as a new build home.

4.2. Empty properties are an important asset that could be used more effectively for the benefit of people in housing need, landlords and local communities.⁷ Empty properties can create additional problems for individuals and communities including:

- lost Council Tax revenue;
- reduction in the value of neighbouring properties;
- increased vulnerability to vandalism, squatting and anti-social behaviour.

4.3. There are also environmental benefits related to bringing empty properties back into use. Research commissioned by BSHF suggests that reusing empty homes could make an initial saving of 35 tonnes of carbon dioxide (CO₂) per property by removing the need for the energy locked into new build materials and construction.⁸

4.4. There are several practical considerations that need to be addressed if the New Homes Bonus is to be successfully applied to empty properties. Fundamentally there needs to be a robust definition of 'empty properties'. Properties remain empty for a multitude of reasons. For private owners they include failure to sell, issues with inheritance or owners having insufficient finance to bring a property back into use. Many publicly owned properties are also empty, particularly in regeneration areas. To genuinely increase housing supply the New Homes Bonus should focus on rewarding local authorities who are bringing long term empty properties back into use.

4.5. Local authorities already have considerable powers to tackle empty properties. These include environmental health powers, Empty Dwelling Management Orders and Compulsory

⁷ Diacon, D. and Guimaraes, S. (2004) Recycling the City: Unlocking the potential of empty properties, <http://www.bshf.org/scripting/getpublication.cfm?thePubID=104>

⁸ Empty Homes Agency (2008) New Tricks with Old Bricks: How reusing old buildings can cut carbon emissions, <http://www.bshf.org/scripting/getpublication.cfm?thePubID=3DE7278E-15C5-F4C0-99E86A547EB36D44>

Purchase Orders.⁹ The performance of local authorities in this area is very variable. Applying the News Homes Bonus to empty properties would provide an additional incentive to local authorities who are currently performing poorly in this area. If there is no incentive for local authorities to tackle empty homes, the resources that are devoted to this issue are likely to come under severe pressure given the general financial pressures on authorities.

4.6. The financial constraints on local authorities highlight the importance of working with the local community to address the issue of empty properties. Working with self-help housing organisations offers a particular opportunity for local authorities. Self-help housing provides a description for different types of local community groups that are working to bring empty properties back into use. The umbrella organisation, Self-Help-Housing.Org, describes the process where “properties are usually ‘borrowed’ on the basis of a licence or a lease for a specified period of time – ideally in exchange for a small weekly rent. Any repairs can often be funded out of income charged to tenants”.¹⁰

4.7. Ongoing research by the Third Sector Research Centre at the University of Birmingham highlights the multiple benefits of self-help housing as:

- “Providing an affordable and accessible form of housing for people who are excluded from other housing options;
- Opportunities to gain construction skills and qualifications, thereby contributing to economic inclusion and combating the deficit in trained construction workers;
- Benefits of active participation... [which] contributed to tackling the lack of participation in production, political engagement and social interaction found amongst socially excluded people;
- Unanticipated benefits to residents included the perceived security of belonging to a community;
- Often unrecognised benefits accrued to owners of empty properties, whose interests were protected by improvements and basic maintenance works;
- Wider neighbourhood benefits were provided by tackling dereliction and blight through ‘street level regeneration’”.¹¹

4.8. Given the multiple benefits of this approach and the close fit with government policy priorities (such as localism and the Big Society) it is important to understand why self-help housing is currently operating on a limited scale. A recent BSHF Consultation at St George’s House, Windsor Castle looked at barriers and enablers of self-help organisations. It brought together self-help housing organisations with academics, policy makers, think tanks, trade bodies and

⁹ Empty Homes (2010) What Can the Local Authority Do? http://www.emptyhomes.com/usefulresources/local_authority_powers.html

¹⁰ Self-Help Housing.org (2010) What is Self-Help Housing?, <http://self-help-housing.org/wp-content/uploads/2010/01/latestshorgflyer.pdf>

¹¹ Mullins, D., Jones, P. and Teasdale, S. (Forthcoming) Self-Help Housing – Could it play a greater role? Available from BSHF on request.

government representatives. The full results of the BSHF Consultation will be available in the New Year but some of the emerging findings are relevant to the New Homes Bonus.

4.9. Local authorities were a key partner for every self-help housing organisation represented at the BSHF Consultation. The nature of the partnerships varied depending on the local context but local authorities played a particular role in helping self-help organisations to access empty properties. For example, Fresh Horizons in Huddersfield has worked with the local authority to identify privately owned empty properties. Owners are then offered seven different options to bring the property back into use. Self-help organisations have expressed the benefit of a 'carrot and stick' approach to dealing with the owners of empty properties. The local authority identifies suitable properties and begins the process of using statutory powers such as Empty Dwelling Management Orders against the property. Self-help organisations can then offer the owner a positive offer to help bring the property back into use.

4.10. It is important that the New Homes Bonus complements other areas of government policy on empty properties. For example, the Spending Review outlined £100 million of funding for bringing empty properties back into use. BSHF has written to the minister for Housing and Local Government and the chief executive of the HCA to recommend:

- **Less regulation for smaller sums.** The typical grants that would need to be accessed by self-help housing organisations are much smaller than grants made through the main affordable housing new build programme. This lower risk should be reflected in simpler regulation, so small community organisations are not bogged down in reams of paperwork.
- **Access to grant for self-help organisations.** Local self-help organisations should be able to access the funding without their needing to become Registered Providers. Ideally it should be directly accessible, but an alternative would be to create a simple framework whereby housing associations, local authorities or other secure bodies such as development trusts hold the money in trust for community-level organisations.

5. Outside London: Do you agree with the proposal to split the payment of the New Homes Bonus between tiers: 80 per cent to the lower tier and 20 per cent to the upper tier, as a starting point for local negotiation? If not, what would the appropriate split be, and why?

5.1. BSHF does not have any particular contribution to make on this point

6. Do you agree with the proposal to use the data collected on the Council Tax Base form as at October to track net additions and empty homes?

6.1. It is important that any data used to track net additions and empty homes are up to date. Research carried out by charity Empty Homes and Ipsos MORI indicates that this has often not

been the case for local authority records, as there is substantial inaccuracy and local variation.¹² Not only does this mean that local authorities will not necessarily be receiving the correct amount of New Homes Bonus, but that the focus may be on improving data rather than on property.

7. Do you agree with the proposal for one annual allocation based on the previous year's Council Tax Base form, paid the following April?

7.1. BSHF does not have any particular contribution to make on this point

8. Do you agree that allocations should be announced alongside the local government finance timetable?

8.1. BSHF does not have any particular contribution to make on this point

9. Do you agree with the proposal to reward local authorities for affordable homes using data reported through the official statistics on gross additional affordable supply?

9.1. BSHF does not have any particular contribution to make on this point

10. How significant are demolitions? Is there a proportionate method of collecting demolitions data at local authority level?

10.1. BSHF does not have any particular contribution to make on this point

11. Do you think the proposed scheme will impact any groups with protected characteristics?

11.1. BSHF does not have any particular contribution to make on this point

12. Do you agree with the methodology used in the impact assessment?

12.1. BSHF does not have any particular contribution to make on this point

¹² Several studies conducted by Ipsos MORI are available for download from http://www.emptyhomes.com/usefulresources/empty_property_research.html. The Survey of Empty Homes in the East of England, for example, surveyed those that local authorities thought were responsible for empty properties, and 48 per cent of respondents stated that this was not accurate (either because they were not responsible or because the property was not empty).

13. We would welcome your wider views on the proposed New Homes Bonus, particularly where there are issues that have not been addressed in the proposed model.

13.1. BSHF does not have any particular contribution to make on this point