

***The means*: to explore housing issues in England and Wales, rising to the challenge.**

Empty homes are an issue across the UK and in a number of areas that *The means* are working in. For example, in Wales vacancies are as high as 10% in the county of Carmarthenshire and 12% in Rhondda Cynon Taf. A recent team visit to La Fabrique des Quartiers in Lille inspired us by showing how the city is approaching this issue, through the establishment of 'factory districts.' This mechanism is created by the City of Lille and Metropolis to designate areas for housing renewal and recycling and identify sites for housing development. Delivery is achieved through the establishment of a company tasked to deliver these improvements which, in the UK context, would be most comparable to a Local Development Agency (LDA).

This experience and the prospect of Empty Homes Week in December has inspired *The means* to uncover what is currently being done about empty homes in the locations where the company is based – London and South Wales. This article explores this debate with a twist and looks at how Business Improvement Districts (BIDs) could take a more proactive role in tackling these issues for their communities.

The statistics- England vs. Wales

In 2016 the government estimated that, 442,846 dwellings in England were empty by level of council tax discount and premium awarded. This figure has decreased by 7% compared to 2013 figures (DCLG, 2016). In comparison, 23,000 were empty in Wales (WG, 2016). The Welsh Government has highlighted the difficulty in establishing the number of empty homes. Statistics are based on council tax data which is considered to be the most accurate and reliable measure available. However, these figures exclude homes being built, inhabitable homes, homes due for demolition and flats above shops (WG, 2012). Progress has been made in reducing these numbers as a consequence of schemes such as the Empty Homes Programme, Clusters of Empty Homes Programme and the New Homes Bonus in England. In Wales Houses in to Homes and Local Authority schemes have helped tackle these issues.

What is currently being done about it?

The Welsh Government has taken an active role in reducing empty properties through the £20 million Houses in to Homes Scheme. This has saved 7,500 homes from disrepair and smashed the 5,000 target, even with a year left to go on the project (WG, 2015). The scheme provides up to £25,000 in interest free loans over two to three years, which bring back commercial or empty buildings in to use or splitting them to be sold or rented.

Local Authorities have also introduced their own schemes to tackle empty homes. For example, Rhondda Cynon Taf County Borough Council (RCT) have launched a grant of £20,000 for people looking to bring an empty home back in to use through modernisation and renovations such as rewiring, new heating systems and plumbing (RCT, 2016). Additionally, Housing Associations take a proactive role by agreeing a 'lease and repair' whereby they take on empty properties, renovate them and find tenants. New legislation in

Wales has also been introduced which enables local authorities to charge double council tax on empty homes, as measure that Newport Council is considering implementing.

Vacant space above commercial premises has also been an issue in town and city centres. Formerly these spaces were used by retailers as offices, storage or staff facilities. Now, as retailers live away from premises and adopt a 'just-in-time' approach to stock management, the units are often not used at all. An estimate by The British Property Foundation (2006) calculated that 300,000 people could live in these empty premises. They are however difficult to detect because they are often not categorised as dwellings and cannot be recognised either through council tax data which is used to measure empty homes or through retail/office data (Welsh Government, 2012).

To tackle this challenge, town centre schemes such as (RCT)'s 'Homes Above Retail Premises' grant in Pontypridd have helped to tackle empty space in town centres and increase the supply of affordable accommodation, providing grants of up to 75% to convert the top floor of shops in to flats. Take up of this has been strong, with six completed and twelve near completion.



Affordable apartments Taff Street, Pontypridd recipient of Homes Above Retail Premises grant.

The Coalition Government committed to exploring ways of bringing empty homes in England back in to use through the following measures (House of Commons Library, 2016):

- Allocated £156 million to two rounds of the Empty Homes programme (2012-2015)
- Clusters of Empty Homes programme allocated an extra £60 million to tackle concentrations of poor quality homes in areas with a low housing demand. Bought back 3,322 in line with local demand and requirements of neighbourhoods.
- Empty Homes loan fund (2011) which provided loans of up to £15,000 to owners of empty properties. This was abolished in 2014 as participating councils reported "zero" or "minimal" take-up.
- New Homes Bonus scheme where Local Authorities could have the council tax contributed matched by government for every property bought back in to use over 6 years.

These schemes have created 9,044 homes from empty properties, of which, 5,722 were affordable.

Local authorities have also been given the powers to address the problem of empty housing through Compulsory Purchase, Council Tax exemptions and premiums and enforcement powers to improve the quality of empty properties. This also includes enforced sales, Empty Dwelling Management Orders and arrangements where the local authority or social landlords take over the lease of properties. It was also recommended that Empty Homes Strategies are developed by local authorities to help reduce the number of empty dwellings. Now that this funding has ended there are no plans currently for the government to introduce any further financial support in England (House of Commons Library, 2016).

The role of Business Improvement Districts (BIDs)

There are now around 250 Business Improvement Districts (BIDs) in the UK. They aim to improve the vitality of town/city centres by tackling issues of appearance, crime and anti-social behaviour, access, marketing and general business support.

Many UK towns and cities have realised the benefits of a town centre that is home to significant numbers of residents, with Manchester famously leading the way in the 're-population' of the inner city. Equally, however, empty homes can be a hindrance to town centre revitalization because of the problems that they can cause in:

- attracting crime and anti-social behaviour
- detracting other investment by effecting the 'look and feel' of the area
- influencing people's perceptions
- reducing the number of consumers available to businesses

BIDs often struggle with the issue of absentee landlords, who leave empty properties on the high street to dilapidate. In Newport, South Wales, for example, the number of 'voids' has risen as high as 27%. To date BIDs have taken a back seat in tackling these issues. It has typically been left to the Local Authorities to offer incentives to landlords such as grants or low interest loans to redevelop properties. Carmarthenshire County Council has recently purchased seven empty properties in the town centre as part of the 'Opportunity Street scheme.' Its intention is to convert the top floors of the property in to residential accommodation and make the bottom floors available for retail. However, as public sector budget cuts continue to bite, BIDs might need to take more of a proactive role in the future. This could be initiated through elements of Corporate Social Responsibility programmes that some BIDs promote to levy payers, although these are often piecemeal. Instead, they could adopt a more strategic role in developing an empty homes strategy which could have the potential for longer-lasting effects. How might this look?

1. Lobbying

BIDs represent hundreds of businesses within the area that they operate and eventually become their *de facto* voice. Their strength is in numbers. This makes them an effective lobbying body to put pressure on local authorities and even central government about issues that affect businesses and the wider area. It is possible that they could lobby on the issues of empty homes and work in partnership with the local authority to identify a solution. This is

strengthened further by the potential of 200+ BIDs in the UK lobbying together at a higher level to influence policy and increase accountability for government, local and national.

2. Reaching out and engaging with landlords

Frequently BIDs liaise with landlords about vacant commercial properties, leading to projects ranging from pop-up and 'meanwhile use' initiatives, to window vinyls and shop front grants. This puts the BIDs in a good position to reach out to landlords and engage them in future projects. *The means* has found that landlords don't always respond to the local authority's blend of incentives and threats. Instead, BIDs could offer a fresh approach and show landlords that they are working in the interest of the area and its stakeholders.

A number of BIDs in Wales have also developed close partnerships with those local Housing Associations which are taking a more active role in the regeneration of communities, as well as providing housing. In some cases, they are levy payers with offices in the BID area and board members – such as Coastal Housing in Swansea and Trivallis in Pontypridd. A joined-up approach with these agents could help to identify priority areas and potential solutions.

3. Match funding

BIDs generate funding through a levy based on the rateable value of businesses within a defined area. The amount that they generate varies, but the UK average annual levy outturn is approximately £400,000 per annum. This money is extremely effective in leveraging funding from other sources. Additionally, because they are usually not-for profit organisations, BIDs can tap in to a wide range of funding sources that the local authorities cannot access.

A number of BIDs have already offered grant funded schemes to their members for upgrading signage and shopfront improvements - a role previously taken on by the local authorities. This suggests that there is opportunity for BIDs to provide grants or loans for empty home improvements, whether above empty shops or to housing within their boundaries. There could even be scope for BIDs to widen their boundaries in future to incorporate more housing, allowing further improvements to the town/city centres housing stock and a knock-on effect to the local economy.

4. Property BIDs

Outside the UK, the BID levy is usually paid by the landlord. In the UK it is the occupier that pays. Now property owners have an opportunity to pool funds and contribute to a BID that is already in place. In 2014 legislation was introduced for Property BIDs, the first of which was established in Leicester Square and Piccadilly Circus, followed by the New West End Company, also in London. Inevitably property owners areas are seeking increased asset values, as well as creating a more attractive location for occupiers and improving the environment for people who want to invest; work or live in the area.

This suggests that, in future, BIDs may have greater success in encouraging landlords, as well as occupiers, to take control of the fate of local areas. This would certainly help overcome issues associated with empty commercial property in town/city centres, but might also help the refurbishment and letting of empty residential property as well. Currently, this

legislation only applies in London but – with enough support – could be rolled out across the UK.

All of this does of course depend on BIDs taking a strategic view of the places in which they operate and – regrettably – this kind of leadership, from boards and staff teams, is not always in evidence. However as the BID ‘industry’ matures, and local government retracts due to swingeing budget cuts, it will be interesting to see whether these increasingly-popular business collectives begin to understand their role in wider community-building.

For more information on the wide range of place-making services that *The means* provide, please visit our website www.themeans.co.uk or get in touch.

Becky Chantry, *The means*