

## Empty Homes Agency – Report for the year ending 31<sup>st</sup> March 2009

### Structure, governance and management

Empty Homes Agency Limited is registered under the Industrial and Provident Societies Act 1965 (registered number 27697R) as a charitable housing association and is governed by its Rules. It is recognised by Her Majesty's Revenue and Customs as having charitable status (Reference 150/3471/ACJ). One third of the Committee retires and is eligible for re-election at the Annual General Meeting. Vacancies are externally advertised. Short-listed candidates are interviewed and external references taken. New Committee members are given an induction on joining the Board. Management committee members meet five times a year during which time they oversee current business, and review strategy, operational and financial performance against annual plans and budgets.

### Objectives and activities

The object of the Agency is to bring about, on a national scale, the re-use of empty homes and other unused buildings, for re-housing those in need.

Flowing from this objective, the Agency has two main purposes

- To highlight the waste of empty homes and wasted property in England; and
- To help support and deliver sustainable solutions for bringing empty and wasted homes and buildings back to use to meet the housing needs of individuals and local communities.

The Agency works with people in housing need, housing co-operatives, property owners, agents, local authorities, housing associations and Government Departments and others to help bring these homes back into use. It also works extensively with the media and campaigns for action to help empty homes be returned to use.

During the year the Agency made the strategic decision to offer more help and directly support communities and individuals affected by empty homes. The Agency's belief is that communities can be instrumental in helping empty homes be returned to use; either through campaigning to their local authority to intervene, or by directly using the properties themselves through housing co-operatives and similar locally based organisations.

### Achievements and Performance

The Empty Homes Agency had a highly successful year, both in raising public awareness of the need for collective action, and through the launch of several practical initiatives that are proving effective in returning empty homes to use.

#### *Supporting Local Authorities*

The Agency's work in supporting local authorities has continued since the Agency's foundation in 1992. It has been supported by the Department of Communities and Local Government since 1994. Funding ended in 2009 as the special grants programme ended. The Agency is in discussions with the Homes And Communities Agency about funding a replacement programme.

#### *The London Project*

The Empty Homes Hotline, launched in 1997, works with London Boroughs to tackle the problem of London's empty homes. It is a free advice service to owners of empty homes and members of the public who wish to report houses that are empty. It has received the support of the Mayor of London since 2002. Funding ended in 2009 as part of the Mayor's savings review. The Agency is seeking alternative sources of funding for this work.

#### *Other projects*

The Oak Foundation funded an innovative project to develop the use of EDMOs (Empty Dwelling Management Orders) to increase the number of empty properties being occupied.

The Oak Foundation also funded a project to set up and run the ReportEmptyHomes website aimed at mobilising action on getting empty homes into use.

### Public Benefit

When planning activities for the year, the Board considered the Charity Commission's guidance on public benefit. The Agency considers that causing empty homes to be returned to use causes public benefit by increasing the supply of housing available to people in housing need. It does this by providing homes for those who might otherwise be homeless, and provides better quality and more suitable homes for those in unsatisfactory housing. The Agency also believes that providing housing from empty

homes generally has fewer adverse environmental consequences than providing the same quantity of housing from building new homes. The Agency believes that the benefit to neighbours and local communities through the return to use of empty homes has significant beneficial social impact.

### **Campaigning for Action**

The Agency campaigns actively for policy changes that would make it easier for people to bring empty homes into use. The Agency had a highly successful year highlighting the problems associated with empty homes and campaigning for action to address the issues.

The Agency ran a joint campaign (Empty Promises Campaign) with the magazine Inside Housing, which achieved extensive coverage in the specialist and mainstream media. Over 350 organisations and individuals in the housing world signed up to support the associated petition which was hand delivered to 10 Downing Street by the Agency

As a result of the campaign, the Homes and Communities Agency made changes to their rules on funding housing associations, making it significantly easier for housing associations to claim grants for the renovation of empty homes. The announcement was made by the housing minister, Margaret Becket, in April 2009.

The government supported the Agency's call for greater use of Empty Dwelling Management Orders (EDMOs) by councils. The housing minister endorsing, providing a foreword and helping launch the Agency's guidance for the use of EDMOs in March 2009.

The Conservative Party launched its own empty property policy (The Empty Property Rescue Scheme) in February 2009, echoing the Agency's calls for changes to funding for housing associations; the policy was launched by party leader, David Cameron with the Agency's Chair and Chief Executive in attendance, receiving coverage on Sky News and ITV News.

In March 2009 the Liberal Democrats launched their empty homes policy that included all of the Agency's campaign demands; the policy was launched by shadow chancellor Dr Vince Cable with the Agency.

The Agency joined a coalition of organisations led by the Federation of Master Builders to campaign for reductions on VAT on the renovation of housing. During the year the campaign successfully campaigned for changes to be made to the European Community rules on VAT, removing a major obstacle to VAT being reduced on renovation costs in the UK.

The Agency was highly successful in campaigning for more action on empty homes in London. The Agency lobbied all main candidates for the London mayor and ran a "mayoral empty homes challenge"; all candidates responded with their policies to address the problem. The successful candidate, Boris Johnson, set out a target for reducing the number of empty homes in the capital, and committed to quadrupling the funding for local authorities to tackle empty homes to £60m. The mayor also undertook to carry out an audit of empty property, and agreed to tackle the long-standing problem of empty homes on the North Circular Road in north London owned by Transport for London.

### **Community Action**

Empty homes can have a severe negative effect on the communities in which they are located, leading to problems of crime, anti-social behaviour, and community neglect. In the Agency's view community action can be instrumental in campaigning for action and can help in the physical work of renovating empty homes. The Agency therefore actively supports communities wanting empty homes in their area brought back into use.

During this period the Agency launched a new website, ReportEmptyHomes.com aimed at helping communities report and get action on empty homes that affect them. This website superseded the Empty Homes Hotline and Empro projects, previously run by the Agency, providing a more efficient and transparent method for the public to tackle empty homes in their communities.

The project has met the ambitious early performance targets set by the agency. The website was launched on time in November 2008. The number of property referrals made to the site by the end of March 2009 exceeded 700, and is on target to exceed the target of 1000 set for the project's first year. Referrals are immediately passed on to the key individual in each local authority for response and action. In the first year the majority of local authorities have embraced the site, responding to and acting on reports in their areas. By the end of the period, 29 of the empty properties that had been reported on the site had been returned to use, with work underway on many more.

## **Research**

As the issue of climate change continues to rise up the agenda, the Agency has sought to ensure that the strong environmental benefit of bringing empty homes back into use are better understood and recognised.

During this period the Agency completed and published research (New Tricks with Old Bricks) on the carbon savings that could be made by renovating and reusing vacant properties compared to the emissions made by building new homes. The report gained extensive national and international media coverage and contributed to the "Cut the VAT" campaign to reduce VAT on renovation of housing.

## **Local Authorities**

Local Authorities have a key role in tackling empty homes, firstly in ensuring the best use of their own stock and secondly as a strategic authority, encouraging (and in certain circumstances enforcing) the proper use of privately owned homes across their borough. The Empty Homes Agency encourages every local authority to establish an "Empty Property Strategy", a corporate cross-departmental plan for bringing empty homes back into use across all tenures.

As the body of expert knowledge has grown, the Empty Homes Agency has spread the word and produces a monthly newsletter giving examples of good practice. During this period the Agency played a key role encouraging local authorities to use and promoting good practice in the use of Empty Dwelling Management Orders. The Agency published government-endorsed guidance on the use of Empty Dwelling Management Orders.

The Agency published twelve monthly newsletters and bulletins that were distributed to every council in England and Wales and over 2,500 other subscribers.

The Agency ran two well-attended conferences (North and South of England) during the period aimed at housing association and local authority audiences. It also co-hosted and chaired two seminars on empty homes during the period.

## **Housing Associations**

Housing Associations have an important role in reducing the numbers of empty homes. As with local authorities, they are large landlords and effective management of their stock reduces vacancy levels. Through their acquisition programmes they can buy or short-term lease properties that were previously empty, thereby returning them to occupation. During this period the Agency successfully campaigned for greater flexibility to be given to housing associations to enable them to be grant funded for renovation of empty homes they acquired.

## **Action on individual empty homes**

The Empty Homes Agency periodically works on individual empty properties of major public concern where the local authority is unable or unwilling to act. The Agency commenced work on a number of new properties during the year including:

- Windsor Walk in Denmark Hill, South London where 16 houses owned by the hospital remain vacant
- The Ferrier Estate in Kidbrooke, south London, where over 1000 flats remain empty
- Hall Mead Close in Bugbrooke, Northamptonshire where 6 homes have remained empty for 18 years
- Brighton General Hospital site where over 100 medical staff flats remain empty
- Significant progress is being made on the Kidbrooke and Bugbrooke sites where work is underway to demolish some properties and bring other properties back into use

## **Future Plans**

- The Agency plans to increase its support for community driven solutions to empty homes including helping housing co-operatives and other not for profit organisations make greater use of empty homes
- The Agency plans to increase use of the ReportEmptyHomes website through a media campaign including linking of the website to a forthcoming TV series
- The Agency plans to work with other organisations to expand the website into other parts of the UK.
- The Agency plans to work with local authorities with the aim of encouraging them to prioritise properties reported for action and returning to use.

## **Financial review**

In the year to 31 March 2009, the Charity had net incoming resources for the year of £66,590 increasing total funds from £84,739 to £151,329.

The Agency's major funders in 2008/09 were the Department of Communities and Local Government, the Greater London Authority and the Oak Foundation. The Agency is reliant for its operations on the generosity of its funders.

Financial procedures are carried out in accordance with financial regulations approved by the Management Committee from time to time. These were last amended on 14<sup>th</sup> April 2009. During the period, financial control of the Agency was maintained by Mary-Anne Taylor, who kept books of account, and Chief Executive David Ireland who acted as financial controller preparing monthly management accounts, budgets, statutory accounts and advising on major grant applications. Management accounts are regularly reviewed by the Management Committee.

The Management Committee of the Agency comprises senior figures from the charitable, property and housing sectors. The Agency is financially secure until the end of 2009/10. The Agency maintains bank accounts with the NatWest Bank plc and invests its surplus funds with COIF Charity Funds.

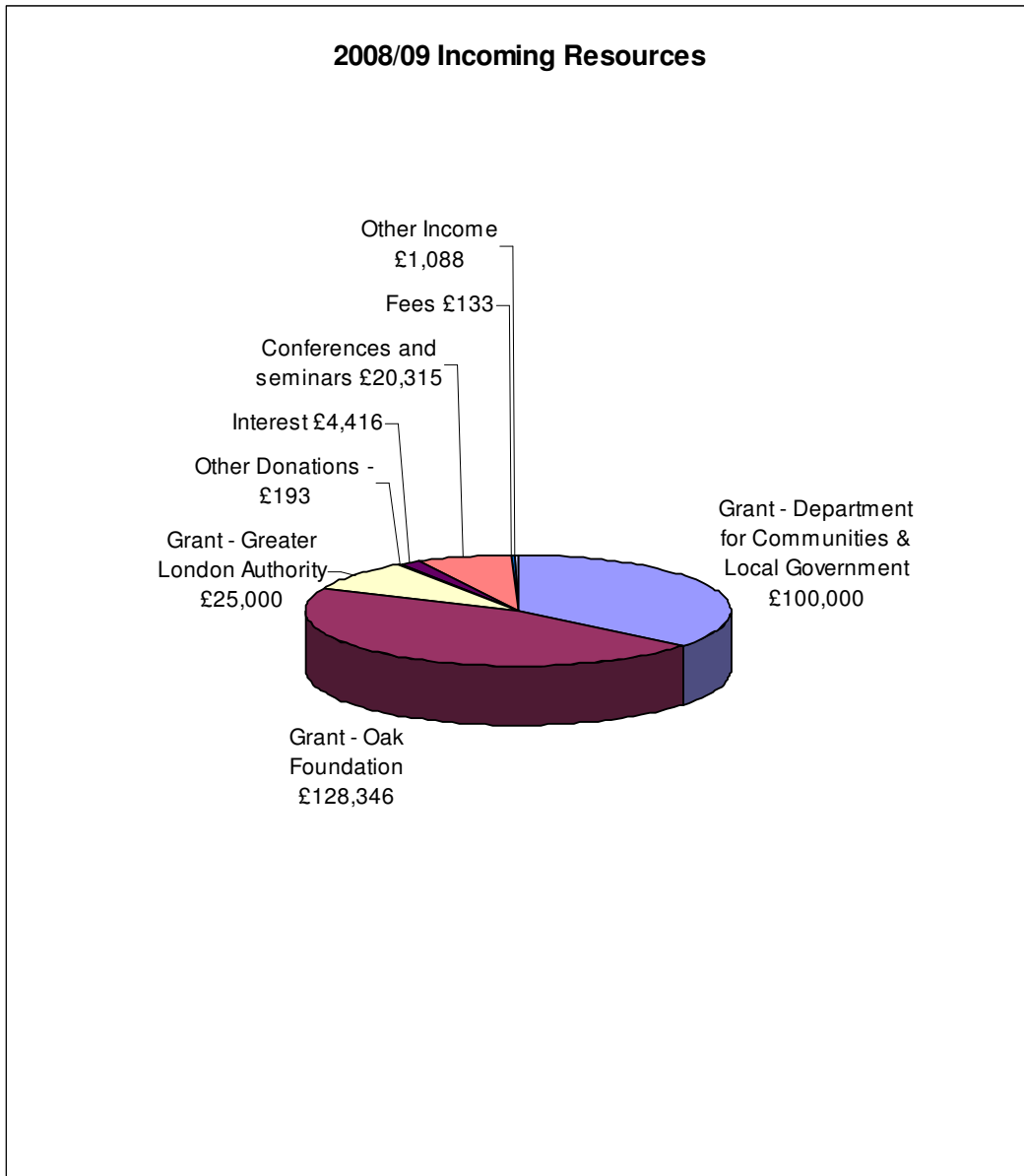
#### **Risk Review**

The Agency has compiled a risk register based on guidance received from the Association of Chief Executives of Voluntary Organisations in accordance with SORP 2005. The register identifies the key risks and assesses the impact of the risk and the likelihood of the risk occurring. The register also includes current and potential action and a schedule for review by the management committee on an annual basis.

#### **Reserves Policy**

The Agency's policy is to maintain sufficient reserves to enable the organisation to operate effectively on a cash-flow basis throughout the year. The policy underpins the Agency's commitment to achieve its objectives and work plan outputs for the year. As well as secure financial security of the organisation as a going concern. The reserves policy was reviewed during the year and changes were made to take account of likely changes in future funding. The adopted policy of the Agency is to maintain reserves at no less than four months operational running costs. The Agency additionally agreed to build up reserves during the year by an additional £40,000 in preparation for changes to funding as a result of DCLG and GLA grant funds ending. The Agency completed the period with unrestricted reserves in the General Fund of £121,329 (2008: £84,739)

**Financial Profile**



### 2008/09 Resources Expended

