

EP 09
Ymchwiliad i eiddo gwag
Inquiry into empty properties
Ymateb gan: Canolfan Cydweithredol Cymru
Response from: Wales Co-operative Centre



Equality, Local Government and Communities Committee's Inquiry into Empty Properties

Summary

- Co-operative and community-led housing can help to tackle some of the challenges associated with empty properties. Democratic ownership and management of homes helps create a sense of belonging, identity and ownership.
- Local authorities can work with community led schemes to tackle empty properties. There are good examples of where this is happening such as Taf Fechan Housing Co-operative, a result of a partnership between Merthyr Valleys Homes and Merthyr Tydfil County Borough Council. There is more that local authorities could do to work with community led schemes on this issue within their current powers.
- Housing associations can identify empty properties that can be brought back into use through community led schemes. Taf Fechan and Bron Afon's Ty Cyfle schemes are good examples of this. Our Toolkit for Developing Co-operative Housing Schemes outlines further actions that housing associations can take to support community-led housing. This will help such schemes to develop resources and capacity to bring empty homes back into use.

Introduction

The Wales Co-operative Centre welcomes the opportunity to respond to the Committee's consultation. The Wales Co-operative Centre works to build capacity, scale and sustainability within the co-operative and community-led housing (hereafter CCLH) sector in Wales. Our co-operative and community led housing project works to increase the supply of good quality, affordable homes for people in need. The project is made up of the following five stages: Engage, Explore, Enable, Expand and Educate & Influence.

Stage 1: Engage and Stage 5: Educate & Influence, aims to create demand for small and large scale CCLH developments at both a public and strategic level while removing some of the known barriers that have held back the sector's development; in addition to better informing the general public about CCLH, we want to work collaboratively to upskill housing partners and local authorities, enabling them to establish their own CCLH schemes beyond the life of the project.

The programme will therefore comprise three core support stages for groups (Explore, Enable and Expand), all underpinned by ongoing Engagement (marketing) and Education and Influencing (sharing of data/findings).

Our response to the Committee's consultation considers the role of CCLH schemes in helping to bring empty homes back into use. It outlines how such schemes are well-placed to address the challenges and impact of empty homes on communities by building a sense of belonging, identity and ownership while physically regenerating properties. We consider the role of local authorities and housing associations in supporting such schemes.

Co-operative and community-led housing bringing empty homes back into use

Areas with high concentrations of empty homes can attract anti-social behaviour and make a community less attractive to live in. CCLH can help to address these issues. CCLH empowers communities by giving them voice and control over housing. It embeds democratic ownership and management of homes leading to people taking responsibility and feeling a sense of belonging, identity and ownership. The model can transform neighbourhoods previously affected by a lack of trust and sense of community or anti-social behaviour. As a result, CCLH is well-placed to deal with the challenges presented by empty homes.

Role of local authorities in dealing with empty homes

Local authorities can play a role in enabling CCLH to work with empty homes. Examples include Taf Fechan Housing Co-operative.¹ Taf Fechan Housing Co-operative is a fully mutual housing co-operative in Gellideg that was developed in partnership with Merthyr Valleys Homes. It consists of 12 two bedroom flats that are let at intermediate rent, meaning that they are an affordable housing option in the area. Before the co-operative was formed, the majority of the flats had been empty since the 1990s. They were in a dilapidated state and had gained a reputation for anti-social behaviour consequently becoming practically unlettable, even at low rents. Merthyr Valleys Homes approached Merthyr Tydfil County Borough Council to work in partnership to finance the refurbishment of the flats. The local authority took out a 25 year loan on a prudential borrowing arrangement from the Public Works Loan Board, with a fixed interest rate. They then on-lent this money to Merthyr Valleys Homes at a very low rate of interest, who used to the loan to refurbish the building. The building is now leased to Taf Fechan Housing Co-operative. As a result, Taf Fechan Housing Co-operative are able to keep rents at an affordable price, whilst keeping the quality of their homes high. As a result of the scheme, Merthyr Valleys Homes have seen an increased demand for properties in the area, and the Taf Fechan Co-operative has an extensive waiting list. Other benefits have included:

- No anti-social behaviour incidents since the co-operative was established
- Low void turnover time

¹ For more information, please see:

<https://wales.coop/taf-fechan-coop/>

<https://www.youtube.com/watch?v=JW4CILgNOq4>

- Creation of positive relationships and a supportive community network
- Sustainable tenancies
- Sense of ownership and control, with the option to elect to take on more responsibilities
- Members involved and making the decisions that affect them, giving them increased voice and control.

In addition to funding, local authorities can play a greater role in supporting CCLH schemes to bring empty properties back into use as affordable homes. Support from local authorities could include thinking strategically about how they work with community-led schemes:

- They can discuss how and if CCLH schemes fit in with their housing strategy. For example, Brighton and Hove City Council have integrated community-led housing into its strategic approach to increase housing supply.
- Local authorities can support community-based neighbourhood regeneration approaches. This should include working with communities to develop neighbourhood improvement plans to tackle empty homes and the wider linked issues that they face. In doing so adopt an 'invest to save' approach recognising how supporting local schemes and services can bring wider benefits to local people, such as jobs, reduced crime, improved health and well-being.²

There are also practical steps that local authorities can take to support community-led schemes:

- Help to identify empty homes sites. For example, Hull City Council created 576 homes by bringing empty homes back into use through working with community-led schemes. This included proactively contacting landlords of empty homes and providing a range of options to bring back into use including working with community-led schemes.³ In Lincoln, the City of Lincoln Council plan to use statutory powers with respect to acquiring empty homes on behalf of, and in partnership with, the emerging Sincil Bank Community Land Trust.⁴
- Provision of long term leases on peppercorn rents to increase asset bases so improving long term sustainability of the community led organisation and their improving borrowing capacity. Leeds County Council has leased empty properties to community led housing organisations for 99 years at a peppercorn rent, enabling them to raise finance to buy long term empty homes.⁵

² Action for Empty Homes, Community based approaches in areas with high levels of empty homes, <https://www.actiononemptyhomes.org/Handlers/Download.ashx?IDMF=5410fb8c-31c6-46bc-a392-f287df8a7505>

³ <http://www.ccinhousing.co.uk/wp-content/uploads/2017/11/HULL-CASE-STUDY.pdf>

⁴ Action for Empty Homes, Community based approaches in areas with high levels of empty homes, <https://www.actiononemptyhomes.org/Handlers/Download.ashx?IDMF=5410fb8c-31c6-46bc-a392-f287df8a7505>

⁵ http://www.ccinhousing.co.uk/wp-content/uploads/2018/03/CCIN_Community_Led_housing_Report_mar2018.pdf

- Councils can charge a premium on empty or unfurnished homes. This has proved to be a challenge for some community groups when renovating empty homes.⁶ Local authorities could offer council tax exemption to empty homes that have been leased to a community group for the purpose of refurbishment and provision of affordable housing.
- They can connect new community groups with more experienced ones or with a local housing association committed to developing community led housing schemes
- They can facilitate and support partnerships between community groups and housing associations. They can encourage housing association partners to make a development scheme they are developing community led.

CCLH can also help local authorities to maximise their contribution to the Well-being of Future Generations Act through creating additional social and economic value. In addition to creating cohesive communities, CCLH schemes can also contribute to building a more Prosperous Wales through providing training opportunities. Tenants and co-operative members can be offered training and work opportunities in refurbishing empty properties. For example, Phoenix Housing Co-operative have strengthened the skills and employability of those who volunteered with the refurbishment of empty properties. This included a project where a team of 20 co-operative members had the opportunity to develop new skills and improve their experience of building and construction skills working alongside the Site Manager. Wherever possible Phoenix used recycled, donated and non-toxic environmentally friendly material.⁷

Using the skills and resources of housing associations to tackle empty properties

Housing associations can identify empty properties that can be brought back into use through community led schemes. Taf Fechan Housing Co-operative is a successful example of a registered social landlord tackling empty properties through co-operative and community-led housing. Another example of this is Bron Afon's Ty Cyfle housing scheme.

Ty Cyfle consists of 8 starter homes for 16-24 year olds in Garndiffaeth, Torfaen, who aspire to be in employment, education, training or volunteering. The project was led and initiated by Bron Afon's Youth Forum, who recognised the problems young people were facing when transitioning from 24 hour hostel support to independent living. At the time, around 8 out of 10 young persons' tenancies were failing, in part due to a lack of certain life skills and the sudden stop of all support when moving on from supportive hostel environments. As a result a group of young people came together to find a solution and decided to create a housing scheme that included a community hub and wrap around support. They identified a derelict community centre building and led on the design of the refurbishment into 8 homes and a community hub. Although they are not incorporated as a co-operative society, there is management committee in place which operates on co-operative principles. The young tenants developed the tenancy agreement, policies, house rules and manage any low-level

⁶ Action for Empty Homes, Community Action on Empty Homes: Using empty homes to regenerate communities, <https://www.actiononemptyhomes.org/Handlers/Download.ashx?IDMF=ee3e040f-2cbf-461a-b680-4024d2193df6>

⁷ <http://phoenixhousingcoop.org/our-projects/>

issues with support from Bron Afon, the Wales Co-operative Centre and the Confederation of Co-operative Housing.

To further support community led approaches, housing associations can take into account what is best for local communities when developing any property disposal strategies. This should include liaising with the local authorities before making disposals to help ensure that they do not contribute to neighbourhood decline and undermine strategies to tackle empty homes in the area. If seeking to exit from a neighbourhood, they should look to dispose of properties to community-based organisations who are committed to the neighbourhood for the long-term and will manage them well.⁸

Our Toolkit for Developing Co-operative Housing Schemes outlines further actions that housing associations can take to support community-led housing.⁹ Possible roles for housing associations include:

- Conceptualising the scheme, possibly in partnership with the local authority.
- Recruiting founder members and facilitating the development of a community group.
- Supporting the community group to determine how they will lead the CCLH scheme.
- Designing the scheme and achieving planning permission.
- Development of the homes.
- Arranging loan and any grant finance.
- Scheme ownership with legal agreements with the CCLH group.
- Delivery of some housing management services.

There are also good examples of housing associations working with social enterprise and not-for-profit organisations to bring empty homes back into use while maximising social and economic benefits. Through their Community Legacy Project, the Community Impact Initiative worked with Merthyr Valleys Homes and homeless charity Adref to renovate a three bedroom property in Merthyr Tydfil. Merthyr Valleys Homes and Adref referred individuals to the project. Through experience of working on the renovation project, these individuals developed their employability, construction and enterprise skills, achieved accredited qualifications, experienced voluntary work placements and moved closer towards accessing sustainable employment or self-employment.¹⁰

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⁸ Action for Empty Homes, Community based approaches in areas with high levels of empty homes, <https://www.actiononemptyhomes.org/Handlers/Download.ashx?IDMF=5410fb8c-31c6-46bc-a392-f287df8a7505>

⁹ A guide to developing housing co-operatives, <https://wales.coop/a-guide-to-developing-housing-co-ops/>

¹⁰ <http://the-cii.org/wp-content/uploads/2019/03/Heol-Parc-Glas.pdf>

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The Wales Co-operative Centre is happy to provide any further information on the points raised in our response, and for our response to be in the public domain.