

### **E.ON response to the inquiry into empty homes**

- E.ON is one of the UK's leading power and gas companies and part of the E.ON group, one of the world's largest investor-owned power and gas companies.
- We are committed to helping people control their energy use and to deliver affordable energy for them in a sustainable way. Clear, ambitious and coordinated policies are required to successfully tackle fuel poverty and energy efficiency; we believe empty homes has a role to play in the long-term term, sustainable solution to fuel poverty and homelessness.
- E.ON's Empty Homes programme was established two years ago and is led by our internal Housing Solutions team. E.ON works with local authorities to identify empty home owners and offer a one-to-one service to support the homeowner to get the property back into use. The aim is to offer a simple solution to the customer, local authority and empty home owner.

### **Question 1**

#### **Is enough being done to tackle empty properties in Wales? If not, what needs to change?**

1. In our experience we believe that combining best practice from tried and tested models throughout the UK with services designed in conjunction with empty home owners have the greatest opportunity to bring large volumes of empty homes back into use and reduce the impact empty homes have on local communities.
2. Raising awareness about the issues faced by all stakeholders and the support available to empty home owners is crucial. As the latest Welsh Government statistics show, all 22 Councils have a significant number of long-term empty homes<sup>1</sup>. Whilst we support local initiatives to tackle specific problems, we believe the development of a centralised and coordinated approach to help identify and tackle empty homes would deliver significant efficiencies. This would not only increase the internal resources available to local authorities but would also increase private sector investment by improving economies of scale for the interventions required to bring empty homes back into use.
3. E.ON therefore believes a Welsh Empty Homes Centre of Excellence, involving a number of different organisations, can co-ordinate the effort and resources needed to bring a large number of empty homes back into use. It would be responsible for creating services and propositions that all empty home owners and local authorities across Wales could access. The Centre of Excellence could be funded through a combination of Welsh Government funds, Council Tax premiums, Energy Company Obligation (ECO) funds and Corporate Social Responsibility funding pots from the businesses that would directly and indirectly benefit from the works carried out. It would enable the launch of a sustainable long-term solution



in Wales, that keeps the onus on the empty property owners whilst enabling them to bring their property back into use; an example of a similar, successful scheme in England is Kent's No Use Empty scheme<sup>2</sup>.

4. So far, 50% of Welsh County Councils having introduced the empty homes premium<sup>3</sup>, making the premium mandatory across all Councils could significantly increasing the funding available. It is vital that relevant legislation is in place to ensure that all monies raised by the premium is reinvested in tackling empty homes.
5. In our experience, the issues faced by empty homes owners are diverse and often complex. In some cases, financial assistance via an empty homes premium or other funding such as ECO will provide enough of an incentive for the empty home owner to act. In other examples, such as empty home owners with mental health problems, the barriers to act can be more difficult to overcome. Councils need to focus on having the right services in place to help vulnerable empty home owners bring their property back into use through encouragement, advice and support. Greater legislation and stricter guidance to avoid unintended consequences of the council tax premium would again be welcomed.
6. We have received anecdotal evidence from Empty Homes Officers that, when a premium is introduced without support services, that they initially see a drop in the long-term empty homes numbers but this is not sustained in the long-term therefore the premium alone is not a solution.

## **Question 2**

### **What impact can empty properties have on a community?**

7. Empty properties can have a negative impact on communities, attracting anti-social behaviour, vandalism, arson, fly-tipping and squatting in some cases. They impact the look and feel of the overall community, leading to a decline in property values in neighboring properties and communities feeling less safe. The broader impact of empty homes should be considered alongside community wellbeing.
8. E.ON's interest in empty homes began during our work on a community energy efficiency scheme in Nottingham. E.ON installed efficiency measures in over 600 properties on a single housing estate, unfortunately there were 3 long-term empty homes that we were unable to treat. The local authority, other residents and the E.ON energy efficiency team could all see that making these homes energy efficient and habitable would greatly benefit the community but without engagement from the owners we were unable to act.
9. Action on Empty Homes is a UK organisation with years of research and lobbying experience in the empty homes sector, they note that 'areas with concentrations of empty homes can trap local authorities and other public services into a spiral of reactive spend and lock communities into a spiral of decline'. They identify that 'reactive spend occurs when Local authorities act to address fly-tipping and statutory nuisance, Police services respond to

<sup>1</sup> <https://gov.wales/docs/statistics/2019/190117-council-tax-dwellings-2019-20-en.pdf>

vandalism, antisocial behavior (ASB) and substance misuse, Fire Services respond to arson, Health Services manage and treat poor physical and mental health. The effect of this is that the impacts – the costs and risks – of homes standing empty are largely shouldered by local people and local public services<sup>4</sup>.

### Question 3

#### How effectively are local authorities using the statutory and non-statutory tools at their disposal to deal with empty properties?

10. We believe others are better placed to comment on the current effectiveness of the individual local authorities and their approach to empty homes. Nationally, we believe that the problem of long-term empty homes should be targeted in four ways to ensure that the right support services are utilised effectively:

**(a) Long term empty properties (empty for more than 6 months)** - Encouragement, advice, support and incentives are key to tackling long-term empty properties. We suggest a casework approach that offers face to face and telephone consultation for the empty home owner would yield the greatest results. In addition to this, enforcement action through Empty Dwelling Management Orders (EDMOs) and Compulsory Purchase Orders (CPOs) should be used where a softer approach proves ineffective.

**(b) 0-6 months void properties** - Services which reduce the number of homes moving into the long term empty bracket such as support with property maintenance, refurbishment and energy efficiency improvements can help future-proof properties to avoid them falling into disrepair.

**(c) Empty homes prevention** – We believe investment in empty homes prevention is more cost-effective than bringing empty homes back in use and will provide wider benefits to the local authority, tenants, landlords and the community as a whole. Identifying ways to support home owners or tenants to maintain their home and access personal support to live at home safely and comfortably will reduce the number of homes falling into disrepair and becoming empty.

North Derbyshire Council run a programme that supports landlords who are considering evicting their tenant. The 'Call Before You Serve' programme provides intervention and mediation for the landlord as well as enhanced tenant support services. Support services for tenants include a range of interventions linked with maximising the likelihood of successfully sustaining their tenancy – benefit maximisation & entitlement checks, debt & budgeting advice, case worker visits, education and links with community groups and social groups.

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<sup>4</sup> <https://www.actiononemptyhomes.org/Handlers/Download.ashx?IDMF=ee3e040f-2cbf-461a-b680-4024d2193df6>

Successful interventions at this stage can save emergency and temporary accommodation costs and reduce disruption for landlord and tenant, deescalating a distressing and costly experience for all involved.

**(d) Target areas with a high concentration of empty homes** - Typically, areas with high numbers of empty homes are also areas within the bottom 25% of the Index of Multiple Deprivation, these areas will have high numbers of private renters and significant churn of tenancies. We fully endorse Action on Empty Homes' community approach as a long-term and sustainable way to kickstart area regeneration<sup>5</sup>.

#### Question 4

**Do local authorities need additional statutory powers to deal with empty properties? If yes, what powers do they need?**

11. As stated in our response to question one, we believe the empty homes premium should be introduced by all local authorities and this should be supported by legislation which ensure funds from the premium are directed towards tackling the empty homes problem. A secure income stream tackling empty homes across all local authorities in Wales would allow the Welsh Government to introduce mandatory legislation which compels empty home owners to take action on their property.
12. In addition to local authority powers we believe a small change to the ECO regulations concerning the occupancy rules could result in empty home owners having access to funds for energy efficiency works whilst the property undergoing standard renovations. The current regulations state there must be evidence the property is occupied before works are undertaken, this currently prevents empty home owners from accessing ECO funding.

#### Question 5

**Are owners of empty properties given the support, information and advice that they need to bring properties back into occupation? If not, what additional help do they need?**

13. In our experience the most effective way of tackling long term empty homes is by encouraging empty home owners to bring their properties back into use through advice, guidance and easy access to trusted supply chains and finance solutions.

#### Question 6

**Is there sufficient awareness of the practical assistance that local authorities can offer to owners of empty properties? If not, how could this be improved?**

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<sup>5</sup> <https://www.actiononemptyhomes.org/Handlers/Download.ashx?IDMF=ee3e040f-2cbf-461a-b680-4024d2193df6>

14. We believe others are better placed to comment on the current effectiveness of the individual local authorities, however the establishment of a Welsh Empty Homes Centre of Excellence would enable resources to be pooled and help drive national awareness of the issues and support available.

#### **Question 7**

**Are the skills and resources of housing associations and the private sector being fully utilised to tackle empty properties?**

15. We believe that the necessary skills, across many sectors, are available to tackle the empty homes problem. Our experience, with empty homes and other initiatives such as ECO, is that many local authorities lack sufficient amounts of funding needed to establish empty homes projects or leverage sufficient private sector funding.

#### **Question 8**

**Is enough being done to ensure empty properties can be brought back into use as affordable homes? Are there examples of good practice in this area?**

16. We believe there are some examples of good practice, Action on Empty Homes include demonstration projects in their recent report on using empty homes to regenerate communities<sup>6</sup>, a number of these projects have resulted in additional affordable housing. To a certain extent, the potential for bring empty homes back into use as affordable homes will depend on the amount of investment needed per property and the market rate of rents in a particular area. We therefore believe there is scope to build upon good practice in this area but additional resources and subsidies will be needed to maximise the potential for empty homes being brought back into use as affordable housing.

#### **Question 9**

**Is the power to charge a council tax premium on long-term empty homes a useful tool and is it being effectively used? If not, how could this tool be made more effective?**

17. Please see question 1.

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<sup>6</sup> <https://www.actiononemptyhomes.org/Handlers/Download.ashx?IDMF=ee3e040f-2cbf-461a-b680-4024d2193df6>