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# Houses into Homes First Interim Evaluation Report

Research Summary

Social research

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**This report details findings to emerge from the evaluation of the *Houses into Homes* scheme during the first six months of delivery (April to September 2012). The evaluation will continue through to 2015.**

## Headline Findings

- In the first six months of the Houses into Homes scheme, local authorities came together into regional groupings, signed collaborative agreements that formalised roles and responsibilities, designated staff to lead on the scheme, actively marketed the initiative, assisted owners through the application process and began approving loans.
- Some local authorities have travelled a long way in a relatively short time. In particular, local authorities with a limited recent history of working to tackle the problem of empty homes have had to rapidly develop the expertise, systems and processes required to deliver the scheme.
- Implementing the Houses into Homes scheme has not been without its challenges, but these have largely been overcome or effectively managed. Applications are being received, loans are being approved and regional leads reported being confident that their region would draw down their allocated funds from the Welsh Government by the end of March 2013.

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## **Background**

Bringing empty properties back into use will help with efforts to increase supply and choice, improve housing conditions and meet housing need in Wales.

Recognising this fact, the Welsh Government has set itself the target of bringing 5,000 properties back into use during the current term of government (2011-2016)<sup>1</sup>.

A new empty properties initiative has been introduced to help deliver on this objective. The Houses into Homes scheme was launched in April 2012. It makes available loans to bring privately owned, empty residential properties or commercial buildings back into use as homes for rent or sale. When the work is complete, the property must be sold or rented out. The loans are paid before work commences, are interest free and must be paid back within two or three years depending on whether the property is sold or let. A £10 million fund was created by Welsh Government to support the scheme.

## **Methods**

A team from the Centre for Regional Economic and Social

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<sup>1</sup> <http://wales.gov.uk/docs/desh/consultation/120521whitepaperen.pdf>

Research, Sheffield Hallam University has been commissioned by the Welsh Government to conduct an evaluation of the Houses into Homes scheme. The aim is to monitor effectiveness, impact and added value of the scheme, and to provide accountability for the use of public funds. Impacts are monitored through the ongoing collection of data from local authorities about direct actions to bring properties back into use, including applications received and loans granted under the scheme. Delivery processes are being evaluated through regular contact with nominated leads in each of the six regions and through contact with local authority leads. The evaluation will report at agreed points during the three years of the programme. This summary provides an overview of findings to emerge during the first six months of the scheme, from April 2012 to September 2012.

## **Key Findings**

### ***A Baseline of Local Authority Action on Empty Homes***

The direct actions taken by local authorities in 2011/12 to tackle the problem of empty properties and the number of properties brought

back into use by these actions will provide the baseline against which the achievements of Houses into Homes will be measured over the course of the scheme.

National Strategic Indicator data submitted by local authorities to the Welsh Government points to an increase in the number of empty homes in Wales from 18,980 in 2009/10 to 23,287 in 2011/12. During the same period, there was an increase in the number of properties brought back into use through the direct action of local authorities, from 596 in 2009/10 (3.1 per cent of empty homes) to 1,095 in 2011/12 (4.7 per cent of empty homes).

In 2011/12, there were 207 empty homes in Wales per 10,000 private sector dwellings. Three local authorities had over 300 empty homes per 10,000 private sector dwellings: Rhondda Cynon Taf, Merthyr Tydfil and Carmarthenshire. Wrexham (24 per 10,000) and Torfaen (78 per 10,000) had the lowest rates of empty homes. In the same year, 10 empty homes per 10,000 private sector dwellings were returned into use by local authority direct action.

Advice and guidance was by far the most common direct action taken by local authorities to bring empty properties back into use in 2011/12 (1,055 or 97 per cent of 1,080 brought back into use). Two other more common forms of direct action were the provision of financial assistance (92 or eight per cent of 1,080 brought back into use) and threat of enforcement action (66 or six per cent of 1,080 properties brought back into use)<sup>2</sup>.

### ***Progress Delivering Houses into Homes***

In the six months following the launch of the Houses into Homes scheme in April 2012 the infrastructure required to deliver the scheme was designed and developed. This was not without its challenges, but these were largely overcome or effectively managed.

All six regions now have a regional empty homes group, which coordinates delivery of Houses into Homes. The regional group is typically chaired by an officer from the lead (banker) authority. All six regions have a collaborative agreement, which provides a protocol for how local authorities

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<sup>2</sup> Actions are not mutually exclusive – more than one action might be recorded for one property.

will engage and work with each other<sup>3</sup>. This represents an early example of the enhanced cooperation between local authorities at the regional level championed by the Welsh Government as a means for improving service delivery and reducing costs.

A lead officer for Houses into Homes has been identified in each local authority and staff have been allocated to the tasks of marketing Houses into Homes, processing expressions of interest and supporting owners to complete and submit applications.

Each region has been allocated a share of the £10 million of capital funding made available by the Welsh Government to support the House into Homes scheme. Three regions (Gwent, Mid and West, and Cwm Taf) took the decision to regard this allocation as a regional resource and to distribute funds to applicants from across the region on a first come first served basis. In contrast, three regions (North Wales, Cardiff and the Vale and Western Bay) reported seeking to distribute funds to local authorities

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<sup>3</sup> Three regions had signed collaborative agreements by September 2012 and the other three had done so by the time of publication of this report

in accordance with a notional allocation to each local authority based on the size of their private sector stock. Regions had not set explicit targets beyond drawing down the full allocation of Houses into Homes funding by March 2013.

### ***Applications and Loans Granted (April to September 2013)***

Relatively few applications were received or loans approved in this period. This was to be expected. Attention during the first six months of the scheme focused on putting in place the framework to deliver Houses into Homes.

Standard monitoring data collected from each local authority revealed that during the period April and September 2012, 520 enquiries were received by local authorities about the Houses into Homes loan scheme, 73 loan applications were made, 14 loans were approved and 54 loans were being processed<sup>4</sup>. The 14 approved loans were to support the provision of 24 residential units.

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<sup>4</sup> At the date of publication in April 2013, local authorities had drawn down the full £10 million budget for loans and had received applications likely to bring at least 450 units of accommodation back into use.

### ***Emerging Benefits***

It is too early in the lifecycle of Houses into Homes to say anything robust about the additionalities associated with the scheme.

However, regional leads and local authority empty homes officers did point to a number of positive differences and unforeseen benefits that had already arisen.

One of the most common observations was that the scheme provides local authorities with an additional tool to tackle the problem of empty properties. The scheme was also reported to be supporting wider efforts to tackle the problem of empty homes by prompting the owners of empty properties to get in touch with their local authority. As a result, there was general agreement amongst respondents that the scheme will help speed up how quickly properties are brought back into use.

The scheme was also championed for its role in prompting local authorities with a limited recent history of working to bring empty homes back into use to dedicate greater resources to understanding and tackling the problem. This has included the appointment of dedicated empty homes officers.

All regional leads spoke positively about the role of the regional group in providing a forum for local authorities to share experiences and to seek and offer advice. This was reported to be particularly useful for the local authorities with a limited history of empty homes activity.

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