



SENTENTIA

Bringing  
**Empty Homes**  
Back to Life

**In Confidence**

Sententia Empty Homes

# Executive Summary

## An

### Introduction to Sententia Empty Homes

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#### **In excess of 610,000 homes worth over one hundred billion pounds of asset across 326 UK Local Planning Authorities stand empty.**

610,000 (2014) Empty Homes across 326 Local Planning Authorities (LPA's) represents both a substantial socio-economic and strategic challenge and opportunity for the United Kingdom; and with an average of 1,871 "Empty Homes" per Planning Authority there is a significant and clear need for complimentary solutions and service models that support and encourage the delivery of Government and Local Authority Empty Homes strategies.

The January 2012 Government initiative "*Bringing empty homes back into use*" hopes to "*foster new approaches and innovation*" (ISBN: 978-1-4098-3315-4) in bringing empty homes back into use; a likely necessity when the scale of the opportunity and challenge is highlighted with one of the UK's leading deep knowledge experts on the empty homes agenda, David Stott; (Associate, Empty Homes Agency), specifically highlighting the need for Local Authorities to have "*lots of delivery partners*" in order to deliver the Governments objectives. (*i.e. D. Stott Workshop Blaby 2013*) stating that, Local Authorities "*will not be able to do it on their own*".

In support of the Governments Empty Homes initiatives, the Homes and Communities Agency committed £100 million to help tackle "*long-term empty properties which would not come back into use without additional financial intervention. It's intended that this funding will deliver at least 3,300 Affordable Homes by March 2015*". (<http://cfg.homesandcommunities.co.uk/ourwork/empty-homes>). Although a clear demonstration of the value and importance of the situation to Government and society; it is one that leaves in excess of 99% of the UK Empty Homes stock un-supported.

Recognised by Local Authorities as a key Government initiative, Local Authorities have introduced local strategies; policies and human resource teams to bring Empty Homes back to life with many Local Authorities and the Homes and Communities Agency seeking to encourage the owners of empty properties with financial incentives; or indeed penalties, to commit to; in general terms, one of only three defined outcomes: –

- Refurbishment and Defined Period Lease with retained title ownership
- Outright sale to a Social Housing Association; many of which are now substantial commercial enterprises with considerable financial interests; demands; corporate Governance and potentially differing agendas or
- Outright sale to a private Rental Sector Landlord (RSL).

Evidence within the detailed Sententia service model suggests that potentially; around 1.6 million residential properties of various designations ultimately stand empty; a significant majority of which could be returned to habitable use but which will require considerably more innovation and initiative than the standardised approaches to re-purposing Empty Homes.

It is against these backdrops and regular reports and media coverage regarding empty homes and an immense demand for additional housing that the Sententia service model was researched, designed and developed in close liaison with a Local Authority Group Service Manager; Housing Strategy Officers; Empty Homes and Legal teams to ensure that the key challenges, requirements and opportunities facing Local Authorities and society in re-purposing empty homes were understood in fine detail and comprehensively addressed by the service model.

Operating entirely on the soft-side of the preferred and recommended “Balanced Approach” adopted by Local Authorities, the Sententia service model was assessed by a Local Authority legal team as presenting “no reputational risk” to the Local Authority with a Public Procurement Agency concluding that the Sententia service model would “*appeal to most Local Authorities*”.

Critically, in excess of 90% of empty homes are held in private ownership and many Empty Home Owners may consider the re-purposing approaches by the Local Authorities to be unwelcome and indeed, adversarial; whether by intent or otherwise. This is undoubtedly a key element for the non-engagement of Empty Home property owners; consistently reported by Local Authorities as the single biggest challenge encountered,

Likewise, Local Authorities forced into pursuing lengthy and costly legal action, may consider the behaviour of empty property owners to be unreasonable; even more so when there is no permissible process cost recovery for Compulsory Purchase Orders and a need to pay the Title Owner 105% of the market value from the Public Purse. Those same properties are also likely to account for the majority of anti-social behaviour attracted by long-term empty properties, depressed housing values to neighbouring properties; social blight and remedial costs born by a Local Authority; all of which are comprehensively and directly encompassed within the Sententia service model.

Research across the country concluded that Local Authorities have; in general terms, adopted similar strategies and policies in order to manage their Empty Homes programmes with all researched Local Authority Empty Homes policies clearly indicating that the ultimate failure of the empty home owner to agree to one of the re-occupancy programmes noted in paragraph 3 above will not only most likely result in the owner being subject to legal proceedings; but it can and does ultimately lead to Compulsory Purchase Orders being pursued at considerable; non-recoverable cost, to the Local Authority.

Increasing therefore the re-purposing tools; opportunities and choice of deliverable outcomes available to Local Authorities with a cost and risk-free service model that positively encourages early Title Owner adoption and minimises the need for legal action to be undertaken by the Local Authority can only be seen as a significant strategic and financial gain to Local Authorities. Furthermore, the in-built ability of the Sententia service model to “flex” to more demanding clients and specific client engagement strategies underpins a progressive new opportunity for Local Authorities to increase their rate of Empty Home Title Owner engagement and residential re-occupation.

Reflecting the quality and deliverability of the service model, Sententia has received universal support and letters of intent from notable professional practices and strategic partners across all required sectors in the primary launch and research region underpinning the viability, achievability; non-risk status and structural integrity of the service model with robust legal process and client-based choice underpinning the entire service model.

The Sententia service model specifically recognises; adapts to and pro-actively addresses the concerns, costs, opportunities and many other potentially debilitating hurdles identified to improve the engagement of; and relationship with, empty home Title Owners and; as a result of enhancing the soft options within a Balanced Approach, notably increase the re-purposing rates whilst reducing Local Authority costs.

Where difficult or more challenging engagement with Empty Home Owners exists or where the relationship is likely to; or has already broken down between the Local Authority and the Empty Home Owner, the Sententia service model further provides an independent brokerage and intermediary service to help secure a positive outcome.

The Local Authority Empty Homes training delivered across the UK by one of the UK's leading authorities on Empty Homes, David Stott of The Empty Homes Agency, confirmed that the Sententia service model is critically aligned with all national and local recommendations, key objectives and performance indicators and specifically highlights the need for Local Authorities to "*engage with lots of delivery partners*"; in the delivery of a "Balanced Approach". So taken with the need for the quality and the deliverability of the Sententia service model, David Stott has served as an advisor and ad-hoc partner to the Sententia team strengthening the business with nationally applauded insight and deep knowledge expertise.

The service model within the detailed document pro-actively supports the objectives of both Government and Local Authorities by blending innovative solutions with holistic strategy and tight fiscal policy. The service model extends further by introducing; underpinning and promoting the value and need for local economic stimulation; contributes to a substantial demand for mixed housing stock; extends to the vulnerable; hard to reach and elderly and reduces the social blight and potential for Anti-Social behaviour resulting from Empty Homes.

The Sententia service model is positioned to provide an innovative menu of choice-based solutions to the re-purposing of Empty Homes; no more so than where the majority of property development companies seek to acquire the empty properties at the minimum acquisition cost, the Sententia model is a non-acquisition service model designed to encourage Title Owners to engage with and directly benefit from the delivery of enhanced property values.

Sententia also differs significantly from other organisations who have engaged with the HCA funded empty homes programmes; in so far as Sententia is a zero-value contract service model that makes no request for HCA funding or Local Authority grants; furthermore, implicit in the service model, is the key objective of mitigating the re-purposing costs being incurred by Local Authorities.

As a simple to engage service model, Local Authorities sign-posting Empty Home Title Owners to Sententia will significantly enhance their "soft options approach" and as a service model designed in liaison with Senior Local Authority Officers, everyone will gain the advantage of a service model specifically structured to be one of the most agile, supportive, cost effective; transparent and professional delivery partners for Local Authorities charged with re-purposing Empty Homes.

Innovative, privately funded; compliant with a Framework Agreement and focused on "all things local" the service model represents a considerable opportunity at local, regional and national levels to drive local economic stimulation, contribute to local employment,

increase Empty Home re-purposing and a play a positive role in the reduction of Anti-social behaviour and social blight; a holistic approach that sets Sententia apart from the mainstream Empty Homes re-purposing market.

Ultimately to be managed and delivered on a regional basis through a network of regional agents and approved suppliers to robust operational standards and a stringent modus operandi, the service model represents a well researched, innovative; progressive and independently financed new addition to the Governments and Local Authorities' "Empty Homes" initiatives.

Designed to operate with a simple "risk-free" sign-posting and Memorandum of Understanding (MoU) or at an Approved Partner level with a Zero Value Contract Framework Agreement, the service model and strategic partnerships that underpin the service model can be structured and implemented relative to each Local Authority and regional need within relatively short timeframes.

Initially, pilot projects of up to 1% of each Local Authority area are sought and upon formal adoption, each region is expected to undertake and deliver a minimum annual re-purposing target of 3% of the total Empty Homes stock on behalf of each LPA.

With a key performance indicator of 13 weeks or less from engagement to re-occupation and a defined Process Tree that strategically aligns with LPA Process Trees; fulfilling a 3% rolling annual national target would re-purpose an estimated £2.9 billion of unused UK property asset, ensure the re-occupation of over 18,000 properties per year, deliver in excess of £180 million of locally distributed economic stimulation and provide high quality; mixed stock housing accommodation for 18,000 families.

The Directors of Sententia are informed by experts in their field that the detail and modus operandi within the service model effectively forms in excess of 95% of any required Framework Agreement and Local Authorities can therefore be confident in the robust quality and effectiveness of the service model from the outset.

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For more information please contact

Sententia Business Services Ltd

Email: [emptyhomes@sententia-business.co.uk](mailto:emptyhomes@sententia-business.co.uk)