APPENDIX 1 Draft BCC Private Sector Empty Property Strategy 2019 – 2024

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1 Foreword

Like most major cities in Britain Birmingham is faced with an acute and ongoing housing shortage. This gives rise to increased homelessness and housing affordability problems for many people.

Empty properties adversely affect the lives of people in the vicinity and drive down values around the problematic property. They attract vandalism and anti-social behaviour and are an unnecessary drain on public services.

Though empty property numbers have declined since Birmingham City Council published its first Empty Property Strategy in 2003 there are still approximately 9,900 private sector empty homes in the city. This updated strategy builds on the 2013-18 strategy setting out how the council, with the support of its partners, will continue to work to reduce the number of empty properties in Birmingham from 2019 to 2024.

At a time when local government resources are decreasing it is vital we make best use of available resources and we need to build partnerships with communities to ensure citizens provide local intelligence, additional resources and placed based solutions. This strategy and the action plan that supports it outlines how we propose to do this.

Empty homes are not the whole answer to the current housing crisis but government and local authorities cannot ignore their potential and the need to ensure that owners are both encouraged and, where appropriate, required to unlock the potential of this wasted resource.

The success Birmingham has had in tackling empty properties to date has been considerable. We aim to continue this, to ensure the city has the

largest, highest quality stock possible to accommodate both its existing and future citizens.

2 Introduction

About our strategy and its key objectives

In developing the strategy we have identified a set of objectives we aim to deliver on. We will:-

- Set out our priorities and actions for reducing the numbers of long-term empty properties in the future;
- Have a coordinated approach to empty property work to ensure broadest corporate ownership of the need to address the issue of empty homes
- Identify the resources necessary to deliver strategic outcomes while remaining flexible about changes in housing market need, central government directives and funding
- Ensure delivery of the Empty Property Strategy is linked with the Council Plan 2018 2022, the Birmingham Development Plan, the Housing Birmingham Strategy and the Homelessness Prevention Strategy
- Provide encouragement and practical support to empty property owners
- Develop a robust suite of enforcement options where lower level interventions have not produced results
- Enhance our approach to returning empty homes to use by continuing to work and share experiences with other local authorities

What is an empty property?

Residential empty properties fall broadly into two types.

- 1. Those that might be termed 'transactional'
- 2. Those empty longer than six months. For strategy purposes those empty longer than six months are classed as long term empty.

Transactional empty properties are usually unoccupied due to a change in ownership or tenant and are part of the normal housing market cycle.

Properties that have been empty longer than six months are usually unoccupied for a specific reason. Properties that have been empty for more than two years are likely to remain empty and so decline without intervention. Long term empty properties can harbour criminal activity, squatting, vandalism and other anti-social behaviour. In some instances, a property may be empty or appear empty, but is not classed as empty. A property does not have to be used all the time to be classed as occupied. For example, if it is:

- a property which is part of a wider regeneration programme and could be in the process of being developed or marked for demolition;
- a property which has pending planning permission, could be waiting refurbishment or could be waiting for new occupants to move in;
- a property which appears empty due to an overgrown garden or through lack of maintenance;
- a property where a for sale/to-let board or where contractors equipment is evident could demonstrate that a property is in the process of being brought back into use;
- one where the owner is living elsewhere to provide or receive personal care (illness, old age, disablement, drug or alcohol dependence or mental disorder).

What issues are caused by empty properties?

Empty properties are not just an issue for the city as we are in need of housing capacity but also attract or create a number of issues within the community including:

- Crime including vandalism, break in, fly tipping and antisocial behaviour
- Arson
- Modern Day Slavery
- Drug and alcohol abuse
- Attracting vermin and other pests
- Eyesore
- Potentially devaluing properties in the vicinity
- Psychological impact on neighbours

Why do properties remain empty?

Research surveys have highlighted a number of reasons for properties standing empty. Some of the most common reasons include:

- Issues around inheritance and probate
- Owners in hospital or residential care
- Owners unable to afford the refurbishment to realise an acceptable sale price or rent level
- Owners lacking the knowledge and confidence to address the situation
- Owner indifference/ unwilling to bring the property back into use
- Owner lacks the personal ability to deal with the property
- Following the death of an occupant the ownership of the property may be unclear
- Perceived problems associated with letting of properties
- Buy to let tenants not forthcoming
- Mental health issues
- Owners away or in prison

For whatever reason they remain unoccupied, long term empty homes fall into disrepair and have a negative impact on the environment. A coordinated, sustainable approach to dealing with them will increase housing supply. In addition, returning an empty home to use is significantly faster and more cost effective than any other kind of new home delivery.

Supporting people who need additional support

Given the common reasons for Empty Properties, we must consider equality impact on each individual case and our approach to supporting the landlord or in enforcement action. There are a range of issues that could impact a specific client group to a greater degree when dealing with empty properties including:

- Owners in hospital or residential care
- Owner lacks the personal ability to deal with the property
- Mental health issues

The service works with the client or their appropriate representative to ascertain their communication and support needs to ensure we have the best chance of a successful outcome, reducing the likelihood of enforcement. Through understanding their needs we work to encourage a positive outcome. We will work with family/ carers and support workers to ensure the process is fully understood and we engage effectively.

What are the challenges of bringing empty properties back into use?

There are a number of challenges faced in returning empty properties back into use and these are dependent on the reason they became empty in the first place:

- Council Tax discounts for empty homes and second homes changed in April 2013 and many councils do not give any reduction now for vacant properties.
- Ownership disputes can make it difficult or impossible to establish who the owner is. Court proceedings and divorce settlements can also delay the occupation of a property.
- Personal owner circumstances may prevent them from being able to bring a property back into use. For example, they may not have the funds or capacity to renovate or sell a property.
- Tracking of owners can make it time consuming and expensive for the council to trace owners. Even after finding the individual(s) concerned, they may be unwilling to engage with us.
- Maintaining property security to ensure empty properties don't fall victim to acts of vandalism, arson or squatting.

3 Policy Context

National Context

High levels of empty properties have an adverse impact on communities and the environment. Returning empty homes in to use assists in reducing homelessness and overcrowding pressures. It also tackles aesthetic issues, the fear of crime and in the post Grenfell Tower era, fire safety.

In addition to the direct benefits to families and communities, bringing empty homes back into use plays an important role in meeting the need for new homes and the government's target of delivering 300,000 new homes a year by the mid-2020s.

Alongside measures to increase council tax costs for owners allowing their property to stand empty, the Government has updated local planning polices to ensure they support the development of under-utilised land and buildings.

New Homes Bonus

New Homes Bonus is a grant paid by central government to local authorities for increasing the level of housing. The bonus is based on extra Council Tax revenue raised from new build homes, properties converted into homes and long term empty properties brought back into use. There is also an additional payment if the property is an affordable home.

The scheme is intended to act as an incentive for local authorities to have effective empty homes strategies. Rewards will only be paid for a net increase in housing, meaning local authorities could miss out on rewards for new homes built if empty property levels are allowed to increase.

Birmingham's New Homes Bonus payments for 2017/18 totalled £14.19m. It's clear that at a time when local government resources are diminishing the benefits BCC can accrue from the New Homes Bonus remain significant. It is imperative therefore we seek to maximise the value of the bonus payment.

Local Context

Birmingham City Council Plan: 2018 to 2022

The Council has a vision for Birmingham as a great city to live in. It states:

'We want Birmingham to be a sustainable city of vibrant culture, flourishing neighbourhoods with good quality housing. A city with clean air, safe and clean streets and green spaces. We want to be a city where citizens have pride in where they live, have a strong sense of belonging and a voice in how Birmingham is run'.

To this end the Council Plan identifies a number of priority outcomes against which success can be measured.

- Increasing the number of new homes completed in the city across a range of tenures
- Increasing the number of private rented sector properties improved as a result of local authority intervention
- Ensuring an appropriate number of homes built are affordable
- Minimising the number of households living in temporary accommodation.

Returning empty properties to use plays a major role in providing decent, long term homes for citizens.

Birmingham Development Plan 2031

By 2031 it is estimated Birmingham will need an additional 89,000 homes for its growing population. Adopted in January 2017, the Birmingham Development Plan sets out the statutory planning framework to guide decisions on development and regeneration to meet that requirement. Returning empty properties to occupation can make up a significant number of the additional homes needed.

Housing Birmingham Strategy

The Housing Birmingham Strategy is the Council's housing strategy and is owned and managed by the Housing Birmingham Partnership. The partnership is open to all parties with an interest in housing in Birmingham and includes social landlords, private landlords and third sector organisations. Following commitments in the Building a Better Birmingham Manifesto (2018-22) and Housing Birmingham Strategy 'Birmingham a Great Place to Live' (2018) the Council's Housing Strategy officer is currently developing a Strategy Statement on Community-led housing to which the Empty Homes Strategy should inter-link. In July 2018 we held a successful Hope for Housing Conference attended by 100 delegates; the conference report in November 2018 included several recommendations on empty homes initiatives. The strategy seeks to address empty homes in terms of homelessness reduction, improving stock condition and building neighbourhood pride.

4 Tackling the problem of empty properties

Our Approach

Birmingham's Empty Property Team has a strong track record in returning long term and problematic empty homes to use. For the lifetime of the 2019-24 Strategy we aim to ensure a minimum of 350 empty properties are returned to use each year. This is a challenging target equating to 25% of properties currently unoccupied for longer than six months in Birmingham. Birmingham City Council is working to prevent properties becoming empty by responding to enquiries about empty properties from the public, undertaking media campaigns, participating in local landlord events and forums, attendance at a range of resident meetings, and through promotion of our work on the council website. Where properties do become empty, we will try to locate owners and will work with them in an attempt to bring properties back into use. Generally this will take the form of advice and guidance. Where owners work with us, no enforcement action is generally needed. Where this is not successful the council will move onto enforcement against the owner to require the property be brought back into use.

Proactive Advice, Assistance and Enforcement

In the first instance owners of problematic or long term empty homes are contacted and asked about their future intentions for the property. General advice is offered including signposting to resources to support the owner. Enforcement action is only pursued where less formal, lower level approaches have made no impact or where a property is a hazard to public health. Where the council considers enforcement action to be appropriate the approach will be impartial and incremental.

The service has a clear directive of action which is irrespective of the length of time empty and is dependent on the level of nuisance caused by the property. The service ensures the same level of focus whether a property is empty for 1 week of five years, however, it is the success rate of the escalating action than can determine length of time empty once the team in notified. The table below highlights some of the actions we would expect to take and timeframes associated:

Educate			Enforce
 0-6 months Contact with owner Education Support – including advising on work and approaching builders Educate on renting out a 	 6-24 months Ongoing support for larger projects Support with planning issues Escalation of enforcement 	 2 to 5 years Consider Compulsory Purchase Order Council tax premium increase 	5 years and over Consider Compulsory Purchase Order Further council tax premium increase
Educate on			

Enforcement powers at our disposal include:

- Town & Country Planning Act 1990 (Section 215) A notice can be served on the homeowner where a home is considered to be 'detrimental to the amenities of the neighbourhood'.
- Local Government (Miscellaneous provision) Act 1982 Under Section 29 the Council has the power to secure empty homes against access, where there is considered to be a danger to public health.
- Enforced Sale (Law of Property Act 1925) The use of enforcement actions on empty properties can result in the gradual build-up of debt if the work is carried out in default of the owner failing to comply with the enforcement notice. Where a reasonable charge has been registered against the property it is possible to force the sale of the property to recover that debt.
- Compulsory Purchase Order (CPO) S17 Housing Act 1985 where owners cannot be traced, or are unwilling to bring their property back into use, the Council can seek to compulsory purchase a property and then sell it on the open market.
- Empty Dwelling Management Orders (EDMOs) The Housing Act 2004 gives local authorities power to apply to the Residential Property Tribunal for an interim management order which may lead to compulsory leasing of the property for a fixed period of time.
- Dangerous or dilapidated buildings or structures under the Building Act 1984 ss77 & 78 and Housing Act 2004 Part I. To require the owner to make the property safe (Section 77) or enable the Local Authority to take emergency action to make the building safe (Section 78).
- Unsecured properties (where it poses the risk that it may be entered or suffer vandalism, arson or similar) under the Building Act 1984, s78 Local Government (Miscellaneous Provisions) Act 1982, s29
- Blocked or defective drainage or private sewers under Local Government (Miscellaneous Provisions) Act 1976, s35, Building Act 1984, s59 and Public Health Act 1961, s17
- Vermin (where it is either present or there is a risk of attracting vermin that may detrimentally affect people's health) under the Public Health Act 1961, s34, Prevention of Damage by Pests Act, s4 and Public Health Act 1936, s83.

Building and maintaining relationships with property owners is perhaps the most important aspect of a successful approach to tackling empty homes. In almost all cases the quickest and therefore most economical approach is the lowest level of intervention that works.

5 Delivering Our Strategy

Achievements 2013 to 2018

The Council's Empty Homes Team has been particularly focussed on affordable, family size properties in areas of the city where a high incidence of empty homes and overcrowding has been identified. Precise targets included:

- Reducing the number of problematic and long term empty properties in the city by 1158.
- Ensuring 60% of properties returned to use citywide were family sized homes (three or more bedrooms) in the more affordable Council Tax bands A-C.
- Ensuring 40% of all properties returned to use were in the housing market areas of East Birmingham and North West Birmingham areas of the city where overcrowding and empty property levels are high.
- Investigation of all reported empty properties and proactive investigation of all identified long term empty properties.

The team has exceeded these targets, returning 1647 problematic and long term empty homes that are unlikely to have been returned to use without Intervention. Within the headline target 63% of properties had three bedrooms or more and were in Council tax bands A to C. 37% were in the East and North West Birmingham HMAs.

The team also utilised enforcement powers to secure 198 dwellings to prevent unauthorised entry and ensure they are free from visual nuisance affecting the wider neighbourhood. In addition they have also been successful in securing Government funding to lease and repair 20 previously long term empty properties for use as additional social housing in the city.

Partnership Working

The value of partnership working in effective local government is well known. In addition to exceeding the headline strategy target the team have developed strong links with community groups, the Police and emergency services. Birmingham has also played a leading role in the West Midlands Empty Property Officers Group and the Empty Homes Network. We are working with a range of community partners such as BCH and SHH and work with them to establish resources which groups could draw on to carry out repair work and then repay as rental income and owner contributions are secured, to promote the Empty Homes Strategy with the community sector and to build strategic partnerships with suitably qualified, supported and resourced groups to add to the number of empty homes brought into use.

Empty Property Council Tax Restructuring

To further incentivise the occupation of empty homes, Birmingham introduced changes in the way its council tax charges operate in relation to empty properties. Discounts relating to unfurnished properties or properties in need of structural repair have been abolished. Where a property has been empty and unfurnished for two years a council tax charge of 150 per cent is now applied.

The Government has recently announced that with effect from April 2019 local authorities will be free to charge up to 300% Council Tax on similarly qualifying empty properties. BCC Revenue and Finance officers have indicated they will be recommending introduction of the full 300% rate at that date.

Building on Past Success

Our experience in bringing empty homes back into use has taught us that a combination of incentives and sanctions are required to be successful. Some key mechanisms for continuing this success will be:

- Regular work in the field to investigate and prioritise problematic and long term empty homes
- Advice and assistance to owners who would like to let their properties
- Where cooperation with owners fails ensure enforcement powers such as Compulsory Purchase orders, empty dwelling management Orders and Enforced Sales are fully utilised
- Partnership work with regional and external partners to coordinate action to encourage or compel owners to bring empty homes back into use.

6 Aims and Objectives 2019 to 2024

As in the 20013-18 Strategy the team will place emphasis on some specific strategic areas and property types;

Objective 1: Provide advice, information to help raise awareness and address issues around empty properties

- Develop and maintain relationships with owners of empty properties to tell them of the support available to help bring their properties back into use; Improve the information available on the council's website;
- Maintain effective working relationships with the private sector, registered social landlords and other stakeholders; and
- Improve the information available to landlords about support available to them.

Objective 2: Improve the quality of neighbourhoods by identifying and tackling the issues associated with empty properties

• We will adopt both a proactive and reactive approach to identifying, prioritising and monitoring long term empty residential properties

Objective 3: Bring empty properties back into use to increase the supply of affordable homes for residents with a housing need

- Use negotiation, advice and assistance to bring problematic empty properties back into use;
- Use enforcement powers where necessary;
- Encourage innovative approaches to bring properties back into use, both as interim measures and longer term solutions; and
- Work with partners and other agencies to identify empty homes.
- Explore new sources of funding to increase capacity and impact consider the role of Community Led Homes and social investors

Objective 4: Focus on bringing back into use Affordable and Family Sized Homes

As part of a wider, citywide focus on delivering affordable, family sized homes, Empty Property Officers will continue to ensure that a minimum of 60% of properties returned to use have three or more bedrooms and are in the most affordable A-C Council Tax bands.

Objective 5: Work to tackle the problem of overcrowding in the city

The Survey of English Housing uses a 'bedroom standard' as an indicator for occupation density, allocating a number of bedrooms to each household according to the age, sex and marital status composition coupled with the relationship of the members to one another.

Data contained in the 2011 Census indicates that Birmingham's citywide average for households lacking at least one bedroom is 8.9%. Of the city's ten districts Ladywood (15.3%) and Hodge Hill (15.2%) stand out as the worst affected. For this reason we will ensure that 40% of all properties returned to use are in these two districts.

Objective 6: Enhance the use of Community Led Housing projects

Community Led Housing (CLH) projects are projects led by community groups aiming to ensure that new homes are built and empty homes and buildings can be brought back into use to meet local housing needs. Birmingham is committed to playing a part in enabling group and partner organisations with the capacity to raise grant and other funding to return empty homes to use.

Objective 7: Maximise the potential resources available to impact on empty homes in Birmingham

Work with community groups and organisations to identify empty properties in the city and develop the skills of these groups to help invest in and develop the city's housing stock.

Strategy Action Plan and Supporting Actions 2019 – 2024

In addition to the numerical targets outlined in the Strategy Action Plan (Appendix A) a number of supporting actions are identified at Appendix B to support the continuous improvement of empty property work.

Monitoring, Strategy Review and Update

To ensure Empty Property Strategy delivery remains effective a full review will be undertaken each year. As well as monitoring progress against existing targets this will serve as an opportunity to revise strategy targets and supporting actions to reflect changing priorities.

7 Resources

The strategy and action plan will be owned by the Senior Service Manager for Housing Options and PRS and will be delivered through a PRS Strategy Implementation Group and progress reported to the Cabinet Member and an annual performance and impact report which will be published online.

There are a range of resources available to us in tackling the issue of empty properties in the city. These include:

People and Partners

Successful delivery of the Empty Property Strategy and action plan will be the responsibility of the Private Rented Sector Team in partnership with internal and external partners.

The key internal partners will include:

- Council Tax and benefits
- Planning Enforcement
- Local Community Safety Partnerships
- Housing Options Service
- Finance
- Legal

Key external partners will include:

- Housing Developers
- Housing Associations
- Registered Providers
- West Midland Police

Financial

The city council's empty property strategy will be resourced through the council's budget. Where appropriate, bids for resources from the Government will be made and we have been successful in securing a number of these over the past two years.

Appendix A: Outcomes

EMPTY PROPERTY ACTION PLAN									
Increasing the supply of affordable housi	ng to meet the city's needs								
Links to other strategies and plans and national housing policy objectives	Local BCC Council Plan 2018-22 Birmingham Development Plan 2031 Housing Birmingham Strategy and links to the Community-led Housing Strategy Homelessness Prevention Strategy 2017	Regional West Midlands Empty Property Officers Group			National Empty Homes Network New Homes Bonus				
Partner Organisations	and other locality and community organisations								
Targets		2019/20	2020/21	2021/2	2 2022/23	2023/24			
Reduce headline number of empty properties in Birmingham by 1,750 by 2024 Number of properties back in to use within 6 months (of notification) Number of properties back in to use between 6 months and 2 years Number of properties back in to use between 2 years and 5 years Number of properties back in to use 5 years or more after notification		350 10 89 120 131	350 14 98 112 126	350 21 105 105 119	350 28 112 98 112	350 35 119 91 105			
 60% of homes returned to use to be family sized properties (3+ bedrooms) in council tax bands A-C 		(210)	(210)	(210)	(210)	(210)			
 Number of empty properties returned to use in Hodge Hill district Number of empty properties returned to use in Ladywood district 		(70) (70)	(70) (70)	(70) (70)	(70) (70)	(70) (70)			
Totals		350	350	350	350	350			

	Action	Outcome	Implementation Date	Responsibility	Monitoring
1	Empty Property Website	Review and further develop empty property pages on the Council's website with links to other relevant websites and an enquiry and reporting facility for people with concerns about empty properties.	31 March 2020	Senior Service Manager – Housing Options and PRS	Cabinet Member updates
2	Social Media/ promotion	Continue to develop use of social media to advertise and disseminate advice and information on empty property issues to customers and partners. Promote the strategy within the community sector	Ongoing	Senior Service Manager – Housing Options and PRS	Cabinet Member updates
3	Council Tax Data Cleansing	Work with Council Tax colleagues to improve data quality relating to empty homes.	31 March 2020	Senior Service Manager – Housing Options and PRS	Cabinet Member updates
4	Community Led Housing	Develop a Birmingham Community Led Housing policy clarifying our approach to enabling community groups return empty homes into use.	30 June 2019	Senior Service Manager – Housing Options and PRS	Cabinet Member updates
5	Connectivity with Housing Options	Improve integration with Housing Options Service. Connect Empty Property Strategy to Housing Options and PRS Development Strategy. Link with PRS incentives scheme.	31 March 2021	Senior Service Manager – Housing Options and PRS	Cabinet Member updates
6	Annual Strategy Review	Monitor progress against existing targets Consider revision of strategy targets and actions to reflect changing priorities.	Ongoing	Senior Service Manager – Housing Options and PRS	Cabinet Member updates
7	Increase available resources	Work with partners to identify totality of resource available across the wider city economy to tackle the issue of empty properties	Ongoing	Senior Service Manager – Housing Options and PRS	Cabinet Member updates

Appendix C: Useful Links

Birmingham City Council Empty Homes Service https://www.birmingham.gov.uk/info/20144/exemptions and discounts/807/e mpty and unoccupied properties

Department for Communities and Local Government: <u>www.gov.uk/government/organisations/department-for-communities-and-local-government</u>

Empty Homes Network www.ehnetwork.org.uk

Empty Homes – national charity <u>www.emptyhomes.com</u>

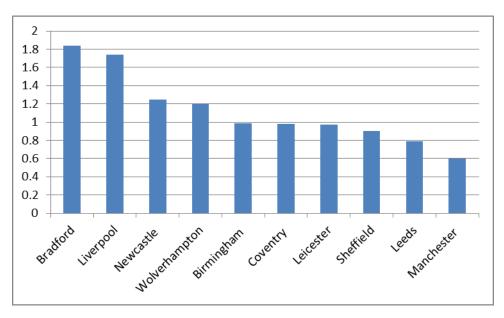
Homes England https://www.gov.uk/government/organisations/homes-england

Shelter www.shelter.org.uk

Appendix D: Background data and information

Analysis of empty properties in Birmingham

Fig 1



Percentage of Homes (All tenures) Empty Longer Than Six Months

Selected comparison Cities

Source - Government Live Table 615

Figure 1 indicates that in terms of longer term empty homes, Birmingham's percentage figure rates as average compared to other large densely populated cities in England.

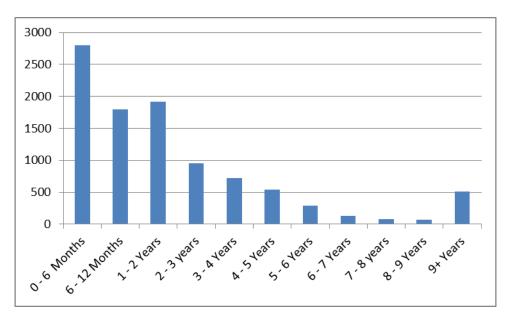
Council Tax records indicate that at October 2018 approximately 2800 of Birmingham's 9896 empty properties had been unoccupied for less than six months.

Breakdown of Empty Properties by Period Empty

Figure 2 illustrates how Birmingham's 9,896 empty homes break down in terms of length of time empty. The 2,802 empty less than six months represents 28% of the total number of properties empty and 1.2% of the city's total private housing stock.

A further 3703 had been empty for less than two years and as a cumulative total, 75.3% have been empty for less than three years. Numbers continue to drop off steadily after three years. Numbers only rise again where properties empty for nine years or longer have been banded together. This figure includes cases where property ownership is unknown and difficult to establish.

Empty Property Numbers by Period Empty



Distribution of Privately Owned Properties Empty Longer than Six Months by District

Birmingham has a diverse housing market divided into ten districts. As the level of privately owned housing stock varies considerably between districts, it's useful to look at empty properties in individual districts as a percentage of their overall private housing stock.

At June 2018 the city wide average for private sector properties empty longer than six months was 3.1%. Five of the city's ten districts (Ladywood, Edgbaston, Northfield, Hall Green and Erdington) have an above average empty property rate. These five districts contain 45.2% of the city's private housing stock but account for 53.7% of its privately owned properties empty for longer than six months. At the local level community organisations can bring local intelligence and stewardship to provide place based solutions to bring empties into use and address local housing needs. There are numerous examples of how this has worked to provide a welcome alternative option for property owners and local authority empty homes officers to add value and reduce empties while bringing wider community benefits, stabilising neighbourhoods and engaging communities